

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: _____
 () Publish Date: _____
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):
 Title MEDICAID PRIORITIES WHEN FUNDS
INSUFFICIENT

BRU Medical Assistance
 Component Medicaid Services

Sponsor RULES
 Requester GOVERNOR

Component No. 2077

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: _____
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 Under current law, if insufficient funds are allocated to fully-fund the Medicaid program, the department is directed to eliminate optional Medicaid services based on a priority list that is woefully out-of-date. The existing list is not an effective management tool and, if used, would needlessly result in the denial of necessary and cost-effective services to Alaskans in need of health care.
 The proposed bill would replace this obsolescent language with broad general authority for the department to undertake cost containment based on three key principles.

Prepared by: Virginia Stonkus Phone 465-1166
 Division Medical Assistance Date/Time 03/03/2003
 Approved by: Joel S. Gilbertson, Commissioner Date 03/04/2003
 Agency Department of Health and Social Services

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ANALYSIS CONTINUATION

First, the department must pursue all other reasonable cost containment measures before eliminating any eligibility groups or services.

Second, the department should aggressively pursue strategies to maximize federal financial participation in the Medicaid program.

Third, cost containment decisions should be made in a manner that best reflect the needs and interests of eligible Medicaid recipients.

The imperative of slowing the growth of state funding for Medicaid while at the same time maintaining health care coverage for needy Alaskans is an issue that can no longer be avoided. Passage of this legislation will give the department some of the tools that it needs to meet this challenge.