

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

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

Revision Date/Time (Note if correction): \_\_\_\_\_  
 Title ESTABLISHING THE ALASKA SENIOR CARE PROGRAM  
 RDU Departmental Support Services  
 Component Commissioner's Office

Sponsor (RLS) BY REQUEST OF THE GOVERNOR  
 Requester GOVERNOR Component No. 317

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES (0)</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	8,689.0	17,377.9	18,064.5	18,826.7	19,659.1	20,579.2
1037 GF/Mental Health						
1189 Senior Care Fund	7,762.4					
Other(Specify Type-do not abbreviate)						
<b>TOTAL</b>	<b>16,451.4</b>	<b>17,377.9</b>	<b>18,064.5</b>	<b>18,826.7</b>	<b>19,659.1</b>	<b>20,579.2</b>

Estimate of any current year (FY2005) cost: \_\_\_\_\_  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

The bill authorizing the continuation of the SeniorCare program includes provision to establish a new Alaska senior care fund as an account in the general fund. Per proposed section 47.45.360 the fund would consist of 1) money in the former senior care fund established in sec. 2, ch. 2, SLA 2004; 2) appropriations to the Alaska senior care fund; and 3) any appropriation of interest earned on money in the Alaska senior care fund.

This fiscal note represents capitalization of the new Alaska senior care fund; expenditures are shown on associated fiscal notes for components that would be operating the program. See attachment A for summary of Alaska SeniorCare projected caseload and costs. (Continued on next page)

Prepared by: Janet Clarke, Assistant Commissioner Phone 465-1630  
 Division Finance and Management Services Date/Time 01/10/2004  
 Approved by: Joel S. Gilbertson, Commissioner Date 01/14/2005  
 Agency Department of Health and Social Services

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**ANALYSIS CONTINUATION**

The Alaska senior care fund would be capitalized with a General Fund deposit as well as deposit of the balance of the former senior care fund. The estimated balance of the former senior care fund will be approximately \$7,764.2 on January 1, 2006. This balance will be subject to actual claims and benefit payments under the existing SeniorCare program through December 31, 2005. The General Fund appropriation represents half of the FY07 projected expenditures for SeniorCare cash and drug benefits and the administrative costs to run the program.

It is anticipated that there will be an annual general fund capitalization deposit to the Alaska senior care fund that will be contained in the language section of the operating budget bill. Legislative approval of carryforward of the Alaska senior care fund annually (general fund sweep reversal) will be necessary to allow continuation of the Fund balance for use to pay benefits in the following year.

### Alaska SeniorCare Projected Caseloads & Costs

	FY 06 -- 3rd & 4th Qtr	FY 07	FY 08
<b>Caseload Projections</b>			
Alaska SeniorCare Below 135% of Poverty-Cash Benefit	7,000	7,000	7,000
Alaska SeniorCare Between 135% and 300% of Poverty-Drug Benefit	9,975	10,474	10,997
<b>Benefit Assumptions</b>			
Alaska SeniorCare Below 135% of Poverty-Cash Benefit	\$ 720	\$ 1,440	\$ 1,440
Alaska SeniorCare Between 135% and 300% of Poverty-Drug Benefit	\$ 320	\$ 640	\$ 672
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	FY 06 -- 3rd & 4th Qtr	FY 07	FY 08
<b>Budget Forecast</b>			
Alaska SeniorCare Below 135% of Poverty-Cash Benefit	\$ 5,040,000	\$ 10,080,000	\$ 10,080,000
Alaska SeniorCare Between 135% and 300% of Poverty-Drug Benefit	\$ 3,192,000	\$ 6,703,360	\$ 7,389,984
<b>Total Program Cost</b>	<b>\$ 8,232,000</b>	<b>\$ 16,783,360</b>	<b>\$ 17,469,984</b>
<b>Administrative Costs</b>			
Eligibility	\$ 454,500	\$ 450,100	\$ 450,100
Claims Processing	\$ 163,900	\$ 80,900	\$ 80,900
Information and Referral	\$ 59,000	\$ 63,500	\$ 63,500
<b>Total Administrative Costs</b>	<b>\$ 677,400</b>	<b>\$ 594,500</b>	<b>\$ 594,500</b>
<b>Combined Program and Administrative Costs</b>	<b>\$ 8,909,400</b>	<b>\$ 17,377,860</b>	<b>\$ 18,064,484</b>

Source: Fiscal notes for LL-90, as of 1/13/05