

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 RELATING TO LICENSING FUNCTIONS OF
THE DEPT. OF HEALTH AND SOCIAL
SERVICES

RDU Senior and Disabilities Svcs
 Component Senior/Disabilities Medicaid Svc

Sponsor (RLS) BY REQUEST OF THE
GOVERNOR

Requester _____ Component No. 2662

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	363.5	363.5	363.5	363.5	363.5	363.5
Miscellaneous						
TOTAL OPERATING	363.5	363.5	363.5	363.5	363.5	363.5

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

1002 Federal Receipts	209.3	209.3	209.3	209.3	209.3	209.3
1003 GF Match	154.2	154.2	154.2	154.2	154.2	154.2
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	363.5	363.5	363.5	363.5	363.5	363.5

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)

Conference Committee Substitute for SB 125 directs the department to adopt new regulations establishing a personal needs allowance for recipients residing in an assisted living facility equal to the monthly income level set in AS 47.07.02.(b)6 minus \$260.

The effect of the legislation is to reverse regulation changes effective on 6/28/04 and allows for higher room and board charges to those Medicaid waiver recipients who fall under the 300% of SSI eligibility category. The increased room and board charges will reduce the amount waiver recipients have available to offset Medicaid costs. Costs are estimated at 57.58% FMAP for federal participation. (Cont. on Page 2)

Prepared by: Sherry Hill, Special Assistant Phone 465-1618
 Division Office of the Commissioner Date/Time 05/09/2005
 Approved by: Joel S. Gilbertson, Commissioner Date 05/09/2005
 Agency Department of Health and Social Services

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ANALYSIS CONTINUATION

Below is an outline of the recent history of the department's Medicaid personal needs allowance policies for waiver recipients under the 300% of SSI eligibility category and the cost impact of the proposed legislation.

Prior to 6/28/04 Regulation Change:

- ⚡ Medicaid waiver recipients under the 300% of SSI eligibility category were allowed to keep \$1,656 as a personal needs allowance, which includes room and board.
- ⚡ Assisted living homes charged these residents up to \$1,556 for room and board.
- ⚡ Assisted living homes let residents retain at least \$100/month for other personal expenses.

After Regulation Change

- ⚡ Medicaid waiver recipients under the 300% category are allowed to keep \$679/month ($\$100 + \text{SSI payment standard, currently } \579) as a personal needs allowance, which includes room and board.
- ⚡ Assisted living homes charge individuals \$579 for room and board.
- ⚡ Assisted living homes let residents retain \$100 for other personal expenses.
- ⚡ Assisted living homes received an additional \$8.65/day, about \$260/month, in Medicaid payment for each resident.
- ⚡ Resident income in excess of personal needs allowance is used to offset Medicaid charges.

Reversing the Impact of the Regulation Change:

- ⚡ Medicaid waiver recipients under the 300% category are allowed to keep \$1,396/month as a personal needs allowance, which includes room and board ($\$1,656 - \$260 = \$1,396$).
- ⚡ Assisted living homes can charge individuals up to \$1,296/month for room and board.
- ⚡ Assisted living homes let residents retain at least \$100/month for other personal expenses.
- ⚡ Assisted living homes continue to receive an additional \$8.65/day, about \$260/month, in Medicaid payment for each resident.
- ⚡ Assisted living homes can collect up to \$1,556/month in room and board and Medicaid rate increase ($\$1,296 + 260 = \$1,556$).
- ⚡ Resident income in excess of personal needs allowance is used to offset Medicaid charges. (Cont. on page 3.)

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ANALYSIS CONTINUATION

Cost impact of the Reversing Change to 300%ers:

577 adults in assisted living homes on Medicaid waivers

30 percent are 300%ers

50 percent of 300%ers live in homes that have higher room and board charges for 300%ers than for APA recipients.

On average, Medicaid offset is reduced by \$350/month, or \$4,200/year, per resident.

Total Cost = $577 \times 30\% \times 50\% \times \$4,200 = \$363.5$ total funds

GF Cost = \$154.2 at 57.58% FMAP