

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: CSSB 87(HES)
 (S) Publish Date: 3/14/07
 Dept. Affected: Health & Social Services
 RDU: Health Care Services
 Component: Medical Assistance Admin.

Revision Date/Time (Note if correction):
 Title: MEDICAL ASSISTANCE ELIGIBILITY

Sponsor: WIELECHOWSKI
 Requester: SENATE (HES)

Component No. 242

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	49.0	282.3	282.3	282.3	282.3	282.3
Travel						
Contractual	106.6	135.2	135.2	135.2	135.2	135.2
Supplies	6.6	2.2				
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	162.2	419.7	417.5	417.5	417.5	417.5

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

1002 Federal Receipts	81.1	209.8	208.7	208.7	208.7	208.7
1003 GF Match	81.1	209.9	208.8	208.8	208.8	208.8
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	162.2	419.7	417.5	417.5	417.5	417.5

Estimate of any current year (FY2007) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	4	4	4	4	4	4
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB87 will increase recipient enrollment that in turn will cause an increase in associated appeals, by recipients and providers. The level of appeal activity is difficult to determine, but a minimum of 1 additional FTE position to process appeals would be required. Other volume related increases would be in prior authorizations and claims volume. These are not expected to cause an increase in payment to the fiscal agent under contract.

Premium collection activity would require a minimum of staffing increase, in our Accounting and Recovery section, of 3 FTE's.

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 Division: Health Care Services
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone 334-2461
 Date/Time 03/08/2007
 Date 03/09/2007

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ANALYSIS CONTINUATION

Analysis continued:

System enhancements to the MMIS will cost approximately \$100,000. These changes would accommodate the new Federal Poverty Level indicator and co-pay requirements and would be a one time cost in FY2008.

There will be increased referrals to the Department of Law for collections and appeals, this will result in approximately \$100,000 in the contractual line starting in FY2009.

Health Care Services caseload is going to increase by approximately 436 pregnant women and 1,700 cases (3,400 children).

We estimate two Accounting Technician I's, and a Medical Assistant Administrator I position will be needed to manage this additional work beginning in FY2008. In FY2009 a Medical Assistant Administrator II will be needed, most likely in our Practioner Relations section. The new extended Medicaid program increases complexity of the eligibility determination work and results in increased contact with applicants and enrollees.

Total Administrative Costs:

The increase in Medicaid applications and caseload creates the need for two Accounting Technician I, a Medical Assistant Administrator I, and a Medical Assistant Administrator II, all located in Anchorage. These annual costs are estimated to be:

- 2 Accounting Technician I's, \$121.0 (Range 12 at a cost of \$60.5, including benefits, per position).
- 1 Medical Assistant Administrator I, \$75.7 (Range 16 at a cost of \$75.7, including benefits, per position).
- 1 Medical Assistant Administrator II, \$85.6 (Range 18 at a cost of \$85.6, including benefits, per position).

It is assumed that one quarter year's personal services funding will be needed in FY08 to hire and train staff, the two Accounting Technician I's and the one Medical Assistant Administrator I in the Accounting and Recovery section, at the cost of \$49.0, in order to be able to accept applications and make eligibility determinations effective July 1, 2008. The Medical Assistant Administrator II will be filled in FY2009.

With the additional caseload, a one time supplies cost will be incurred in FY2008, for computers and software with a cost of \$2,200 for each additional staff for a total of \$6.6 for three staff hired in FY2008 and \$2.2 in FY2009 for the 4th new position. Annual costs for office space, phones and other contractual costs are calculated at a cost of \$8,800, per additional staff for a total of \$35.2 (prorated for 1/4 year in FY2008) .