

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 5
 Bill Version: CSSB 87(HES)
 (S) Publish Date: 3/14/07
 Dept. Affected: Health & Social Services
 RDU: Public Assistance
 Component: Public Assistance Field Svcs

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

Sponsor: WIELECHOWSKI
 Requester: SENATE (HES)

Component No. 236

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	117.5	469.9	469.9	469.9	469.9	469.9
Travel						
Contractual	14.4	57.4	57.4	57.4	57.4	57.4
Supplies	19.6	4.2	4.2	4.2	4.2	4.2
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	151.5	531.5	531.5	531.5	531.5	531.5

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

1002 Federal Receipts	71.2	249.5	249.5	249.5	249.5	249.5
1003 GF Match	64.1	223.5	223.5	223.5	223.5	223.5
1004 GF	14.3	51.7	51.7	51.7	51.7	51.7
1037 GF/Mental Health						
Inter-Agency Receipts	1.9	6.8	6.8	6.8	6.8	6.8
Other(Specify Type-do not abbreviate)						
TOTAL	151.5	531.5	531.5	531.5	531.5	531.5

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	7	7	7	7	7	7
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB 87 (section 2, AS 47.07.020(b)) resets the upper income limit for Denali KidCare (DKC) pregnant women and for uninsured children under the Title XXI State Children's Health Insurance Program (SCHIP) to 200% of the prevailing federal poverty guideline (FPG) for Alaska. Currently the qualifying income limit for these children and pregnant women is set in statute at 175% of the 2003 FPG (effectively, about 154% of the current FPG). Enrollees in these categories do not pay premiums or co-pays and are eligible for all mandatory and optional services provided through the state's Medicaid State Plan.

(continued)

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

Phone 465-5847
 Date/Time 03/08/2008
 Date 03/09/2007

**FISCAL NOTE
FN # 5**

**STATE OF ALASKA
2007 LEGISLATIVE SESSION**

ANALYSIS CONTINUATION

SB 87 also creates a new group of Medicaid eligible children in higher qualifying income categories (section 3, AS 47.07.022). To qualify, children must be under 19, between 201% and 350% of the prevailing FPG, and have no insurance. They will be required to pay premiums to the State of Alaska ranging between \$200 and \$1200 per year (sliding scale based on qualifying income). Those above 250% FPG will also be responsible for co-payments equal to 20% of the cost of service, payable to the provider at the time of service. SB 87 does not impose an annual deductible.

The Deficit Reduction Act (DRA) section 6041 stipulates that co-payments cannot exceed 20% of the cost of the service claimed. Annual out-of-pocket expenses for cost sharing and premiums cannot exceed 5% of family income.

This fiscal note represents the administrative costs for the eligibility determinations associated with expanding medical assistance coverage for pregnant women and children, and instituting cost sharing for certain recipients. The eligibility decision includes determining eligibility based on the household's size and monthly income at the time of application, acting on changes in a household's circumstances that are reported during the period of eligibility, and re-examining a household's eligibility every six months. This bill would also require staff to determine the amount of the household's premium payment, communicate the premium obligation to the Division of Health Care Services for collection, and confirm payment of the premium before Medicaid benefits are issued.

Assumptions for Denali Kid Care and Pregnant Women:

We assume that 436 additional pregnant women will enroll in Medicaid if the qualifying income limit is revised to 200% FPG, and 2,553 children will enroll in Medicaid if the SCHIP qualifying income level is increased to 200% FPG.

We estimate two Eligibility Technician I positions will be needed to manage this additional work. An Eligibility Technician I in our Denali Kid Care office can manage a workload of up to 1,000 cases per month, and some cases contain more than one child.

**FISCAL NOTE
FN # 5**

**STATE OF ALASKA
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ANALYSIS CONTINUATION

Assumptions for Extended Medicaid Coverage:

We assume 851 children will enroll at income levels between 201% and 250% FPG and an additional 1,702 children will enroll between 251% and 350% FPG. All 2,553 will be required to pay premiums and 1,702 will also be responsible for co-payments for services.

We estimate three Eligibility Technician I positions will be needed to manage this additional work. The new extended Medicaid program increases complexity of the eligibility determination work and results in increased contact with applicants and enrollees. We assume an Eligibility Technician I will only be able to manage a caseload up to 700 cases per month.

Total Administrative Costs:

The increase in Medicaid applications and caseload creates the need for an Administrative Support Clerk, and an Eligibility Technician IV Supervisor to oversee the work of the five new Eligibility Technicians specified above. These annual costs are estimated to be:

- 1 Administrative Clerk II \$52.5 (Range 8 at a cost of \$52.5, including benefits, per position).
- 5 Eligibility Technician I \$336.0 (Range 14 at a cost of \$67.2, including benefits, per position).
- 1 Eligibility Technician IV \$81.4 (Range 16 at a cost of \$81.4, including benefits, per position).

With the additional caseload, a one time cost for computers and software will be required with a cost of \$2,200 for each additional staff for a total of \$15.4. Annual costs for office space, phones and supplies are calculated at a cost of \$8,800 per additional staff for a total of \$61.6.

It is assumed that one quarter year's funding will be needed in FY08 to hire and train staff in order to be able to accept applications and make eligibility determinations effective July 1, 2008.

For the personal services allocations of this fiscal note, the fund source calculations are derived by using standard Random Moment Time Study averages for existing eligibility workers.