

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSSB 160(L&C)
 (S) Publish Date: 3/14/08
 Dept. Affected: Health & Social Services
 RDU: Public Assistance
 Component: Public Assistance Field Svcs

ID(File name) SB160CS(HES)-DHSS-PAFS-02-23-08
 Title MANDATORY UNIVERSAL HEALTH CARE
 Sponsor FRENCH
 Requester SENATE (L&C)

Component No. 236

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	1,162.4		1,549.8	1,549.8	1,549.8	1,549.8	1,549.8	1,549.8
Travel	34.5		34.5	34.5	34.5	34.5	34.5	34.5
Contractual	138.0		161.0	161.0	161.0	161.0	161.0	161.0
Supplies	174.8		18.4	18.4	18.4	18.4	18.4	18.4
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	1,509.7	0.0	1,763.7	1,763.7	1,763.7	1,763.7	1,763.7	1,763.7
CAPITAL EXPENDITURES								
CHANGE IN REVENUES (0)								

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	754.9		881.9	881.9	881.9	881.9	881.9
1003 GF Match	754.8		881.8	881.8	881.8	881.8	881.8
1004 GF							
1037 GF/Mental Health							
Other(Specify Type-do not abbreviate)							
Other(Specify Type-do not abbreviate)							
TOTAL	1,509.7	0.0	1,763.7	1,763.7	1,763.7	1,763.7	1,763.7

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time	23		23	23	23	23	23
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

The purpose of this bill is for all Alaskans to have access to essential health care services. It requires all residents to have health insurance and creates the Alaska health care program, which is administered by the Division of Insurance.

The bill is expected to increase enrollment in Medicaid, which will increase costs. The Division of Public Assistance accepts applications and determines whether a person meets program criteria and financially qualifies for the Medicaid program. This fiscal note reflects the additional administrative costs needed to support the increased workload as a result of more people applying for Medicaid.

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

Phone 465-2680
 Date/Time 02/22/2008
 Date 02/23/2008

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ANALYSIS CONTINUATION

Administrative Cost Assumptions:

CS SB 160 (HES) has a January 1, 2009 effective date.

The department anticipates receiving a significant increase of people applying for Medicaid, since enrollment in Medicaid is one of the criteria that makes a person ineligible for health care coverage under the new program.

In FY 09, the department anticipates receiving 14,000 Medicaid applications from persons who do not currently receive Medicaid.

Additional staff will be needed to manage the increased application volume and workload. Funding for additional staff will include a three month start up period to accommodate hiring and training for Medicaid, one of the division's more complex programs.

Fourteen Eligibility Technician II's are needed to make the initial and ongoing determinations of eligibility; two Eligibility Technician III Lead Workers and one Eligibility Technician IV are needed for supervisory and management support; and four administrative support staff are needed to manage the increased workload as a result of more people applying for assistance. These positions provide customer service, communicate with applicants, and verify applicant information..

The increased volume of applications is anticipated to result in increased denials of eligibility and fair hearing requests. Hearing requests usually result when applicants do not receive an affirmative decision on their application. This increased demand will result in the need for one additional Public Assistance Analyst to serve as a hearing representative and support the fair hearing function.

Additionally, interaction with another department will also increase complexity of referrals and processing of applications. A Project Coordinator is necessary to establish and maintain service coordination and collaboration with the Alaska Health Care Program, and to facilitate consumer education, etc.

This is essentially a new service population with which the division has little experience and it is difficult to assess the full impacts of this legislation. Costs associated with this new program will need to be reevaluated as the program ages.
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ANALYSIS CONTINUATION

FY 09 Administrative Costs (for 9 months): \$1,509.7

Personal Services: \$1,162.4 (salary and benefits for 23 new positions)

Travel: \$34.5

Contractual: \$138.0 (annual cost for information technology, telecommunication, office space, phones)

Supplies: \$174.8

- Training materials and office supplies: \$13.8

- Desktop computers, printers, and workstations for new positions (one-time cost for FY 09): \$161.0

FY 10 – FY 14 Administrative Costs: \$1,763.7 per year

Personal Services: \$1,549.8 (salary and benefits for 23 new positions)

Travel: \$34.5

Contractual: \$161.0 (annual cost for information technology, telecommunication, office space, phones)

Supplies: \$18.4 (program materials and office supplies)