

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: CSSB 160(L&C)
 (S) Publish Dat: 3/14/08
 Dept. Affected: Health & Social Services
 RDU: Behavioral Health
 Component: Behavioral Hlth Medicaid Svcs

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

Component No. 2660

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							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	3,000.0		6,000.0	6,000.0	6,000.0	6,000.0	6,000.0
Miscellaneous							
TOTAL OPERATING	3,000.0	0.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (0)							

(Thousands of Dollars)

1002 Federal Receipts	1,740.0		3,480.0	3,480.0	3,480.0	3,480.0	3,480.0
1003 GF Match	1,260.0		2,520.0	2,520.0	2,520.0	2,520.0	2,520.0
1004 GF							
1037 GF/Mental Health							
Other(Specify Type-do not abbreviate)							
Other(Specify Type-do not abbreviate)							
TOTAL	3,000.0	0.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
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.

This bill is expected to increase enrollment in Medicaid, which will increase costs. This fiscal note reflects the portion of additional costs to the Medicaid program for behavioral health services.

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

Phone 334-2520
 Date/Time 02/21/2008
 Date 02/23/2008

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ANALYSIS CONTINUATION
ASSUMPTIONS

Enrollment

*Participation is required for every resident who is not enrolled in a public medical assistance program (e.g. Medicaid, Medicare) or a private insurance program that provides essential health care services.

*There are an estimated 109,500 uninsured persons in Alaska (children = 17,200, adults = 91,500 and elderly = 800) who would be required to take up coverage. About 20% of the uninsured are Native who have coverage under Indian Health Services.

*Of the 109,500 uninsured persons, **an estimated 10,000 persons, mostly children below 175% of poverty, could be enrolled in Medicaid/SCHIP** without changes to the current eligibility guidelines. This includes the IHS eligible Native population who we assume would enroll in Medicaid as a result of outreach/advertising for the AK Health Care program.

*Options could be explored to expand Medicaid eligibility to maximize federal funding but it would be a lengthy process and as such are not included in this analysis.

Expenditures

*Once deemed eligible, a Medicaid enrollee is entitled to all Medicaid services, and is not limited to only those "essential health care services" listed in the bill.

*The average cost for Medicaid benefits for children is **\$3,000 per person per year** (based on analysis of Medicaid claim payments for non-disabled). Most children who need long term are expected to have already applied for Medicaid.

*The total cost for benefits (all Medicaid components) is \$30 million per year (10,000 persons x \$3,000).

*About **20% of the total Medicaid costs** are for services managed by the Behavioral Health Medicaid Services component. Services include acute psychiatric hospital, residential psychiatric treatment centers and outpatient mental health services.

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ANALYSIS CONTINUATION

Fund Source

*The federal government reimburses the state approximately 50% of the cost for most Medicaid claims. Some claims get an enhanced match rate (e.g. Indian Health Services is 100% federal).

*The fund source is based on the weighted average federal revenue from SFY 2008, which for Behavioral Health Medicaid Services was **58% federal** funds.

*State matching funds for Medicaid are GF/M and do not come from the AK Health Care Fund.