

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 280(HES)
 (S) Publish Dat: 3/27/08
 Dept. Affected: Health & Social Services
 RDU: Health Care Services
 Component: Medicaid Services

ID(File name) SB280-DHSS-MS-03-06-08
 Title: MEDICAID/INSURANCE FOR CANCER CLINICAL TRIALS
 Sponsor: DAVIS
 Requester: SENATE HES

Component No. 2077

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		25.0		50.0	50.0	50.0	50.0	50.0
Miscellaneous								
TOTAL OPERATING		25.0	0.0	50.0	50.0	50.0	50.0	50.0

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

1002 Federal Receipts	12.5		25.0	25.0	25.0	25.0	25.0	25.0
1003 GF Match	12.5		25.0	25.0	25.0	25.0	25.0	25.0
1004 GF								
1037 GF/Mental Health								
Other(Specify Type-do not abbreviate)								
Other(Specify Type-do not abbreviate)								
TOTAL	25.0	0.0	50.0	50.0	50.0	50.0	50.0	50.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

SB 280 amends the Medicaid statute (AS 47.07.030) to add a new subsection (e) that requires the program to pay for Medicaid covered services for Medicaid recipients even when provided as part of an approved clinical trial related to cancer. Currently, the Medicaid program does not cover clinical trials.

The bill would be effective on January 1, 2009. It is expected to result in a small increase in Medicaid expenditures.

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

Phone 334-2520
 Date/Time 03/03/2008
 Date 03/06/2008

ANALYSIS CONTINUATION

ASSUMPTIONS:

Only 2 to 3 percent of eligible adult patients enroll in clinical trials. There is a 6.5% increase in costs for clinical trial participants compared to nonparticipants. (Source: National Conference of State Legislatures, www.ncsl.org/programs/health/clinicaltrials.htm, accessed 2/27/2008.)

Because Alaska does not have any in-state facilities that conduct cancer trials, all participants will have to travel out of state, increasing the cost of non-emergency transportation. Non-emergency transportation is about 3% of total Medicaid costs.

In SFY 2007, approximately 4,600 persons received cancer treatments through Alaska's Medicaid program at a cost of \$21.5 million. The average payment per beneficiary was approximately \$4,675.

The federal government will reimburse the state 50 percent of the total cost.

ESTIMATE:

Based on a 2.5% participation rate, about 115 persons are expected to participate in clinical trials annually.

A 6.5% increase in treatment costs for 115 persons would add \$35.0 per year to Medicaid for cancer treatments.

Non-emergency transportation costs for 115 persons are estimated to add \$15.0 per year.

The total additional cost to Medicaid to cover cancer clinical trials for 115 persons is \$50.0 per year (\$25.0 Federal/\$25.0 GF/M).