

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 328(HSS)
 (H) Publish Date: 3/19/10

Identifier (file name): HB328-DHSS-SDMS-03-15-10 Dept. Affected: Health & Social Services
 Title Traumatic Brain Injury: Program/ Medicaid RDU Senior and Disability Services
 Component Senior and Disability Medicaid Services
 Sponsor Johnson
 Requester House HSS Component Number 2662

Expenditures/Revenue (Thousands of Dollars)

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

	Appropriation Required		Information				
	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURE							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	1,272.0		1,221.0	1,230.0	1,239.0	1,248.0	1,257.0
Miscellaneous							
TOTAL OPERATING	1,272.0	0.0	1,221.0	1,230.0	1,239.0	1,248.0	1,257.0

CAPITAL EXPENDITURE							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	777.4		610.5	615.0	619.5	624.0	628.5
1003 GF Match	494.6		610.5	615.0	619.5	624.0	628.5
1004 GF							
1005 GF/Program Receipt							
1037 GF/Mental Health							
Other Interagency Receipt							
TOTAL	1,272.0	0.0	1,221.0	1,230.0	1,239.0	1,248.0	1,257.0

Estimate of any current year (FY2010) change: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

HB 328 requires the Department of Health & Social Services (DHSS) to establish a traumatic or acquired brain injury (TABI) program and to provide Medicaid coverage for TBI services.

Section 2 amends the Medicaid statutes to include case management services for individuals with TABI to the list of optional Medicaid services. The provision adding TABI case management services to Alaska's optional Medicaid services has the potential to increase Medicaid utilization. This would necessitate an amendment to the state Medicaid Plan.

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Prepared by: William J. Streur, Deputy Commissioner
 Division Health Care Services

Phone 269-7827
 Date/Time 3/15/10 4:25 PM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services

Date 3/15/2010

ANALYSIS CONTINUATION

Assumptions:

The Alaska Brain Injury network estimates approximately 1,300 new hospital discharges per year due to TABI. The department estimates approximately 20% of new TABI discharges would be on Medicaid, which is the same prevalence of Medicaid enrollees in the general population. Also the number of new TABI cases is expected to grow with the population at 1% per year.

$$1,300 * 0.20 = 260 \text{ new cases in FY11}$$

$$260 * 1.01 = 262.6, \text{ rounded to } 263 \text{ new cases in FY12, and so on}$$

Case management services, based on an examination of similar services covered by Medicaid, is estimated to cost \$250/month for new TABI cases.

$$\text{New Case Cost for FY12: } 263 * (12 * 250) = 789,000$$

In addition, there were approximately 9,200 hospital discharges due to TABI from 2001-2007 and it is estimated that 30% of these discharged individuals are still living with TABI related effects. It is estimated that 30% of people living with disabilities or effects from past TABI (existing cases) are currently on Medicaid. This estimate is somewhat higher than the general population due to a higher prevalence of disability, unemployment and lower income in this group.

$$9,200 \text{ past discharges} * 0.30 \text{ living with effects from TABI} = 2,760$$

$$2,760 * 0.30 \text{ on Medicaid} = 828 \text{ existing TABI cases}$$

It is expected that approximately half of those cases would continue services. For existing cases - Medicaid currently has about 100 persons on waiver due to TABI (see below).

$$828 - 100 \text{ on waiver} = 728$$

This would mean approximately 360 existing cases using case management services in FY11. Although it is anticipated that in the first year there would be a higher demand for services that in following years meaning an additional 50 cases in FY11. Future years the demand would level at about 360 continuing cases each year.

It is estimated that these existing cases would use services, but at a lower level than new cases, so \$100/month for 12 months.

$$\text{Continuing Case Cost for FY12: } 360 * (12 * 100) = 432,000$$

$$\text{Total FY12 Case Management Costs Estimate: } 432,000 + 789,000 = 1,221,000$$

For 2011, Title XIX services are expected be reimbursed at 61.12%, in further years, the federal reimbursement rate is estimated at 50%.

The department will also be required to either develop a new TBI Medicaid waiver or modify an existing waiver to accommodate the needs of TABI survivors. Federal regulations require that in order for individuals to be eligible for home- and community-based waivers, they must meet the state's criteria as needing an institutional level of care. Currently, those individuals with TABI who meet this level of care are already being served under the current waiver program. As of February 1, 2010 that number is 102 individuals. An increase in the cost of waiver service is not expected with this bill.