

# FISCAL NOTE

**STATE OF ALASKA**  
**2009 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
 Bill Version: CSSB 61(HSS)  
 (S) Publish Date: 3/16/09

Identifier (file name): SB061-DHSS-PAFS-02-28-09 Dept. Affected: Health & Social Services  
 Title Mandatory Universal Health Insurance RDU Public Assistance  
 Component Public Assistance Field Services  
 Sponsor French  
 Requester Senate HSS Component Number 236

**Expenditures/Revenues** (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>OPERATING EXPENDITURES</b>								
Personal Services	1,234.7		1,646.3	1,646.3	1,646.3	1,646.3	1,646.3	1,646.3
Travel	10.0		10.0	10.0	10.0	10.0	10.0	10.0
Contractual	255.3		340.4	340.4	340.4	340.4	340.4	340.4
Supplies	35.6		47.5	47.5	47.5	47.5	47.5	47.5
Equipment	250.0							
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>1,785.6</b>	<b>0.0</b>	<b>2,044.2</b>	<b>2,044.2</b>	<b>2,044.2</b>	<b>2,044.2</b>	<b>2,044.2</b>	<b>2,044.2</b>

<b>CAPITAL EXPENDITURES</b>								
-----------------------------	--	--	--	--	--	--	--	--

<b>CHANGE IN REVENUES (</b>								
-----------------------------	--	--	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	892.8		1,022.1	1,022.1	1,022.1	1,022.1	1,022.1
1003 GF Match	892.8		1,022.1	1,022.1	1,022.1	1,022.1	1,022.1
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>1,785.6</b>		<b>2,044.2</b>	<b>2,044.2</b>	<b>2,044.2</b>	<b>2,044.2</b>	<b>2,044.2</b>

Estimate of any current year (FY2009) cost: \_\_\_\_\_

**POSITIONS**

Full-time	23.0		23.0	23.0	23.0	23.0	23.0
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, since enrollment in Medicaid is one of the criteria that makes a person ineligible for health care coverage under the new program. 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.

(continued on page 2)

Prepared by: Ellie Fitzjarrald, Director Phone (907) 465-5847  
 Division Public Assistance Date/Time 2/27/09 12:00 AM  
 Approved by: Alison Elgee, Assistant Commissioner Date 2/28/2009  
DHSS Finance & Management Services

## FISCAL NOTE # 2

STATE OF ALASKA  
2009 LEGISLATIVE SESSION

BILL NO. CSSB 61(HSS)

### ANALYSIS CONTINUATION

SB 61 has a January 1, 2010 effective date.

#### **Assumptions:**

In FY2010, the department anticipates receiving 14,000 Medicaid applications from persons who do not currently receive Medicaid, and that 10,000 will qualify and be enrolled. Additional staff will be needed to manage the increased application volume and workload. The Division of Public Assistance assumes that funding for additional staff in FY 2010 will include a three month start-up period beginning October 2009 to accommodate hiring and training of new staff.

Fourteen Eligibility Technicians are needed to make decisions on applications and act on changes in household income or other factors affecting a household's eligibility; two Lead Eligibility Technicians are needed to perform quality assurance, training on program rules, and other lead worker duties; one Eligibility Supervisor is needed to oversee and manage the work of the new staff; and four administrative support staff are needed to provide customer service, manage phone lines, and perform clerical support.

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 Program Coordinator is necessary to establish and maintain service coordination and collaboration with the Alaska Health Care Program, and to facilitate consumer education, etc.

#### **FY 2010 Administrative Costs (for 9 months): \$1,785.6**

Personal Services: \$1,234.7 (salary and benefits for 23 new positions)

Travel: \$10.0 (for training)

Contractual: \$255.3 (for 9 month's cost for information technology, telecommunication, office space, phones)

Supplies: \$35.6 (program materials and general office supplies)

Equipment: \$250.0 (One-time cost for desktop computers, printers, and workstations, and other office equipment)

#### **FY 2011 – FY 2015 Annual Administrative Costs: \$2,044.2**

Personal Services: \$1,646.3 (salary and benefits for 23 new positions)

Travel: \$10.0 (for training)

Contractual: \$340.4 (annual cost for information technology, telecommunication, office space, phones)

Supplies: \$47.5 (program materials and general office supplies)