

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

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

Identifier (file name): SB061-DHSS-BHMS-02-28-09 Dept. Affected: Health & Social Services
 Title: Mandatory Universal Health Insurance RDU: Behavioral Health
 Component: Behavioral Health Medicaid Services
 Sponsor: French
 Requester: Senate HSS Component Number: 2660

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
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	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	6,000.0

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

1002 Federal Receipts	1,830.0		3,660.0	3,660.0	3,660.0	3,660.0	3,660.0
1003 GF Match	1,170.0		2,340.0	2,340.0	2,340.0	2,340.0	2,340.0
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
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 (FY2009) cost: 0.0

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. The effective date for coverage is January 1, 2010.

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.

continued on page 2

Prepared by: William J. Streur, Deputy Commissioner Phone 907-269-7827
 Division: Health Care Services Date/Time: 1/27/09 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner Date: 2/28/2009
DHSS Finance & Management Services

FISCAL NOTE #3

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. CSSB 61(HSS)

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. About 20% of the uninsured are Native who have coverage under Indian Health Services. Most children who need long term care are expected to have already applied for Medicaid.

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. 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 eligible Native population who we assume would enroll in Medicaid as a result of outreach/advertising for the AK Health Care program.

Cost of Benefits

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 all Medicaid benefits for children is **\$3,000 per person per year** (based on analysis of Medicaid claim payments for non-disabled children). The total additional cost for benefits (all Medicaid components) is \$30 million per year (10,000 persons x \$3,000).

This component is allocated about 20% of the total Medicaid costs. Behavioral Health Medicaid Services include acute psychiatric hospital, residential psychiatric treatment centers and outpatient mental health services.

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 projected weighted average federal revenue for Behavioral Health Medicaid Services of **61% federal funds**. State matching funds for Medicaid are GF/M and do not come from the AK Health Care Fund.