

# FISCAL NOTE

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

Fiscal Note Number: 2  
 Bill Version: SB 87  
 (S) Publish Date: 2/11/09

Identifier (file name): SB087-DHSS-MAA-02-06-09 Dept. Affected: Health & Social Services  
 Title Medical Assistance Eligibility RDU Health Care Services  
 Component Medical Assistance Administration  
 Sponsor Wielechowski  
 Requester Senate HSS Component Number 242

**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	83.0			332.0	332.0	332.0	332.0	332.0
Travel								
Contractual	159.4			162.6	162.6	162.6	162.6	162.6
Supplies	7.8			2.6				
Equipment	7.5			2.5				
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>257.7</b>	<b>0.0</b>	<b>499.7</b>	<b>494.6</b>	<b>494.6</b>	<b>494.6</b>	<b>494.6</b>	<b>494.6</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES (</b>								
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	128.9		249.9	247.3	247.3	247.3	247.3
1003 GF Match	128.8		249.8	247.3	247.3	247.3	247.3
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>257.7</b>	<b>0.0</b>	<b>499.7</b>	<b>494.6</b>	<b>494.6</b>	<b>494.6</b>	<b>494.6</b>

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

**POSITIONS**

Full-time	3.0		4	4	4	4	4
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

This bill raises the income level for existing categories of pregnant women and children under Denali Kidcare to 200% of federal poverty levels (FPL) and creates a new category of eligibility for children between 200% and 300% of FPL subject to premiums and copays.

The Division of Health Care Services estimates that it will need a total of 4 FTE's to collect and manage the premium collection and co-pay activities required by SB087.

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Prepared by: William Streur, Deputy Commissioner Phone 334-2520  
 Division Health Care Services Date/Time \_\_\_\_\_

Approved by: Alison Elgee, Assistant Commissioner Date 2/6/2009  
DHSS Finance Management Services

## FISCAL NOTE # 2

STATE OF ALASKA  
2009 LEGISLATIVE SESSION

BILL NO. SB 87

### ANALYSIS CONTINUATION

System enhancements to the MMIS will cost approximately \$150,000. These changes would accommodate the new Federal Poverty Level indicator and co-pay requirements and would be a one time cost in FY2010.

There will be increased referrals to the Department of Law for collections and appeals, this will result in approximately \$125,000 in the contractual line starting in FY2011.

The Division of Health care Services anticipates the the following caseload increase from the passage of SB087:

For 176%-200% FPG (no cost-sharing): 1,277 kids and 218 pregnant women.

For premiums at 201%-300% FPG and co-payments at 251%-300% FPG: 851 kids at 201%-250% FPG and 851 kids from 251%-300% FPG

Total SB87 coverage: 3,197

We estimate two Accounting Technician I's, and a Medical Assistant Administrator I position will be needed to manage this additional work beginning in FY2010. In FY2011 a Medical Assistant Administrator II will be needed. The new extended Medicaid program increases complexity of the eligibility determination work and results in increased contact with applicants and enrollees.

#### **Total Administrative Costs:**

The increase in Medicaid applications and caseload creates the need for two Accounting Technician I, a Medical Assistant Administrator I, and a Medical Assistant Administrator II, all located in Anchorage. These annual costs are estimated to be:

2 Accounting Technician I's, \$142.0 (Range 12 at a cost of \$71.0, including benefits, per position).

1 Medical Assistant Administrator I, \$89.0 (Range 16 at a cost of \$89.0, including benefits, per position).

1 Medical Assistant Administrator II, \$101.0 (Range 18 at a cost of \$101.0, including benefits, per position).

It is assumed that one quarter year's personal services funding will be needed in FY10 to hire and train staff, the two Accounting Technician I's and the one Medical Assistant Administrator I in the Accounting and Recovery section, at the cost of \$100.2, in order to be able to accept applications and make eligibility determinations effective July 1, 2010. The Medical Assistant Administrator II will be filled in FY2011.

With the additional caseload, a one time supplies cost will be incurred in FY2010, for computers and software with a cost of \$2.6 for each additional staff for a total of \$7.8 for three staff hired in FY2010 and \$2.6 in FY2011 for the 4th new position. Annual costs for office space, phones and other contractual costs are calculated at a cost of \$9.4, per additional staff for a total of \$37.6 (prorated for 1/4 year in FY2010).

One time costs for office furniture (chairs, cubicle partitions, and cubical furniture) for three positions in FY2010 is estimated at \$2.5 per person for a total of \$7.5. In FY2011 furniture costs is estimated at \$2.5.