

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: SB 87
 (S) Publish Date: 2/11/09

Identifier (file name): SB087-DHSS-PAFS-02-06-09 Dept. Affected: Health & Social Services
 Title Medical Assistance Eligibility RDU Public Assistance
 Component Public Assistance Field Services
 Sponsor Wielechowski
 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
OPERATING EXPENDITURES								
Personal Services	237.0			948.1	948.1	948.1	948.1	948.1
Travel	3.8			15.0	15.0	15.0	15.0	15.0
Contractual	298.1			192.4	192.4	192.4	192.4	192.4
Supplies	3.0			23.5	23.5	23.5	23.5	23.5
Equipment	150.0							
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	691.9	0.0	1,179.0	1,179.0	1,179.0	1,179.0	1,179.0	1,179.0

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

1002 Federal Receipts	345.9		589.5	589.5	589.5	589.5	589.5
1003 GF Match	346.0		589.5	589.5	589.5	589.5	589.5
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	691.9	0.0	1,179.0	1,179.0	1,179.0	1,179.0	1,179.0

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time	13.0		13.0	13.0	13.0	13.0	13.0
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation increases the income standards for covering children and pregnant women under Denali KidCare to 200% of the federal poverty level (FPL), up from 175%.

This legislation also provides new Medicaid coverage for children in higher income categories. To qualify, children must be under age 19, have no insurance coverage, and their family income must be between 200% and 300% of the FPL. Families will be required to pay premiums to the State of Alaska ranging between \$240 and \$1,200 per year per child. Families with income above 250% of the FPL will also be responsible for co-payments equal to 20% of the cost of their children's medical service, payable to the provider at the time of service.

(continued on next page)

Prepared by: Ellie Fitzjarrald Phone (907) 465-5847
 Division Public Assistance Date/Time 2/4/09 12:00 AM
 Approved by: Alison Elgee, Assistant Commissioner Date 2/6/2009
DHSS Finance Management Services

FISCAL NOTE # 4

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BILL NO. SB 87

ANALYSIS CONTINUATION

Assumptions:

This fiscal note represents the administrative costs for managing the increase in applications, customer service, and eligibility determinations associated with expanding medical assistance coverage for pregnant women and children up to 200% of poverty, and instituting a new program for higher income groups that includes cost sharing. In addition to determining eligibility based on income and household size, division staff will be required to calculate the amount of the household's premium obligation, make adjustments to premium payments when household income changes, inform households and the Division of Health Care Services of the amount to be collected, confirm payment of the premium before Medicaid benefits are issued and suspend eligibility when premiums are not collected. The casework complexity involved with this Medicaid expansion creates the need for additional eligibility staff and administrative support. Lead staff will be needed to provide outreach to medical providers and community service providers and the public to explain the program, initially and ongoing. An analyst is needed for the development of policy and processes and the creation of systems and supports for expanded medical coverage .

We estimate 13 positions will be needed to support this Medicaid program expansion:

- 2 Administrative Support Staff to provide customer service, manage phone lines, and clerical support ;
- 5 Eligibility Technicians to make decisions on applications and calculate premiums;
- 4 Lead Eligibility Technicians to perform statewide outreach, quality assurance, training on program rules, and other lead worker duties;
- 1 Eligibility Supervisor to oversee and manage the work of the new staff ; and
- 1 Public Assistance Analyst for the development and management of the program policy and procedures and creation of systems and supports for the expanded coverage.

Modifications to DPA's Eligibility Information System (EIS) will also be necessary to facilitate the exchange of information between the Division of Public Assistance and the Division of Health Care Services regarding the calculation and payment of premiums .

FY 11- FY15 Total Annual Administrative Costs: \$1,179.0

Personal Services: 13 staff at an annual cost of \$948.1 (includes salary and benefits)

Travel: \$15.0 for statewide outreach activities.

Contractual: \$192.4 annual cost for phones/lease (\$14.8 x 13 staff)=\$192.4.

Supplies: \$23.5 which includes \$12.0 for Denali KidCare identification cards, renewal forms, and notices; \$5.0 for outreach materials; and \$6.5 for office supplies (\$0.5 x 13 staff = \$6.5).

FY10 Start-Up Costs: \$691.9

Personal Services: \$237.0 One quarter year's funding will be needed in FY10 to hire and train staff in order to be able to accept applications and make eligibility determinations effective July 1, 2010.

Travel: \$3.8 to start community , public, and provider awareness about the new program.

Equipment: \$150.0 for one time purchases which include a multi-function printer and personal computers, software, and workstations, and associated costs for 13 staff (\$20.0 plus \$10.0 x 13 = \$150.0).

Contractual: \$298.1 which includes \$250.0 for modifications to DPA's Eligibility Information System (EIS) and \$48.1 for phones and space to locate the additional staff.

Supplies: \$3.0 for printing applications, outreach materials and office supplies.