

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 133(HSS)
 (S) Publish Date: 3/30/09

Identifier (file name): SB 133-DHSS-MAA-03-13-09 Dept. Affected: Health & Social Services
 Title Electronic Health Info Exchange System RDU Health Care Services
 Component Medical Assistance Administration
 Sponsor Paskvan, Davis
 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	557.6		557.6	557.6	557.6	557.6	557.6	557.6
Travel	10.0		10.0	3.0	3.0	3.0	3.0	
Contractual	56.4		56.4	3,356.4	3,356.4	3,356.4	3,356.4	
Supplies	15.6		12.0	12.0	12.0	12.0	12.0	
Equipment	30.0							
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	669.6	0.0	636.0	3,929.0	3,929.0	3,929.0	3,929.0	

CAPITAL EXPENDITURES	27,275.0						
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CHANGE IN REVENUES (
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	25,150.1		572.4	2,135.0	2,135.0	2,135.0	2,135.0
1003 GF Match	2,794.5		63.6	1,794.0	1,794.0	1,794.0	1,794.0
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	27,944.6	0.0	636.0	3,929.0	3,929.0	3,929.0	3,929.0

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time	6.0		6.0	6.0	6.0	6.0	6.0
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

SB 133 proposes to create a secure statewide electronic health information exchange system. It would mandate the department to create the system by 1) infrastructure planning that includes the designation of a qualified nonprofit entity in the state that has an advisory body made up of health system stakeholders; 2) implementing measures that include installation and training, a plan to encourage use of the system, support to providers, and compliance with federal and state health information policies.

Since this is a large and complex task to complete, the department has chosen to pursue funding in both the operating and capital budgets. The department believes that this approach enhances the overall success of the project.

Prepared by: William J. Streur, Deputy Commissioner Phone 334-2520
 Division Health Care Services Date/Time 3/13/09 12:00 AM
 Approved by: Alison Elgee, Assistant Commissioner Date 3/13/2009
DHSS Finance & Management Services

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ANALYSIS CONTINUATION

The Division of Health Care Services estimates that it will need a total of 6 FTE's for the planning, infrastructure development, installation, and administration of the electronic health information exchange system.

Operating Budget :

Administrative costs

1 Project Manager, \$150.0, 1 Micro Network Specialist II, \$95.0, 1 Research Analyst II, \$72.9, 1 Medical Assistance Administrator III, \$92.4, 1 Accountant III \$82.2, 1 Accounting Technician II, \$65.0. All personal services costs include benefits. Assumes \$9.4 per FTE annually for office space, phones, and other contractual costs. Assumes \$2.6 one time costs per FTE for computers and software. Assumes \$5.0 one time costs per FTE for Office equipment. Assumes \$2.0 per FTE annually for supplies. Assumes \$10.0 for travel for first 2 years and \$3.0 for remaining years.

Maintenance

Assumes \$3,000.0 per year for hosted service maintenance costs beginning in FY2012.

Assumes \$300,000 annual maintenance costs for broadband support beginning in FY2012.

Capital Budget:

Planning

Assumes approximately \$1,500.0 will be needed for infrastructure planning, Statewide Technical planning, policy and standard planning, training and workforce development planning, and health information policy compliance.

Implementation

Assumes \$13,000.0 one time costs will be needed for contractual services to upgrade broadband support statewide for the electronic health information exchange system to be interactive, responsive, and less subject to frequent breakdowns especially in rural parts of the state. Assumes \$7,000.0 one time costs will be needed for hardware and software updates for the system. Assumes \$5,775.0 one time costs will be needed for Health Electronic Records repository, patient and provider portals.

Fund Source

Assumes 90% federal for FY2010 and FY2011

Assumes 54.34% federal for 2012 and beyond