

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 139(HSS)
 (S) Publish Date: 4/7/09

Identifier (file name): SB139-DHSS-MAA-03-23-09 Dept. Affected: Health & Social Services
 Title Incentives for Certain Medical Providers RDU Health Care Services
 Component Medical Assistance Administration
 Sponsor Olson, Wielechowski, Meyer, 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 2011	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES								
Personal Services	181.4		181.4		181.4	181.4	181.4	181.4
Travel	9.0		9.0		9.0	9.0	9.0	9.0
Contractual	2,478.4		4,818.4		7,193.4	7,193.4	7,193.4	7,193.4
Supplies	4.0		4.0		4.0	4.0	4.0	4.0
Equipment	15.2							
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	2,688.0	0.0	5,012.8		7,387.8	7,387.8	7,387.8	7,387.8

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

1002 Federal Receipts								
1003 GF Match	1,781.2		3,562.4		5,343.8	5,343.8	5,343.8	5,343.8
1004 GF	313.0		262.8		262.8	262.8	262.8	262.8
1005 GF/Program Receipts	593.8		1,187.6		1,781.2	1,781.2	1,781.2	1,781.2
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	2,688.0	0.0	5,012.8		7,387.8	7,387.8	7,387.8	7,387.8

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time	2		2		2		2	
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

SB 139 creates a loan repayment program for identified health professional occupations and provides for cash incentives for eligible health professionals engaged in qualified employment. The intent of the legislation is to "address the worsening shortage of certain health care professionals in the state by increasing the number and improving the distribution of health care professionals who provide direct patient care."

(continued on next page)

Prepared by: William J. Streur, Deputy Commissioner Phone (907) 334-2520
 Division DHSS Health Care Services Date/Time 3/23/09 12:00 PM

Approved by: Alison Elgee, Assistant Commissioner Date 3/23/2009
DHSS Finance & Management Services

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ANALYSIS CONTINUATION

The Division of Health Care Services estimates that it will need a total of 2 FTE's to fully administer the loan repayment and employment incentive programs.

Health Care Professions Loan Repayment & Incentive Program

The Division assumes it will need \$2,375.0 for practitioner payments in FY2010. This funding will be used for either practitioner payments as cash incentives, or payments to lender institutions for loan repayments, or there can be a combination of the two types of payments. Maximum payments established for any combination of loan repayment and cash incentive are: \$35.0 annually for tier I health care professionals employed in "regular" positions; \$47.0 annually for tier I health care professionals employed in "very hard-to-fill" positions; \$20.0 annually for tier II health care professionals employed in "regular" positions; and \$27.0 annually for tier II health care professionals employed in "very hard-to-fill" positions. The need for \$2,375.0 in FY2010 assumes the following:

Tier I	27 Practitioners	\$1,017.0
Tier II	63 Practitioners	<u>\$1,358.0</u>
Total	90 Practitioners	\$2,375.0

The Division assumes the employing entity will provide 25% of the \$2,375.0 as contributing match as specified in SB139. Therefore the expected GF match is \$1,781.2. The match for the employing entity is \$593.8.

Administrative Costs

1 Health Program Manager III, \$104,675, 1 Accounting Technician III, \$76,700. All personal services costs include benefits. Assumes \$9.4 per FTE annually for office space, phones, and other contractual costs; \$2.6 one time costs per FTE for computers and software; \$5.0 one time costs per FTE for office equipment; \$2.0 per FTE annually for supplies; \$9.0 per year for travel; \$50.0 per year for a program evaluation contract.

Health Program Manager III.

Serve as lead program manager for the loan repayment and employment incentive program.

Establish procedures for the commissioner's designation and prioritization of sites eligible for participation in the program.

Develop the application process for participation in the program for sites and professionals.

Develop and disseminate public information and notices pertinent to the program.

Lead the development of the methodology and procedures for classifying each eligible site as having either regular or very hard-to-fill positions.

Prepare annual reports that document the successes and challenges of the program.

Facilitate the creation of and ongoing work of the advisory committee.

Establish procedures and manage the employer contribution portion of the program.

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ANALYSIS CONTINUATION

Accounting Technician III.

The Accounting Technician III will prepare, submit for approval, and update as needed, RSA's between the DHSS and EED. The technician will be responsible developing all spreadsheets for tracking payments to each cohort of practitioners. In addition, the technician may be required to develop a database to assist financial tracking procedures. The technician will be responsible for preparing monthly financial reports that are to be provided to HCS administrative and program staff. The position will be responsible for the proper close-out of all financial case files for all practitioners, monthly reconciliation of all HCS financial transactions related to the loan repayment program, and for the close-out of all RSA's related to the program.

Assumes one time cost of \$35.0 for contractual services/software development for Alaska Commission on Postsecondary Education (ACPE).

ACPE will facilitate the disbursement of the loan repayment benefit. It will not to be the budgetary agency for requesting and receiving the funds. After HCS selects program participants, ACPE will verify the existence of their qualifying education debt and, on a periodic basis, transmit the appropriate benefit amount to the individual's lender.