

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSSB 139(FIN)
 (S) Publish Date: 4/11/10

Identifier (file name): SB139CS(FIN)-04-10-10 Dept. Affected: Health & Social Services
 Title Incentives for certain Medical Providers RDU Health Care Services
 Component Medical Assistance Administration
 Sponsor Olson
 Requester Senate Finance Component Number 242

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services	89.3		89.3	89.3	89.3	89.3	89.3	89.3
Travel	6.0		6.0	6.0	6.0	6.0	6.0	6.0
Contractual	2,742.4		2,742.4	2,742.4	2,742.4	2,742.4	2,742.4	2,742.4
Supplies	2.0		2.0	2.0	2.0	2.0	2.0	2.0
Equipment	7.6							
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	2,847.3	0.0	2,839.7	2,839.7	2,839.7	2,839.7	2,839.7	2,839.7

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

1002 Federal Receipts								
1003 GF Match	2,036.3		2,036.3	2,036.2	2,036.2	2,036.2	2,036.2	2,036.2
1004 GF	132.3		124.7	124.7	124.7	124.7	124.7	124.7
1005 GF/Program Receipts	678.7		678.7	678.8	678.8	678.8	678.8	678.8
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	2,847.3	0.0	2,839.7	2,839.7	2,839.7	2,839.7	2,839.7	2,839.7

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

CS for SB 139(FIN) creates a cash incentive program 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."

Division of Health Care Services estimates that it will need a total of 1 FTE to fully administer the employment incentive programs.

(continued on next page)

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 Date/Time 4/10/10 1:00 PM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services

Date 4/10/2010

2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Health Care Professions Incentive Program

The Division assumes it will need \$2,715.0 for practitioner incentive payments in FY2011. Maximum payments established for 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 \$2,715.0 in FY2011 assumes the following:

Tier I 27 Practitioners \$1,161.0 (assumes 9 participants from each of 3 types comprising tier I at \$387.0 for each type)
 Tier II 63 Practitioners \$1,554.0 (assumes 9 participants from each of 7 types comprising tier II at \$222.0 for each type)
 Total 90 Practitioners \$2,715.0

The Division assumes the employing entities will provide 25% of the \$2,715.0 as contributing match as specified in HB392. Therefore, the expected GF match is \$2,036.3 The match for the employing entities is \$678.7.

Incentive payments are available to professionals for up to 3 years of qualified employment with a lifetime maximum participation of six years in the direct incentives program by a tier I or tier II health care professional. The total number of participants in the program may not exceed 90 participants annually, regardless of whether the participant is a new or continuing participant.

On the fiscal note, the payments for practitioners will be paid from the contractual line:

<u>Item</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
Practitioner Payments	\$2,715.0	\$2,715.0	\$2,715.0	\$2,715.0	\$2,715.0	\$2,715.0
Evaluation Contract	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0
Staff Contractual Costs	\$ 9.4	\$ 9.4	\$ 9.4	\$ 9.4	\$ 9.4	\$ 9.4
Total:	\$2,742.4	\$2,742.4	\$2,742.4	\$2,742.4	\$2,742.4	\$2,742.4

Administrative Costs

1 Health Program Manager II, \$89.3 (includes fringe 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; \$6.0 per year for travel; \$18.0 each year for a program evaluation contract.

Health Program Manager II.

This position will serve as lead program manager for the employment incentive program and will: 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, and establish procedures and manage the employer contribution portion of the program.