

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: SB 199
 (S) Publish Date: 1/27/10

Identifier (file name): SB199-DHSS-ADPMS-01-22-10 Dept. Affected: Health & Social Services
 Title: Medicaid Coverage for Dentures RDU: Health Care Services
 Component: Adult Preventive Dental
 Sponsor: Ellis
 Requester: Senate HSS Component Number: 2839

Expenditures/Revenue (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 EXPENDITURE								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims		935.0		467.5	0.0	0.0	0.0	0.0
Miscellaneous								
TOTAL OPERATING		935.0	0.0	467.5	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURE							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	626.5		266.5				
1003 GF Match	308.6		201.0	0.0	0.0	0.0	0.0
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	935.0	0.0	467.5	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill addresses limitations of coverage for upper and lower dentures within a given state fiscal year with the current \$1,150 annual limit. The annual limit provides for expenditures that would typically cover only an upper or lower denture, thus requiring Medicaid recipients to wait until the subsequent fiscal year to obtain the opposing denture under the Adult Preventive Dental (APD) program. The bill would authorize the department to allow for provision of both an upper and lower denture within the same state fiscal year, however when these services are provided the adult recipient would not be eligible for additional services under the APD program for a 2-year period.

In SFY 2009, the total cost of complete, partial and immediate denture claims was approximately \$1,620.0. (continued on page 2)

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 Date/Time: 1/20/10 12:00 AM

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

Date: 1/22/2010

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ANALYSIS CONTINUATION

We estimate that the cost of denture services in the APD has grown at the same rate as all Health Care Services Medicaid Services costs (forecasted to be 6%) from FY 2009 to 2010. Medicaid growth for APD alone is forecasted to be 8.9% from FY 2010 to 2011 to reach a baseline cost of \$1,868.0 for denture services in FY 2011 with no changes to the program.

With the changes proposed in this bill and an expected effective date of July 1, 2010, we estimate the baseline costs noted above for denture services in FY 2011 will increase by 50%, assuming half of denture services recipients would be completing the denture process from FY2010 and the other half would be getting both their upper and lower dentures in FY 2011 for a total cost of \$2,803.0 (a difference of \$935.0 from baseline). We would still expect some increased costs over baseline in FY2012 as the number of people getting denture services has been growing each year as adults continue to learn about the APD program and this bill allows for them to be paid in one year. For FY2012, we estimate the need for increased funds to be half of the amount needed in FY 2011.

For subsequent years, we would expect the cost of denture services to level out to approximately what we would expect without the changes in this bill, the shift being not in cost but in how many recipients are receiving services.

For FY2011, we estimate 67% of APD services to be federally reimbursable, assuming ARRA FMAP increases are valid through all 4 quarters of FY 2011. For FY2012 we expect a FMAP of 50%. As some ADP services are IHS and reimbursed at 100%, we expect 57% of ADP costs to be federally reimbursable.