

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 288
 Fiscal Note Number 2
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Identifier (file name) HB288-DHSS-HCMS-2-17-12 Dept. Affected Health and Social Services
 Title Med. Assistance Eligibility: Prisoners Appropriation Medicaid Services
 Allocation Health Care Medicaid Services
 Sponsor Representative Keller
 Requester House HSS Committee OMB Component Number 2077

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	**	**	**	**	**	**	**

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		**	**	**	**	**	**

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							
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Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required,
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required,
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

This is the initial version of the fiscal note for this bill.

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DHSS Finance & Management Services

Phone 907-269-7827
 Date/Time 2/17/12 4:00 PM
 Date 2/17/2012

Analysis

This proposed legislation amends AS 47.07.020 by adding subsection (o) To the extent consistent with federal law, a person's eligibility or coverage for medical assistance under this chapter may not be denied or withheld on the basis of the person's confinement to, or release on furlough from, a correctional facility if the person is in the custody of the state. In this subsection, "correctional facility" has the meaning given in AS 33.30.901.

Under federal Medicaid rules, prisoners can only be eligible for Medicaid during the period of time that they are receiving inpatient services in medical facilities outside of the correctional facility. Prisoners must still meet Medicaid eligibility criteria. For the population of prisoners age 21 and older, the current Medicaid eligibility requirements include that the prisoner be aged 65 or older, blind, disabled, or pregnant. The potential number of eligible prisoners would increase in January of 2014 if the Medicaid expansion under the Affordable Care Act is implemented.

Actual data for reduced costs associated with Department of Corrections medical-fees-for-service and the related increase to Medicaid expenditures cannot be determined at this time because DOC does not track data on offenders using Medicaid eligibility criteria. These numbers will be further refined through the eligibility process identifying offenders who qualify under the eligibility criteria. However, Department of Corrections expenditures would be 100 percent state funds and Medicaid expenditures would be a mix of state and federal funds (currently 50% federal). The cost of inpatient hospitalization is substantial, over \$11,000 per Medicaid recipient using that service in FY2011. Although costs for prisoners might be somewhat different than the general Medicaid population, replacing half of the state funds with federal funds could provide significant savings to the State.

In addition to Medicaid expenditures for services, there would also be an administrative cost associated with providing eligibility to and processing claims for prisoners while they were inpatients. But without a better idea of the numbers of prisoners impacted, it is not possible to determine the level of administrative effort required by the Divisions of Public Assistance and Health Care Services. For example, while placing small numbers of prisoners on Medicaid and tracking their expenditures while inpatients could be handled manually, if a large number of prisoners needed to be covered, the Department would need to make modifications to its eligibility and claims payment systems in order to track these expenditures. The cost of making a modification to the Medicaid Management Information System to permit minimal tracking would be between \$50,000 to \$75,000, of which 75% would be federal funds.