

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CSSB 5(HSS)
 Fiscal Note Number 6
 (S) Publish Date 4/7/12

Identifier (file name) SB005CS(HSS)-DHSS-BHMS-04-02-12 Dept. Affected Health and Social Services
 Title Medical Assistance Eligibility Appropriation Medicaid Services
 Allocation Behavioral Health Medicaid Services
 Sponsor Senator Davis
 Requester Senate Rules Committee OMB Component Number 2660

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					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants, Benefits	171.0		185.7	201.7	219.1	237.9	258.4	
Miscellaneous								
TOTAL OPERATING	171.0	0.0	185.7	201.7	219.1	237.9	258.4	

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts	123.4		134.0	145.6	158.1	171.7	186.5
1003	GF Match	47.6		51.7	56.1	61.0	66.2	71.9
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		171.0	0.0	185.7	201.7	219.1	237.9	258.4

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							
---------------------------	--	--	--	--	--	--	--

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)

Initial legislation expanded DKC coverage from 175% to 200% of the federal poverty guideline (FPG) for a larger service population, specifically for pregnant women and children up to 19 years of age. This version maintains coverage for pregnant women and children ages 13 to 19 years of age at 175% of the FPG, but expands DKC coverage to 200% of the FPG for persons 12 years of age and younger.

Prepared by Kimberli Poppe-Smart
 Division Health Care Services
 Approved by Nancy Rolfzen, Assistant Commissioner
DHSS Finance & Management Services

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

FISCAL NOTE #6

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSSB 5(HSS)

Analysis

Denali KidCare (DKC) is part of Alaska's Medicaid program, covering low income children and pregnant women. This legislation increases the income level for covering children ages 0-12 under Denali KidCare to 200% of the federal poverty guidelines, up from the current level of 175% of the federal poverty guidelines, which are adjusted annually.

Children at ages 12 years and younger at this income level are part of Alaska's Medicaid CHIP expansion and are eligible for enhanced federal matching funds. For FY2013, the federal CHIP match is projected at 65%, compared to an estimated 50% for regular Medicaid.

First-year costs are based on an estimate for the number of new enrollees (968) times the average cost per enrollee ages 0-12 for the most close related eligibility category in 2011.

Out-year cost projections incorporate an 8.6% annual growth factor (Long Term Forecast of Medicaid Enrollment and Spending in Alaska: 2005-2025, DHSS, updated for 2006). That growth rate includes changes in population, enrollment, utilization, and medical-price inflation.

Fund source calculations are based on the relative proportion of costs for these eligibility types that were reimbursed at IHS, Title XXI rates, Title XIX during 2011, and our best estimates for federal medical assistance percentages (FMAPs) between 2013 and 2018. Children affected by this legislation are included in the State Children's Health Insurance Program (SCHIP), so most of their Medicaid costs would normally be matched at the enhanced rate for Title XXI services. Fund projections assume sufficient SCHIP allocation to fully fund the additional children between 2013 and 2018.

Expenditures for the Behavioral Health Medicaid component were determined based on that component's share of expenses for the affected eligibility subtypes in 2010. Behavioral Health Medicaid paid approximately 10.2% of the costs for the most closely related category of DKC children age 0-12 in 2011.