

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSSB 70(L&C)
 (S) Publish Date: 3/23/11

Identifier (file name): SB070-DHSS-PAFS-02-04-11 Dept. Affected: Health and Social Services
 Title: Alaska Health Benefit Exchange Appropriation: Public Assistance
 Allocation: Public Assistance Field Services
 Sponsor: Sen. Hollis French
 Requester: Senate L&C Committee OMB Component Number: 236

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES								
Personal Services	408.5							
Travel								
Services								
Commodities	1.9							
Capital Outlay	50.0							
Grants								
Miscellaneous								
TOTAL OPERATING	460.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts	230.2							
1003 GF Match	230.2							
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
TOTAL	460.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost: 0.0

POSITIONS

Full-time								
Part-time	5							
Temporary								

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

Not applicable. initial version

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DHSS Finance & Management Services

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 Date/Time 2/4/11 4:30 PM
 Date 2/4/2011

Analysis:

This legislation establishes a state health insurance exchange for consumers and small businesses in compliance with provisions of the Affordable Care Act. As part of its duties, the exchange will inform individuals about Medicaid, the Child Health Insurance Program (i.e., Denali KidCare), and any other applicable programs. If the exchange determines that the individual is eligible for a program, it must enroll the individual in that program. The legislation also gives the exchange the authority to enter into a contract for the performance of its duties with the Department of Health and Social Services.

Assumptions:

- The legislation will become effective 7/1/2011.
- The Insurance Exchange will contract with the Department of Health and Social Services, Division of Public Assistance (DHSS/DPA) to determine Medicaid and Denali KidCare eligibility for new enrollees.
- The exchange will pass necessary demographic and financial information to DHSS/DPA so that it can establish and maintain Medicaid Eligibility for the new enrollees. This information will be passed to DHSS/DPA electronically.
- System enhancements will need to be made to DPA's Eligibility Information System (EIS) to receive data from the exchange and register it in EIS.
- Development and testing of the EIS system enhancements will take 9 months.
- The exchange will begin passing information to DPA's EIS in FY 2012.
- The costs of adding the new Medicaid expansion included in the Affordable Care Act are not included in the estimates.

FY 2012 Administration Costs: \$460.4Personal Services: Staff needed to develop and test the system enhancements in FY 2012:

\$ 101.3 for salary and benefits for 1 Analyst/Programmer IV for 9 months
 \$ 163.5 for salary and benefits for 2 Analyst/Programmers III for 9 months
 \$ 143.7 for salary and benefits for 2 Public Assistance Analysts II for 9 months
 \$ 408.5 - Total

Commodities:

\$ 1.9 for general office supplies ($\$0.5 \times 5 \text{ staff} \times .75 \text{ (9 months)} = \1.9)

Capital Outlay:

\$ 50.0 one time purchase for personal computers, software, workstations, and associated costs for 5 staff
 ($\$10.0 \times 5 = \50.0)