

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CSSB 70(FIN)
 Fiscal Note Number 5
 (S) Publish Date 2/3/12

Identifier (file name) SB070CS(L&C)-DHSS-PAFS-01-18-12 Dept. Affected Health and Social Services
 Title Alaska Health Benefit Exchange Appropriation Public Assistance
 Allocation Public Assistance Field Services
 Sponsor Sen. French
 Requester Senate Finance Committee OMB Component Number 236

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	310.5						
Travel							
Services	24.0						
Commodities	1.2						
Capital Outlay	29.7						
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	365.4	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts	182.7					
1003	GF Match	182.7					
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		365.4	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time	3.0						
Temporary							

CHANGE IN REVENUES							
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Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required,
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 (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)

Updated fiscal note to reflect current fiscal year.

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Phone (907) 465-5835
 Date/Time 1/18/12 12:00 PM
 Date 1/18/2012

FISCAL NOTE #5

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BILL NO. CSSB 70(FIN)

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 7/1/2012.
- 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 2013.
- The costs of adding the new Medicaid expansion included in the Affordable Care Act are not included in the estimates.

FY 2013 Administration Costs: \$365.4

Personal Services: Staff needed to develop and test the system enhancements in FY 2013:

\$112.0 for salary and benefits for 1 Analyst/Programmer IV for 9 months

\$198.5 for salary and benefits for 2 Analyst/Programmers III for 9 months

\$310.5 - Total

Commodities:

\$ 1.2 ($\$0.55 \times 3 \text{ staff} \times .75 \text{ (9 months)} = \1.2)

Contractual:

\$ 24.0 costs for phones, office space, etc.

Capital Outlay:

\$ 29.7 one time purchase for personal computers, software, workstations and associated costs for 3 staff
($\$9.9 \times 3 = \29.7)