

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version SB 118
 Fiscal Note Number 2
 (S) Publish Date 3/23/12

Identifier (file name) SB118-DHSS-MS-12-16-11 Dept. Affected Health and Social Services
 Title Medicaid Reimbursement for Family Therapy Appropriation Medicaid Services
 Allocation Behavioral Health
 Sponsor Sen. Davis Medicaid Services
 Requester Senate HSS 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 | 4,650.0 | | 4,650.0 | 4,650.0 | 4,650.0 | 4,650.0 | 4,650.0 | 4,650.0 |
| Miscellaneous | | | | | | | | |
| TOTAL OPERATING | 4,650.0 | 0.0 | 4,650.0 | 4,650.0 | 4,650.0 | 4,650.0 | 4,650.0 | 4,650.0 |

| FUND SOURCE | | (Thousands of Dollars) | | | | | | |
|--------------------|------------------|------------------------|------------|----------------|----------------|----------------|----------------|----------------|
| 1002 | Federal Receipts | 2,325.0 | | 2,325.0 | 2,325.0 | 2,325.0 | 2,325.0 | 2,325.0 |
| 1003 | GF Match | | | | | | | |
| 1004 | GF | | | | | | | |
| 1005 | GF/Prgm (DGF) | | | | | | | |
| 1037 | GF/MH (UGF) | 2,325.0 | | 2,325.0 | 2,325.0 | 2,325.0 | 2,325.0 | 2,325.0 |
| 1178 | temp code (UGF) | | | | | | | |
| TOTAL | | 4,650.0 | 0.0 | 4,650.0 | 4,650.0 | 4,650.0 | 4,650.0 | 4,650.0 |

| POSITIONS | | | | | | | |
|------------------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

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

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)

No change.

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 Approved by Nancy Rolfzen, Assistant Commissioer
DHSS Finance and Management Services

Phone 307-334-2520
 Date/Time 12/16/11 5:00 PM
 Date 12/16/2011

FISCAL NOTE #2

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. SB 118

Analysis

If enacted, this bill would amend AS 47.07.030(b) to include Licensed Marriage and Family Therapists (LMFT) as providers eligible to render and bill for Medicaid funded services as independent practitioners.

Independent licensed practitioners currently eligible by Statute to provide behavioral health services and directly bill Medicaid are:

- Physicians and advanced nurse practitioners - current regulations mandate that all services must be provided directly by the licensed professional
- PhD psychologists - services limited to testing and assessment services based on appropriate referrals
- Licensed clinical social workers (LCSW) - although included in Statute since 1991, funding has never been authorized; currently not a State Plan service

Clinic providers approved to provide behavioral health services and bill Medicaid are:

- Community mental health centers (CMHC) - must be approved grantees of the Division of Behavioral Health
- Physician mental health clinics - require the supervision of an on-site psychiatrist
- Rural health clinics and federally qualified health centers (FQHC) - allowed to bill for services provided by the federally mandated professionals: physicians, nurse practitioners, physician assistants, PhD psychologists, and LCSWs.
- Designated tribal outpatient clinics - limited to services provided directly by physicians, nurse practitioners and physician assistants.

Licensed Marriage and Family Therapists are allowed to provide Medicaid services only in Community Mental Health Clinics or Physician Mental Health Clinics.

Assumptions and Cost Analysis:

- DBH has established a prevalence rate of 25% of the population that has a need for a behavioral health service under the current "medical necessity" definition.
- In FY2010 approximately 120,000 individuals were eligible for Medicaid and approximately 23,000 Medicaid recipients received at least one behavioral health service.
- Based on the prevalence rate, about 30,000 Medicaid clients (25% of 120,000) are actually in need of behavioral health services which indicates approximately 7,000 recipients (30,000 less 23,000) have an unmet need.
- Based on current CMHS rates, the cost would be approximately \$1,000 per client per year.
- There are currently 93 Licensed Marriage & Family Therapists. If all 93 licensed LMFTs enrolled and increased their case load to serve 50 clients per year, they would serve 4,650 clients (93 x 50). At a rate of \$1000 per recipient the increase in program costs would be \$4,650,000 annually.