

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: CSHB 214(HSS)  
Fiscal Note Number: 2  
(H) Publish Date: 3/18/14

Identifier: HB214-DOA-OAH-02-14-14  
Title: MENTAL HEALTH PATIENT RIGHTS & GRIEVANCES  
Sponsor: \*\* HIGGINS, TARR  
Requester: House Health & Social Services

Department: Department of Administration  
Appropriation: Centralized Administrative Services  
Allocation: Office of Administrative Hearings  
OMB Component Number: 2771

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>								
Personal Services			49.3	49.3	49.3	49.3	49.3	49.3
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>49.3</b>	<b>49.3</b>	<b>49.3</b>	<b>49.3</b>	<b>49.3</b>	<b>49.3</b>

## Fund Source (Operating Only)

1007 I/A Rcpts			49.3	49.3	49.3	49.3	49.3	49.3
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>49.3</b>	<b>49.3</b>	<b>49.3</b>	<b>49.3</b>	<b>49.3</b>	<b>49.3</b>

## Positions

Full-time								
Part-time			1.0	1.0	1.0	1.0	1.0	1.0
Temporary								

<b>Change in Revenues</b>								
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**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **No**  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version:

Not applicable, initial version.

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Division:	Office of Administrative Hearings	Date:	02/14/2014 12:27 PM
Approved By:	Curtis Thayer, Commissioner	Date:	02/14/14
Agency:	Department of Administration		

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSHB 214(HSS)

**Analysis**

If enacted, section 1 of the bill would place the section 3 (AS 47.30.847(a)(3)) grievance appeal under OAH's mandatory jurisdiction in AS 44.64.030(a), adding a new case category to OAH's caseload. Addition of the estimated caseload from the new category could drive the need to add a part time administrative law judge position.

Assumptions:

Assume 2% appeal rate, so 46 total cases, but half of those settle with minimal case management/ADR by OAH. Of the 23 that go all the way to hearing and decision, assume about 45% are simple one-issue cases with one witness and a relatively straightforward answer, similar to our typical public benefits eligibility appeals; another 45% involve two or three witnesses and moderate complexity, similar to our typical public benefits level of care appeal; and 10% involve legal or factual complexity (such as sexual abuse cases), perhaps with attorney representation on both sides.

23 x 1 hour for case mgmt/settlement = 23  
10 x 1 hour hearing, 1 hr prep, 5 hr decision/post decision = 70  
10 x 2 hour hearing, 1 hr prep, 8 hr decision/post decision = 110  
3 x 8 hour hearing, 4 hr prep, 20 hr decision/post decision = 96

299 hrs x \$165 per hour rate = \$49,335 (estimated cost to DHSS for reimbursement).

Fiscal Impact:

OAH would receive interagency receipts reimbursement from DHSS based on the actual number of hours devoted to the appeals in a given fiscal year. Thus, the estimated \$49,335 impact to OAH would be covered through interagency receipts billing.

If OAH's capacity to absorb additional case work is insufficient at the time the appeals hit (FY16), it would be necessary to increase capacity by adding an administrative law judge. OAH does not currently have a vacant position to fill. If the bill were to be enacted, in FY16 OAH would need authorization to expend and collect for another administrative law judge position, 25 percent of which would be attributable to this bill, as well as the addition of a range 24, PX administrative law judge position.