

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version:	HB 148
Fiscal Note Number:	1
(H) Publish Date:	3/18/2015

Identifier: LL055-DOA-OAH-03-15-15
Title: MEDICAL ASSISTANCE COVERAGE; REFORM
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Rules by Request of the Governor

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)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2016	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Personal Services							
Travel							
Services	16.8		19.5	22.2	22.2	22.3	22.3
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	16.8	0.0	19.5	22.2	22.2	22.3	22.3

Fund Source (Operating Only)

1007 I/A Rcpts	16.8		19.5	22.2	22.2	22.3	22.3
Total	16.8	0.0	19.5	22.2	22.2	22.3	22.3

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) 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If yes, by what date are the regulations to be adopted, amended or repealed?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.

Prepared By: Chris Kennedy, Deputy Chief Administrative Law Judge
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Approved By: Sheldon Fisher, Commissioner
Agency: Department of Administration

Phone: (907)269-8170
Date: 03/14/2015 01:00 PM
Date: 03/15/15

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

Analysis

This bill would alter the income eligibility criteria for certain categories of Medicaid eligibility and would add an eligibility category for persons under 65 who are not pregnant and whose income does not exceed 138 percent of the federal poverty line. The bill also makes changes to the provider audit process and addresses certain cost control measures.

Section 3 of the bill alters the minimum number of provider audits that the Department of Health and Social Services is required to perform. The Office of Administrative Hearings (OAH) hears appeals from provider audits. The current cost of handling these appeals is approximately \$60.0 per year (thousand). A significant change in the number of audits performed could affect the number of appeals and the cost of hearing them. Based on information from the Department of Health and Social Services, OAH has determined that the number of audits that generate appeals is expected to remain approximately the same if this provision is enacted, and therefore no fiscal impact has been projected.

Section 6 of the bill expands the number of Alaskans eligible for Medicaid, and would result in a larger overall enrollment in the program. OAH hears appeals from decisions to deny or limit Medicaid coverage. Based on data supplied by the Department of Health and Social Services, OAH anticipates that the number of administrative law judge hours required to hear Medicaid appeals from the Division of Public Assistance and the Division of Health Care Services would increase by approximately 16.1% in the first year of expanded eligibility and by slightly higher percentages in succeeding years. OAH has determined that appeals from the Division of Senior and Disabilities Services would not increase appreciably. Costs have been projected above using OAH's approved cost allocation rate of \$165 per hour.

OAH is presently operating at or beyond capacity. The additional hearing load of this work alone would not support the creation of a new full-time administrative law judge position. In the absence of a new PCN, OAH will instead contract out hearing responsibilities to contractors as appropriate.