

# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version:	CSHB 227(HSS)
Fiscal Note Number:	2
(H) Publish Date:	3/9/2016

Identifier: HB227-DHSS-MAA-1-30-16  
Title: MEDICAL ASSISTANCE REFORM  
Sponsor: SEATON  
Requester: House HSS

Department: Department of Health and Social Services  
Appropriation: Health Care Services  
Allocation: Medical Assistance Administration  
OMB Component Number: 242

## Expenditures/Revenues

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

	FY2017	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2017 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>	<b>FY 2017</b>	<b>FY 2017</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Personal Services	137.5		190.6	137.5	84.5	84.5	84.5	
Travel								
Services								
Commodities	18.2		4.0	3.0	2.0	2.0	2.0	2.0
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>155.7</b>	<b>0.0</b>	<b>194.6</b>	<b>140.5</b>	<b>86.5</b>	<b>86.5</b>	<b>86.5</b>	<b>86.5</b>

## Fund Source (Operating Only)

1002 Fed Rcpts	77.9		97.3	70.3	43.3	43.3	43.3	43.3
1003 G/F Match	77.8		97.3	70.2	43.2	43.2	43.2	43.2
<b>Total</b>	<b>155.7</b>	<b>0.0</b>	<b>194.6</b>	<b>140.5</b>	<b>86.5</b>	<b>86.5</b>	<b>86.5</b>	<b>86.5</b>

## Positions

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

## Change in Revenues

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**Estimated SUPPLEMENTAL (FY2016) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2017) 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If yes, by what date are the regulations to be adopted, amended or repealed? n/a

## Why this fiscal note differs from previous version:

Not applicable; initial version.

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Agency: Health and Social Services

Phone: (907)334-2520  
Date: 01/30/2016 04:00 PM  
Date: 01/30/16

## FISCAL NOTE ANALYSIS

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## Analysis

**Under Section 6** of the bill, the department anticipates appeals from this policy through the Office of Administrative Hearings. It therefore requests one long-term non-permanent Medical Assistance Administrator III position starting January 1, 2017 through December 31, 2018 (24 months, spanning three fiscal years). Administrative costs assume \$9.4 per full time equivalent (FTE) annually for office space, phones, and other contractual costs; \$2.6 *one-time* costs per FTE for computers and software; \$5.0 *one-time* costs per FTE for office equipment; \$2.0 per full time equivalent FTE annually for supplies.

1 Long-Term Non-Perm Medical Asst Administrator III - range 20, Anchorage, \$53.0 (six months in FY2017)

**FY2017 Personal services total \$53.0**

Office supplies - \$1.0

**FY2017 Commodities, ongoing total \$1.0**

Computer, software - \$2.6

One-time office set-up - \$5.0

**FY2016 Commodities, one-time total \$7.6**

**Under Section 12 (d) (1) of the bill** the Department anticipates that the Division of Health Care Services will need to add one Medicaid Assistance Administrator I to process, track, and oversee the contracting process associated with CMS policy clarification. The Department anticipates hiring the Medical Assistance Administrator I effective July 1, 2017.

Administrative costs assume \$9.4 per full time equivalent (FTE) annually for office space, phones, and other contractual costs; \$2.6 *one-time* costs per FTE for computers and software; \$5.0 *one-time* costs per FTE for office equipment; \$2.0 per full time equivalent FTE annually for supplies.

1 Medical Asst Administrator I- range 16, Anchorage, \$84.5

**FY2017 Personal services total \$84.5**

Office supplies - \$2.0

**FY2017 Commodities, ongoing total \$2.0**

Computer, software - \$2.6

One-time office set-up - \$5.0

**FY2016 Commodities, one-time total \$7.6**

**Section 17(b)** requires the Department to prepare a report on cost sharing implementation on or before the 20th day following the effective date of this section. The report should result in a nominal expense to the Department. However, with anticipated future impacts from federal cost sharing regulations, reporting requirements may require MMIS and ARIES system changes in order to capture the income contingent cost sharing rules set in new federal regulations.