

# Fiscal Note

State of Alaska  
2016 Legislative Session

|                     |               |
|---------------------|---------------|
| Bill Version:       | CSHB 227(HSS) |
| Fiscal Note Number: | 8             |
| (H) Publish Date:   | 3/9/2016      |

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

Department: Department of Health and Social Services  
 Appropriation: Senior and Disabilities Services  
 Allocation: Community Developmental Disabilities Grants  
 OMB Component Number: 309

**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 2018                 | FY 2019           | FY 2020           | FY 2021           | FY 2022           |
| <b>OPERATING EXPENDITURES</b> | <b>FY 2017</b>          | <b>FY 2017</b>            |                         |                   |                   |                   |                   |
| Personal Services             |                         |                           |                         |                   |                   |                   |                   |
| Travel                        |                         |                           |                         |                   |                   |                   |                   |
| Services                      |                         |                           |                         |                   |                   |                   |                   |
| Commodities                   |                         |                           |                         |                   |                   |                   |                   |
| Capital Outlay                |                         |                           |                         |                   |                   |                   |                   |
| Grants & Benefits             |                         |                           |                         | (11,635.8)        | (11,635.8)        | (11,635.8)        | (11,635.8)        |
| Miscellaneous                 |                         |                           |                         |                   |                   |                   |                   |
| <b>Total Operating</b>        | <b>0.0</b>              | <b>0.0</b>                | <b>0.0</b>              | <b>(11,635.8)</b> | <b>(11,635.8)</b> | <b>(11,635.8)</b> | <b>(11,635.8)</b> |

**Fund Source (Operating Only)**

|              |            |            |            |                   |                   |                   |                   |
|--------------|------------|------------|------------|-------------------|-------------------|-------------------|-------------------|
| 1037 GF/MH   |            |            |            | (11,635.8)        | (11,635.8)        | (11,635.8)        | (11,635.8)        |
| <b>Total</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>(11,635.8)</b> | <b>(11,635.8)</b> | <b>(11,635.8)</b> | <b>(11,635.8)</b> |

**Positions**

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

|                           |  |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|--|
| <b>Change in Revenues</b> |  |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|--|

**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? yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/18

**Why this fiscal note differs from previous version:**

|                                  |
|----------------------------------|
| Not applicable; initial version. |
|----------------------------------|

|              |   |        |                     |
|--------------|---|--------|---------------------|
| Prepared By: | Duane Mayes, Director   | Phone: | (907)269-2083       |
| Division:    | Senior and Disabilities Services                                | Date:  | 01/29/2016 03:00 PM |
| Approved By: | Sana Efird, Asst. Commissioner, Finance and Management Services | Date:  | 01/30/16            |
| Agency:      | Health and Social Services                                      |        |                     |

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

## Analysis

In part, **HB227 version H** authorizes DHSS to apply for federal waivers and options to reform the Medicaid program and to assess the most cost-effective method for revising expansion coverage.

**Section 12** of the bill directs the Department to apply for the 1915(i) option under Medicaid.

Making use of the 1915(i) option offers the department the opportunity to shifting eligible recipients from 100% general funded grants programs to the 50% fed/50% GF funded 1915(i) Medicaid option.

Individuals receiving home and community-based services through the Community Developmental Disabilities Grant (CDDG) program must meet the eligibility requirements in AS 47.80.900. The CDDG program provides home and community-based services to support individuals' desire to live as independently as they are able.

The Department will use the 1915(i) funding option to refinance services provided through the Community Developmental Disabilities Grant program. 969 individuals accessed CDDG services in FY2015 with an average cost per recipient of \$12,008.04 per individual per year, for a total budget of \$11,635.8 general funds. All recipients could be transitioned from the CDDG program to the 1915(1) Medicaid option.

State Plan and regulation changes are required to implement the new option and would involve extensive public comment. The Department expects the 1915(i) option to be implemented by FY2019.