

**The attached Fiscal Note Packet accompanied the
report for the following:**

CCS HB 256

HB 256 APPROP: OPERATING BUDGET/LOANS/FUNDS

**Please refer to the 06/28/16 memo from the Division
of Legislative Finance for a finalized listing of those
fiscal notes.**

(7/11/16 - House Journal - Page 3148)

* **Sec. 2.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in the fiscal year 2017 budget summary by funding source to the state agencies named and for the purposes set out in the new legislation for the fiscal year beginning July 1, 2016 and ending June 30, 2017, unless otherwise indicated. The appropriations in this section fund legislation assumed to have passed during the second session of the twenty-ninth legislature. If a measure listed in this section fails to pass and its substance is not incorporated in some other measure, or is vetoed by the governor, the appropriation for that measure shall be reduced accordingly.

Appropriation

HB 137 HUNT/FISH/TRAP: FEES;LICENSES;EXEMPTIONS

Department of Fish and Game

Statewide Support Services

Administrative Services

1007 I/A Rcpts

19,100

HB 247 TAX;CREDITS;INTEREST;REFUNDS;O & G

Fund Capitalization

Fund Capitalization (no approps out)

Oil and Gas Tax Credit Fund

1004 Gen Fund

430,000,000

The \$430,000,000 appropriation made by the fiscal note for HB247 to the Oil and Gas Tax Credit Fund (AS 43.55.028) is effective June 30, 2016 for payments of credits beginning July 1, 2016.

HB 374 REINSURANCE PROGRAM; HEALTH INS. WAIVERS

Department of Commerce, Community and Economic Development

Insurance Operations

Insurance Operations

1248 ACHI Fund

55,000,000

HB 4002 INS. FOR DEPENDS. OF DECEASED FIRE/POLICE

State Retirement Payments

PERS State Assistance

All Other PERS

		New	
	Operating	Legislation	Total
1			
2	Funding Source		
2	1004 Gen Fund		174,000
3	SB 53 ADVANCED PRACTICE REGISTERED NURSES		
4	Department of Commerce, Community and Economic Development		
5	Corporations, Business and Professional Licensing		
6	Corporations, Business and Professional Licensing		
7	1156 Rcpt Svcs		7,500
8	SB 69 BD OF CHIROPRACTIC EXAMINERS; PRACTICE		
9	Department of Commerce, Community and Economic Development		
10	Corporations, Business and Professional Licensing		
11	Corporations, Business and Professional Licensing		
12	1156 Rcpt Svcs		2,500
13	SB 74 MEDICAID REFORM;TELEMEDICINE;DRUG DATABAS		
14	Department of Administration		
15	Centralized Administrative Services		
16	Office of the Commissioner		
17	1004 Gen Fund		834,600
18	Department of Commerce, Community and Economic Development		
19	Corporations, Business and Professional Licensing		
20	Corporations, Business and Professional Licensing		
21	1156 Rcpt Svcs		563,300
22	Department of Health and Social Services		
23	Alaska Pioneer Homes		
24	Pioneer Homes		
25	1004 Gen Fund		-1,066,700
26	1007 I/A Rcpts		1,066,700
27	Health Care Services		
28	Medical Assistance Administration		
29	1002 Fed Rcpts		348,900
30	1003 G/F Match		57,700
31	Rate Review		
32	1002 Fed Rcpts		250,000

		New	
	Funding Source	Operating	Legislation
			Total
1			
2	1003 G/F Match		250,000
3	Public Assistance		
4	Fraud Investigation		
5	1002 Fed Rcpts		61,200
6	1004 Gen Fund		618,800
7	Senior and Disabilities Services		
8	Senior and Disabilities Services Administration		
9	1002 Fed Rcpts		1,652,100
10	1003 G/F Match		71,100
11	Departmental Support Services		
12	Commissioner's Office		
13	1002 Fed Rcpts		13,800
14	1003 G/F Match		13,800
15	1004 Gen Fund		535,000
16	Medicaid Services		
17	Behavioral Health Medicaid Services		
18	1002 Fed Rcpts		425,000
19	Health Care Medicaid Services		
20	1002 Fed Rcpts		13,548,400
21	1003 G/F Match		228,900
22	1247 MedRecover		134,900
23	Department of Law		
24	Criminal Division		
25	Criminal Appeals/Special Litigation		
26	1002 Fed Rcpts		273,700
27	1003 G/F Match		91,300
28	SB 91 OMNIBUS CRIM LAW & PROCEDURE; CORRECTIONS		
29	Department of Corrections		
30	Population Management		
31	Institution Director's Office		
32	1004 Gen Fund		-3,594,600

		New	
	Operating	Legislation	Total
1			
2	Funding Source		
2	Parole Board		
3	1004 Gen Fund		775,900
4	Pre-Trial Services		
5	1004 Gen Fund		3,260,100
6	Department of Health and Social Services		
7	Behavioral Health		
8	Alcohol Safety Action Program (ASAP)		
9	1004 Gen Fund		30,300
10	Judiciary		
11	Judicial Council		
12	Judicial Council		
13	1004 Gen Fund		67,900
14	SB 124 EXTEND SUNSET ON AK COMMISSION ON AGING		
15	Department of Health and Social Services		
16	Senior and Disabilities Services		
17	Commission on Aging		
18	1004 Gen Fund		-36,000
19	1007 I/A Rcpts		-57,300
20	SB 145 RECOVERY OF PUB. ASSIST. OVERPAYMENTS		
21	Department of Health and Social Services		
22	Public Assistance		
23	Child Care Benefits		
24	1002 Fed Rcpts		-500,000
25	1005 GF/Prgm		500,000
26	SB 210 COMMUNITY REVENUE SHARING/ASSISTANCE		
27	Fund Capitalization		
28	Fund Capitalization (no approps out)		
29	Community Assistance Fund		
30	1169 PCE Endow		13,555,500
31	*** Total New Legislation Funding ***		519,177,400
32			

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	CCS HB 137
Fiscal Note Number:	5
(H) Publish Date:	5/11/2016

Identifier: CCSHB137-DFG-DAS-05-06-16
Title: HUNT/FISH/TRAP:
FEES;LICENSES;EXEMPTIONS
Sponsor: TALERICO
Requester: Conference Committee

Department: Department of Fish and Game
Appropriation: Statewide Support Services
Allocation: Administrative Services
OMB Component Number: 479

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	19.1		63.8	90.0	124.0	69.9	72.0	
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	19.1	0.0	63.8	90.0	124.0	69.9	72.0	

Fund Source (Operating Only)

1007 I/A Rcpts	19.1		63.8	90.0	124.0	69.9	72.0
Total	19.1	0.0	63.8	90.0	124.0	69.9	72.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	2,719.8		9,066.1	9,156.8	9,248.3	9,340.8	9,434.2
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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?

Why this fiscal note differs from previous version:

The Conference Committee deleted section 29 related to regulations adopted by the Board of Game, and added a new section regarding annual reporting requirements for the department. These changes have no affect on expenditures and revenues reported on this fiscal note.

Prepared By: Carol Petraborg, Director
Division: Administrative Services
Approved By: Kevin Brooks, Deputy Commissioner
Agency: Fish and Game

Phone: (907)465-6077
Date: 05/06/2016 11:00 AM
Date: 05/06/16

APPROVED BY
CONFERENCE
COMMITTEE

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

Per AS 16.05.110 all revenue derived from the sale of fishing, hunting, and trapping licenses and tags is deposited into the Fish and Game Fund. The additional revenue generated by the increased license fees and tags in this bill will provide a secure funding source for the core programs within the Divisions of Wildlife Conservation and Sport Fish.

HB 137 raises certain fees related to sport fishing, hunting, and trapping licenses, king salmon and waterfowl stamps, and nonresident big game tags. It also changes the resident youth license age from 16 to 18, establishes an Intensive Management Surcharge on all hunting licenses, establishes a 3-year renewal process for senior licenses, establishes a fee for Chitina River personal use dipnet fishery, and establishes a fee for a new wildlife conservation decal. Revenue from the new Chitina dipnet fishery is based on an estimated 12,000 permits issued at \$15.

Changes were made to the low income license eligibility by increasing the annual household income level from \$8,200 to the most recent poverty guidelines set by the U.S. Department of Health and Human Services, and removes additional eligibility language related to welfare benefits for the low income license. Due to the uncertainty of customer buying behavior, this fiscal note does not include projections on changes for low income license revenue.

This analysis shows the anticipated increase in revenue based on a 5-year average of actual sales from 2010 to 2014. While the department has done some analysis on purchasing trends following a price increase, buying behavior varies widely for each type of license sold. This analysis assumes a five percent adjustment in sales revenue in the first year to reflect a negative consumer response to the price increase, with sales recovering at a rate of one percent per year over the next five years.

	5 year Avg Revenue	HB 137 Revenue	Change in Revenue
Resident Sport Fishing (includes combos)	\$ 2,361.1	\$ 2,808.5	\$ 447.4
Resident King Salmon Stamp	\$ 613.5	\$ 613.5	\$ 0
Resident Chitna Dip Net	\$	\$ 180.0	\$ 180.0
Resident Hunting & Trapping (includes combos)	\$ 1,899.0	\$ 2,518.5	\$ 619.5
Resident Big Game Tags	\$ 164.0	\$ 164.0	\$ 0
Resident Intensive Management	\$	\$ 694.6	\$ 694.6
Youth Age change from 16 to 18	\$ 69.3	\$ 0	\$ (69.3)
Low Income change from \$8200 to \$29,820	\$ 100.9	\$ 100.9	\$ 0
Resident License Total	\$ 5,207.8	\$ 7,080.0	\$1,872.2
Nonresident Sport Fishing (includes combos)	\$ 6,722.2	\$ 8,910.9	\$2,188.7
Nonresident King Salmon Stamp	\$ 1,951.7	\$ 2,646.7	\$ 695.0
Nonresident Hunting and Trapping (includes combos)	\$ 1,099.2	\$ 1,619.7	\$ 520.5
Nonresident Intensive Management	\$	\$ 362.0	\$ 362.0
Nonresident Big Game Tags	\$ 3,739.9	\$ 7,105.3	\$3,365.4
Nonresident License Total	\$13,513.0	\$20,644.6	\$7,131.6
Waterfowl Stamp	\$ 52.3	\$ 104.6	\$ 52.3
Fish and Wildlife Conservation Decal (500@\$20)	\$ -	\$ 10.0	\$ 10.0
Total	\$18,773.1	\$27,839.2	\$ 9,066.1
Total License Increase for Fishing	\$ 3,476.4		
Total License Increase for Hunting	\$ 5,589.7		
Total:	\$ 9,066.1		

(F)

Analysis Continued

Note: This analysis assumes a 95% revenue collection in the first year vs full potential increase, thus a \$9.1 million revenue increase in FY2018. Each year the percentage increases by 1% to the full potential increase in FY2023.

Since licenses are sold on a calendar year basis, revenue and expenditures are pro-rated at 30% for FY2017 based on historical purchasing patterns, thus a \$2.7 million revenue increase prediction.

EXPENSES:

Additional costs will be incurred due to increased fees and new conservation decal.

Credit card fees of 2.5% for 30% online revenue	\$ 61.8
Printing /mailing of conservation decals	\$ 2.0
Total Cost	\$ 63.8

Expense Increase for Fishing	\$ 27.9
Expense Increase for Hunting/Wildlife Viewing	\$ 35.9

Retained vendor compensation of 5% commission on additional license revenue is estimated to be \$282,147, which is recorded as a budget supplemental at the end of the fiscal year.

Note: FY2019 and FY2020 have additional fees due to the outreach needed for the senior card renewal process.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: HB 247
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB247 CC Fund Cap 5-30-16
Title: TAX;CREDITS;INTEREST;REFUNDS;O & G
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Conference Committee

Department: Fund Capitalization
Appropriation: Fund Capitalization (no approps out)
Allocation: Oil and Gas Tax Credit Fund
OMB Component Number: 2894

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
OPERATING EXPENDITURES	FY 2017	FY 2017					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	430,000.0	73,425.0					
Miscellaneous							
Total Operating	430,000.0	73,425.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	430,000.0	73,425.0					
Total	430,000.0	73,425.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

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?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

THE AMOUNT SHOWN IN THE FY17 APPROPRIATION REQUESTED COLUMN (column 1) HAS AN EFFECTIVE DATE OF JUNE 30, 2016

CC Note: This fiscal note appropriates \$430,000,000 from the general fund to the Oil and Gas Tax Credit Fund (AS 43.55.028) for payments of credits beginning July 1, 2016.

This fiscal note is one page.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	CSHB 374(FIN)
Fiscal Note Number:	3
(H) Publish Date:	5/28/2016

Identifier: HB374CS(FIN)-DCCED-DOI-05-27-16
 Title: REINSURANCE PROGRAM; HEALTH INS. WAIVERS
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: (H) Finance

Department: Department of Commerce, Community and Economic Development
 Appropriation: Insurance Operations
 Allocation: Insurance Operations
 OMB Component Number: 354

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES	FY 2017	FY 2017					
Personal Services			***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	55,000.0						
Miscellaneous							
Total Operating	55,000.0	0.0	***	***	***	***	***

Fund Source (Operating Only)

1248 ACHI Fund	55,000.0						
Total	55,000.0	0.0	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/17

Why this fiscal note differs from previous version:

Updated analysis to reflect the fund source as a new designated fund code, and updated analysis to reflect creation of a new fund.

Prepared By: Lori Wing-Heier, Director
 Division: Division of Insurance
 Approved By: Catherine Reardon, Director
 Agency: Division of Administrative Services, DCCED

Phone: (907)465-2560
 Date: 05/27/2016 02:50 PM
 Date: 05/27/16

APPROVED BY
CONFERENCE
COMMITTEE
Printed 5/30/2016

REPORTED OUT OF
HFC 05/28/2016
Control Code: xnVOy

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

HB 374 amends AS 21.55.430, the Alaska Comprehensive Health Insurance Association (ACHIA), to allow legislative appropriation of insurance premium tax receipts collected by the Division of Insurance to fund the reinsurance program created in HB374.

In 2014 the division collected approximately \$74M in total receipts of which \$64M was premium taxes. Of that \$64M approximately \$5M transfers to the Department of Labor as a Workers' Compensation Service Fee as required under AS 23.05.067. The legislature could appropriate up to an estimated \$59M based on the division's 2015 annual report. Annual collections of premium taxes for the prior three fiscal years are: \$52 million in FY2013; \$55 million in FY2014; and \$64 million in FY2015.

The Alaska Comprehensive Health Insurance Fund will be created, as well as a new designated fund code. The Division of Insurance will enter into a grant agreement under AS37.05.316 with ACHIA to reimburse for claims paid in excess of policy premiums collected.

While there is no net change to revenue generated from premium taxes, premium taxes previously received and deposited into the general fund will instead be deposited in to the new fund, and used to fund the reinsurance program.

The operating expenses of the division are restricted funds and collected as licensing, surplus lines, risk-retention groups, purchasing groups certificate of authority, continuing education, examination expenses, fingerprinting and other fees in addition to retaliatory taxes, and do not come out of premium taxes.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: HB 4002
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB4002-DOA-PERS-05-24-16
Title: INS. FOR DEPENDS. OF DECEASED
FIRE/POLICE
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Labor and Commerce

Department: State Retirement Payments
Appropriation: PERS State Assistance
Allocation: All Other PERS
OMB Component Number: 2866

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
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	174.0		183.0	194.0	204.0	215.0	226.0
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	174.0	0.0	183.0	194.0	204.0	215.0	226.0

Fund Source (Operating Only)

1004 Gen Fund	174.0		183.0	194.0	204.0	215.0	226.0
Total	174.0	0.0	183.0	194.0	204.0	215.0	226.0

Positions

Full-time							
Part-time							
Temporary							

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?

Why this fiscal note differs from previous version:

Not applicable; initial version.

Prepared By: Michele Michaud, Chief Health Official
Division: Retirement and Benefits
Approved By: Sheldon Fisher, Commissioner
Agency: Department of Administration

Phone: (907)465-3225
Date: 05/24/2016 05:45 PM
Date: 05/24/16

APPROVED BY
CONFERENCE
COMMITTEE

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. HB4002

Analysis

The purpose of the bill is to provide system-paid major medical coverage for PERS survivors of Peace Officer/Firefighters whose death occurs before the member’s retirement and while in the performance and within the scope of the member’s duties (occupational deaths). Surviving spouses and eligible dependent child(ren) would be allowed to commence subsidized medical coverage immediately upon the occupational death of a current Peace Officer/Firefighter member. This change did not impact Tier 1 members of PERS nor any members of PERS "All Others" or Teachers.

Under the existing PERS Defined Contribution Plan, no person is eligible for 100% system-paid major medical benefits. The draft bill would allow for a 100% premium subsidy for major medical benefits for eligible persons who are survivors, or eligible dependent children, of employees who were peace officers or firefighters. The 100% premium subsidy changes to a normal premium subsidy at Medicare age (e.g., 65). The HRA can then be used to fund the portion of the premium for which the spouse/eligible dependent child(ren) is responsible.

The PERS Defined Contribution Plan requires members to “retire directly from the plan” in order to be eligible for medical benefits. The bill removes that language from the plan only as it applies to eligible survivors/eligible dependent child(ren) of a peace officer and firefighter whose death occurs as a result of the job.

The proposed changes will be effective as of January 1, 2013.

The impact to the normal cost rate for the DB plan for this change was 0.01% for peace/fire only and 0.00% overall; the impact did increase the past service cost amortization resulting in a 0.01% impact to the total rate. Similarly for the DCR plan this change was a 0.08% increase to the normal cost rate for peace/fire members and 0.01% overall. The total contribution rate increased 0.10% for peace/fire and 0.01% overall. These results are slightly lower than the estimates in 2015 and reflect June 30, 2015 valuation results and the premium cost-sharing upon Medicare eligibility in the DCR plan.

An actuarial analysis of this bill by Buck Consultants also found:

- That the total additional accrued actuarial liability for addition of this benefit is \$265,000 for DB and \$292,000 for DC (total of \$557,000); amortizing this cost results in an annual payment fluctuate between \$36,000 and \$46,000 in the first five years. (See below)
- Based on the health benefit changes in the rates calculated for the Occupational Death payment the projected increase in contributions associated with the new benefit varies between \$138,000 and \$180,000, between FY17 and FY22 (See below)

See page 4 of Buck Consultants Actuarial analysis for details

Total cost of the bill over the period (in thousands)

	FY17	FY18	FY19	FY20	FY21	FY22
Past service costs	\$36	\$38	\$40	\$42	\$45	\$46
Increase in contributions	\$138	\$145	\$154	\$162	\$170	\$180
Total costs	\$174	\$183	\$194	\$204	\$215	\$226

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HCS SB 53(L&C)
Fiscal Note Number:	4
(H) Publish Date:	3/23/2016

Identifier: SB053HCS(L&C)-DCCED-CBPL-03-11-16
 Title: ADVANCED PRACTICE REGISTERED NURSES
 Sponsor: GIESSEL
 Requester: (H) Finance

Department: Department of Commerce, Community and
Economic Development
 Appropriation: Corporations, Business and Professional
Licensing
 Allocation: Corporations, Business and Professional
Licensing
 OMB Component Number: 2360

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	7.5							
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1156 Rcpt Svcs	7.5							
Total	7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues	7.5							
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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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/17

Why this fiscal note differs from previous version:

This CS provides an effective date of July 1, 2016 which changes the date regulations must be adopted, amended, or repealed. Note has been updated accordingly.

Prepared By: Janey Hovenden
 Division: Corporations, Business and Professional Licensing
 Approved By: Catherine Reardon, Director
 Agency: Division of Administrative Services, DCCED

Phone: (907)465-2536
 Date: 03/11/2016 03:30 PM
 Date: 03/11/16

APPROVED BY
CONFERENCE
COMMITTEE
Printed 5/17/2016

REPORTED OUT OF
HFC 03/22/2016
Control Code: UL0TR

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

SB 53 was requested by advanced practice registered nurses (APRN) in Alaska through the APRN Alliance to reduce confusion about titling for consumers and payers. It brings Alaska into alignment with the APRN Consensus Model, a national best practices act.

It is anticipated that the Board of Nursing, Medical Board, and Board of Professional Counselors would each need to replace outdated terminology in their regulations to conform to this statutory change. The division estimates that the cost to each of these licensing programs would be \$2.5 per program for attorney review, regulations specialist time, printing, and postage to affected licensees. As required by AS 08.01.065, the cost of promulgating regulations will be recovered through license fee receipts.

If the bill becomes law, the division will require \$7.5 to cover legal costs to amend regulations, printing, and postage.

Professional licensing programs at CBPL are funded by Receipt Supported Services fund source 1156 Rcpt Svcs (DGF). Licensing fees for each program are set per AS 08.01.065 so the total amount of revenue collected approximately equals the occupation's actual regulatory costs.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	CSSB 69(FIN)
Fiscal Note Number:	2
(S) Publish Date:	4/7/2016

Identifier: SB069CS(FIN)-DCCED-CBPL-04-06-16
 Title: BD OF CHIROPRACTIC EXAMINERS; PRACTICE
 Sponsor: STOLTZE
 Requester: (S) Finance

Department: Department of Commerce, Community and
Economic Development
 Appropriation: Corporations, Business and Professional
Licensing
 Allocation: Corporations, Business and Professional
Licensing
 OMB Component Number: 2360

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
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services							
Travel							
Services	2.5						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	2.5	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1156 Rcpt Svcs	2.5						
Total	2.5	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	2.5						
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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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

Why this fiscal note differs from previous version:

Updated to reflect change in expenditures based on current committee substitute, updated analysis.

Prepared By: Janey Hovenden, Division Director
 Division: Corporations, Business and Professional Licensing
 Approved By: Catherine Reardon, Director
 Agency: Division of Administrative Services

Phone: (907)465-2536
 Date: 04/06/2016 11:30 AM
 Date: 04/06/16

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
SFC 04/07/2016

REPORTED OUT OF
HFC 04/15/2016

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

CSSB69(FIN) amends the statutes pertaining to the practice of chiropractic in the state, adding chiropractic interns, chiropractic preceptors, and chiropractic assistants. The bill also adds to the scope of practice of chiropractors the performance of physical examinations for school and sports programs. It increases the penalty for unlicensed practice and use of fraudulent licenses and certificates to Class A misdemeanors.

This bill allows chiropractors to employ nationally certified chiropractic assistants, chiropractic interns, and chiropractic preceptors.

The bill expands the ability of chiropractic physicians to perform school and pre-performance sports physicals, increasing that activity from chiropractic examinations.

A significant increase in the penalty for unlicensed practice and the use or attempt to obtain a fraudulent license is included in this bill. The penalties go up, from \$1000 and \$500, respectively, to \$10,000.

Regulations are required so that the department may set fees under AS 08.01.065.

If the bill passes the following expenses will be incurred:

Services: \$2.5 (one-time legal cost to amend regulations, printing, and postage)

Professional licensing programs at CBPL are funded by Receipt Supported Services fund source 1156 Rcpt Svcs (DGF). Licensing fees for each program are set per AS 08.01.065 so the revenue collected approximately equals the occupation's regulatory costs.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	CSSB 74(FIN)
Fiscal Note Number:	29
(S) Publish Date:	3/9/2016

Identifier: SB074CS(FIN)-DOA-COM-03-06-16
 Title: MEDICAID REFORM;TELEMEDICINE;DRUG
 DATABAS
 Sponsor: KELLY
 Requester: Senate Finance Committee

Department: Department of Administration
 Appropriation: Centralized Administrative Services
 Allocation: Office of the Commissioner
 OMB Component Number: 45

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	134.6		33.6				
Travel							
Services	700.0						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	834.6	0.0	33.6	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	834.6		33.6				
Total	834.6	0.0	33.6	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary	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?

Why this fiscal note differs from previous version:

Not applicable, Initial version

Prepared By: John Boucher, Deputy Commisisoner
 Division: Commissioner's Office
 Approved By: Sheldon Fisher, Commissioner
 Agency: Administration

Phone: (907)465-2200
 Date: 03/06/2016 08:00 PM
 Date: 03/06/2016

APPROVED BY
CONFERENCE
COMMITTEE
Printed 5/17/2016

REPORTED OUT OF
SFC 03/08/2016

REPORTED OUT OF
HFC 04/11/2016

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

The Committee Substitute for SB 74 requires the Department of Administration, in collaboration with the Legislative Finance Committees, to procure a study to determine the feasibility of creating a health care authority that could coordinate health care plans and consolidate purchasing effectiveness for all state employees, retired state employees, retired teachers, medical assistance recipients, University of Alaska, state corporation, and school district employees.

The study is also required to:

1. Specifically identify cost savings strategies a health care authority could implement.
2. Assess use of community-related health insurance risk pools,
3. Assess the use of the private market place,
4. Identify options for organizational models of the a health care authority including but not limited to private for- profit, private non-profit, government, and state corporation, and
5. Include a public review and comment opportunity for employers, employees, recipients and providers.

The study must be completed on or before June 30,2017.

In determining the feasibility for the authority the study needs to understand the current suite of benefit sets, rules, cost sharing, and payment for all employees and individuals whose health care benefits are funded directly and indirectly by the state of Alaska.

This study will require evaluation of a number of health care benefit delivery programs funded directly and indirectly by the State of Alaska, as well as the framework under which each of these benefit structures are delivered and administered. The department is aware of comparable studies evaluating subsets of these populations that have cost \$350.0 to \$500.0 and estimates that a study of this scope and complexity may require as much as \$700.0 to complete.

Additionally the Department will require additional staff to manage the activities associated with this contract including tracking all work of the contractor, coordinating activity with various state stakeholders including the Department of Health and Social Services, Department of Corrections, and the Division of Retirement and Benefits among others. It is anticipated that the position would need to be retained for a three-month period after completion of the study to coordinate, review and report on the feedback from the proposed review and comment period as well as take a leading role in providing guidance for next steps.

Personnel costs

FY17 Full time non-permanent Health Project Coordinator Range 22C	\$134,582 (annual)
FY18 Full time non-permanent Health Project Coordinator Range 22C	\$33,645 (3 months)

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HCS CSSB 74(FIN)
Fiscal Note Number:	58
(H) Publish Date:	4/11/2016

Identifier: SB74HCSCS(FIN)-DCCED-CBPL-04-08-16
 Title: MEDICAID REFORM;TELEMEDICINE;DRUG
 DATABASES
 Sponsor: KELLY
 Requester: (H) Finance

Department: Department of Commerce, Community and
 Economic Development
 Appropriation: Corporations, Business and Professional
 Licensing
 Allocation: Corporations, Business and Professional
 Licensing
 OMB Component Number: 2360

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services	443.6		443.6	443.6	443.6	443.6	443.6	443.6
Travel	3.0		3.0	3.0	3.0	3.0	3.0	3.0
Services	89.2		160.8	160.8	160.8	160.8	160.8	160.8
Commodities	27.5							
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	563.3	0.0	607.4	607.4	607.4	607.4	607.4	607.4

Fund Source (Operating Only)

1156 Rcpt Svcs	563.3		607.4	607.4	607.4	607.4	607.4
Total	563.3	0.0	607.4	607.4	607.4	607.4	607.4

Positions

Full-time	5.0		5.0	5.0	5.0	5.0	5.0
Part-time							
Temporary							

Change in Revenues	563.3		607.4	607.4	607.4	607.4	607.4
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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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/17

Why this fiscal note differs from previous version:

SB74HCSCS(FIN) removes Veterinary Examiners and adds Audiologists and Speech-Language pathologists, and Physical and Occupational Therapists; updated services to include regulations projects for these programs and updated analysis.

Prepared By: Janey Hovenden, Director
 Division: Corporations, Business and Professional Licensing
 Approved By: Catherine Reardon, Director
 Agency: Division of Administrative Services, DCCED

Phone: (907)465-2536
 Date: 04/08/2016 06:00 PM
 Date: 04/08/16

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
HFC 04/11/2016

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

SB74HCSCS(FIN) requires that the pharmacist or practitioner who dispenses Schedule II, III, or IV controlled substances under federal law, other than those administered to a patient at a health care facility, shall submit to the Board of Pharmacy for inclusion in the Controlled Substance Prescription Database on a weekly basis. The bill requires the pharmacist or practitioner who dispenses Schedule II, III, or IV controlled substances under federal law, if a prescription is dispensed to a person other than the patient, to collect to whom the prescription was written, and the name and date of birth of the person to whom the prescription was dispensed.

This legislation requires a pharmacist or practitioner who prescribes or dispenses Schedule II, III, or IV controlled substances under federal law to register with the database by a procedure and in a format established by the Board of Pharmacy. And requires the Board of Pharmacy to promptly notify the pertinent board when a practitioner registers with the database. It allows licensed practitioners and licensed pharmacists to delegate access to the database on their behalf to an agent or employee, licensed or registered by the Division of Corporations, Business and Professional Licensing, of the practitioner to whom the practitioner has given authorization.

This legislation allows access to the PDMP by: the licensed pharmacist of DHSS responsible for administering prescription drugs coverage; the license pharmacist, licensed practitioner, or authorized employee of DHSS responsible for the utilization review of prescription drugs for the medical assistance program; the Medical Examiner to the extent that the information relates specifically to investigating the cause and manner of a person's death; and authorized personnel of DHSS who may receive undisclosed information for the purpose of identifying and monitoring public health issues in the state. Further, it allows access to a practitioner employed by the United States Indian Health Service.

SB74HCSCS(FIN) allows for disciplinary action for failure to register by either the Board of Pharmacy or by another licensing board and removes the option to access or check the Database before dispensing, prescribing, or administering a medication. It allows for a procedure and time frame for registration with the database and requires that a practitioner access the database to check a patient's prescription records before dispensing, prescribing, or administering a schedule II or III controlled substance under federal law allowing for certain exception under emergent and situational circumstances.

This legislation requires the Board to update the database on a weekly basis and authorizes the Board to provide unsolicited notification to a pharmacist or practitioner if a patient has received one or more prescriptions for controlled substances in quantities or with a frequency inconsistent with generally recognized standards of safe practice.

This bill allows the DCCED to assist the Pharmacy Board and provide necessary staff and equipment to implement the PDMP, and to consult with the board in establishing and setting fees the same for all to register with the database. Expansion of the scope and functionality of the PDMP will require a Program Coordinator I, range 18, in Juneau to manage all aspects of the PDMP, including registration, reporting, collaboration and engagement with the state's opioid control program, grant writing and reporting, vendor solicitation, and other facets of the PDMP.

SB74HCSCS(FIN) expands the practice of telemedicine from prescribing, dispensing, or administering a prescription drug without conducting a physical examination (as authorized under HB 281 during the 2014 legislative session) to also include diagnosing and treating patients without conducting a physical examination, allowing these practices by a physician who is not located in the state of Alaska, changing the patient consent requirements, and allowing prescription of controlled substances under certain circumstances.

The significant expansion of the practice of telemedicine authorized under this bill will require substantial administrative and investigative resources to pursue complaints pertaining to a rapidly expanding body of licensees who are practicing "in Alaska" but operating from locations across the nation.

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. SB74HCSCS(FIN)

Analysis Continued

The division has seen a 400% increase in medical license applications since telemedicine was expanded through legislation effective November 2014. This bill will exponentially increase the number of applicants, the geographic reach of applicant licensure, and the volume of supporting documentation required to examine fitness to practice. It will also multiply the potential for pre-application investigations. These changes will result in more costly investigative and legal support to respond to complaints, to discipline licensees for violations occurring across the nation, and to comply with increased licensee appeals of board actions.

This legislation expands telehealth outside Alaska's borders in the practices of social workers, professional counselors, psychologists, psychological associates, marital and family therapists audiologists, speech-language pathologist, speech-language pathologist assistants, physical therapists, and occupational therapists. Because these professions do not have prescriptive authority, the investigative concerns are not as high. The licensing workload, however, is anticipated to increase dramatically.

This legislation allows the Department to adopt regulations establishing and maintaining a registry of businesses performing telemedicine services in the state.

This fiscal note provides for two Occupational Licensing Examiners, range 14, to examine license applications and issue licenses. In addition, this fiscal note includes two Investigator III's, range 18, to investigate violations and enforce Alaska laws on this new population of licensees. Investigative personnel would also be tasked to regulate a new type of violation, "practice location." The additional staff would be necessary to determine violations of specific geographic scope.

If the bill passes the following expenses will be incurred:

Personal Services: \$443.6 (one full time permanent Program Coordinator I, range 18, two full time permanent Occupational Licensing Examiners, range 14, two full time permanent Investigator III's, range 18)

Travel: \$3.0 (Program Coordinator to attend two board meetings and engage with committees and stakeholders in the state's opioid control program)

Services: \$27.5 (legal costs to amend regulations, printing, and postage in first year)

\$12.0 (printing and postage to notify prescribers who would be required to register)

\$2.2 (contract to expand PDMP database from monthly to weekly based on current vendor quote)

\$108.6 (legal cost of investigations and appeals beginning in year two)

\$50.0 (department-wide services support for five new positions)

Commodities: \$25.0 in first year (computer, office panels, office furniture and other one-time needs for five new positions)

The PDMP as it is currently operating is funded by a federal grant through a reimbursable service agreement (RSA) with the Department of Health and Social Services (DHSS). The department is seeking additional federal grant funding in collaboration with DHSS. In the absence of federal grant funds, the cost will be paid by fees charged registrants with the PDMP registrants.

Professional licensing programs within the Division of Corporations, Business and Professional Licensing are funded by Receipt Supported Services, fund source 1156 Rcpt Svcs (DGF). Licensing fees for each occupation are set per AS 08.01.065 so the total amount of revenue collected approximately equals the occupation's actual regulatory costs.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HCS CSSB 74(FIN)
Fiscal Note Number:	45
(H) Publish Date:	4/11/2016

Identifier: SB074HCSCS(FIN)-DHSS-AKPH-4-8-16
 Title: MEDICAID REFORM;TELEMEDICINE;DRUG
 DATABAS
 Sponsor: KELLY
 Requester: House Finance

Department: Department of Health and Social Services
 Appropriation: Alaska Pioneer Homes
 Allocation: Pioneer Homes
 OMB Component Number: 2671

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES							
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	(1,066.7)		(1,066.7)	(1,066.7)	(1,066.7)	(1,066.7)	(1,066.7)
1007 I/A Rcpts	1,066.7		1,066.7	1,066.7	1,066.7	1,066.7	1,066.7
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

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:

Bill section references are updated.

Prepared By: Vickie Wilson, Director
 Division: Alaska Pioneer Homes
 Approved By: Sana Efird, Assistant Commissioner, Finance and Management Services
 Agency: Health and Social Services

Phone: (907)458-2228
 Date: 04/08/2016 01:20 PM
 Date: 04/08/16

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
HFC 04/11/2016

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

Included within the House Bill 30, State Agency Performance Audits (Chapter 19 SLA 2013), was a recommendation that the Department of Health and Social Services, Division of Alaska Pioneer Homes require that applicants for the payment assistance program first apply for Medicaid. **Section 44** of Senate Bill 74 would adopt this recommendation into law. The Division of Alaska Pioneer Homes estimates that 24 Level-3 residents will be eligible for the Alaskans Living Independently Waiver.

Once eligible, the division can bill Medicaid for the services being provided to the residents. This change would reduce the general fund required for the 24 residents by (\$1,066.7). However, in order to collect the revenue from Medicaid the division would need an additional \$1,066.7 in inter-agency receipts, as this is how the division is allocated revenue authority for Medicaid receipts.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HCS CSSB 74(FIN)
Fiscal Note Number:	47
(H) Publish Date:	4/11/2016

Identifier: SB074HCSCS(FIN)-DHSS-MAA-4-8-16
 Title: MEDICAID REFORM;TELEMEDICINE;DRUG
 DATABAS
 Sponsor: KELLY
 Requester: House Finance

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 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services	582.1		582.1	582.1	218.4	218.4	218.4	218.4
Travel	1.0							
Services	95.3		93.8	93.8	93.8	93.8	93.8	93.8
Commodities	19.2		4.0	4.0	4.0	4.0	4.0	4.0
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	697.6	0.0	679.9	679.9	316.2	316.2	316.2	316.2

Fund Source (Operating Only)

1002 Fed Rcpts	348.9		340.0	340.0	158.1	158.1	158.1
1003 G/F Match	57.7		48.9	48.9	158.1	158.1	158.1
1092 MHTAAR	291.0		291.0	291.0			
Total	697.6	0.0	679.9	679.9	316.2	316.2	316.2

Positions

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary	4.0		4.0	4.0			

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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

Why this fiscal note differs from previous version:

Updated bill section references. Narrative updated to delete references to seizure and forfeiture of real or personal property under section 36 (sec.47.05.260).

Prepared By: Margaret Brodie, Director
 Division: Health Care Services
 Approved By: Sana Efird, Assistant Commissioner, Finance and Management Services
 Agency: Health and Social Services

Phone: (907)334-2520
 Date: 04/08/2016 11:00 AM
 Date: 04/08/16

APPROVED BY
CONFERENCE
COMMITTEE

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

Sections 16-20 and 33-36 establish a series of new provisions intended to strengthen fraud and abuse prevention and remediation, and include the addition of a new Alaska Medicaid False Claim and Reporting Act. These provisions would authorize the department to assess interest and penalties on overpayments and impose civil fines of medical assistance providers who have or are committing medical assistance fraud.

Promulgation of associated regulations will take approximately six months, with implementation effective January 1, 2017. There will be a significant increase in appeals from these new policies. The department anticipates that it will need one long term non-permanent Medical Assistance Administrator III (position details, bottom of p.3) to handle this additional workload. It also anticipates additional training and minimal travel costs will be needed to support and implement these new policies. The estimated training cost for tuition is \$1.5 while the estimated travel costs are \$1.0.

Due to the increase in appeals with the Office of Administrative Hearings for fraud and abuse handled under these sections, the reimbursable services agreement with that office is increased by \$75.0 per year to address their increased workload.

Section 37 directs the department to implement the Primary Care Case Management system or managed care organization (MCO) contract authorized under AS 47.07.030(d). This system would require certain Medicaid recipients to obtain approval from a case manager or MCO before receiving certain services in order to increase the use of primary and preventive care, and decrease the use of specialty care and hospital services.

Additional staff will be required to develop this program, including establishing and overseeing the contract with the Administrative Services Organization, and data development and analysis. Two positions will be established for FY2017 - FY2019 to support this and all other health delivery and payment reform initiatives in this bill (Section 38, subsection (d)(3), Health Homes; Section 38, subsection (d)(5) telemedicine; Section 39 (47.07.038) hospital emergency use reduction).

Section 38 (d)(3) directs the department to implement the Health Homes option under section 1945 of the Social Security Act. Health Homes provide integrated and coordinated care for people with chronic health conditions. The department would need approximately two years for planning and development prior to implementation in order to determine eligibility criteria for recipients and for providers, design the new payment methodology and required reporting systems, develop and receive approval on the State Plan Amendment and associated regulations, and make required modifications to the Medicaid Management Information System.

The planning phase for this initiative would begin in FY2018, with implementation in FY2020. The positions established to develop the Primary Care Case Management system (Section 37 of this bill) will staff this initiative.

Section 39 (47.07.038) directs the department to establish, in collaboration with the Alaska State Hospital and Nursing Home Association, a hospital-based project designed to reduce the use of hospital emergency departments by Medicaid enrollees.

The department proposes the existing Health Information Exchange (HIE) be utilized as the foundational technology for electronic exchange of patient information among hospital emergency departments. This technology is already in place, but education and outreach to emergency department staff to help them learn how to use the HIE is required.

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. HCSCSSB074(FIN)

Analysis Continued

Program staff support would be required for negotiation and contracting with hospitals for the shared-savings payment reform associated with this initiative, and also for data systems and analysis. The positions established to develop the Primary Care Case Management system (Section 37 of this bill) will staff this initiative.

Section 39 (47.07.039) directs the department to contract with one or more third parties to implement one or more coordinated care demonstration projects for Medicaid recipients, with proposals requested on or before 12/31/2016. Demonstration projects must include three or more of the following: comprehensive primary-care-based management for medical and behavioral health service; care coordination including assignment of recipients to local primary care providers, where possible; health promotion; comprehensive transitional care and post-discharge follow-up care; referrals to community and social support services; sustainability and the ability to implement in other areas of the state; integration and coordination of benefits and services; and local accountability for health and resource allocation.

This demonstration project will be implemented in three regions of the state. Planning and development would begin in FY2017, with implementation starting in FY2019. An estimated 30,000 Medicaid recipients would be enrolled to receive services through this demonstration project. For purposes of estimation, the Department assumes the entities would be reimbursed on a fee-for-service basis plus shared-savings, with the entities receiving a portion of any savings accrued to the state Medicaid program, for the first two years.

Program staff support would be required for negotiation and contracting with the entities, and also for data systems and analysis. The positions established to develop the Primary Care Case Management system (Section 37 of this bill) will staff this initiative.

STAFFING FOR THE ABOVE EFFORTS

Personal Services:

One permanent full-time Medical Assistance Administrator IV for program development and management; Range 21, Anchorage; \$112.4 annually (**Mental Health Trust providing MHTAAR for the State's 50% portion**)

One permanent full-time Medical Assistance Administrator III for data systems and analysis; Range 20 Anchorage; \$106.0 annually (**Mental Health Trust providing MHTAAR for the State's 50% portion**)

Services: Office space, phones, reimbursable service agreements (RSAs) for position support costs: \$18.8 annually

Commodities: Office supplies: \$4.0 annually

One-Time Commodities Cost: Computer, software, and office equipment: \$15.2

One long term non-permanent Medical Assistance Administrator IV to assist Behavioral Health program development and modifications to meet Medicaid reform goals; Range 21, Anchorage; \$102.3 annually (**Mental Health Trust providing MHTAAR for the State's 50% portion**)

One long term non-permanent Medical Assistance Administrator III to handle and manage the increased workload from appeals to the new regulations and policies associated with Medicaid fraud and abuse and the new Alaska Medicaid

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. HCSCSSB074(FIN)

Analysis Continued

False Claim and Reporting Act, Range 20, Anchorage; \$96.9 annually **(Mental Health Trust providing MHTAAR for the State's 50% portion)**

One long term non-permanent Medical Assistance Administrator II to assist with the 1115 waiver, and Behavioral Health program development and modifications to meet Medicaid reform goals; Range 18, Anchorage; \$86.9 annually **(Mental Health Trust providing MHTAAR for the State's 50% portion)**

One long term non-permanent Medical Assistance Administrator I to assist the Quality Assurance and Analysis section to reduce the number of super utilizers of hospital emergency departments by Medicaid enrollees; Range 16, Anchorage; \$77.6 annually **(Mental Health Trust providing MHTAAR for the State's 50% portion)**

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HCS CSSB 74(FIN)
Fiscal Note Number:	48
(H) Publish Date:	4/11/2016

Identifier: SB074HCSCS(FIN)-DHSS-RR-4-7-16
 Title: MEDICAID REFORM;TELEMEDICINE;DRUG
 DATABAS
 Sponsor: KELLY
 Requester: House Finance

Department: Department of Health and Social Services
 Appropriation: Health Care Services
 Allocation: Rate Review
 OMB Component Number: 2696

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	500.0		200.0	200.0	200.0	200.0	200.0	200.0
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	500.0	0.0	200.0	200.0	200.0	200.0	200.0	200.0

Fund Source (Operating Only)

1002 Fed Rcpts	250.0		100.0	100.0	100.0	100.0	100.0	100.0
1003 G/F Match	250.0		100.0	100.0	100.0	100.0	100.0	100.0
Total	500.0	0.0	200.0	200.0	200.0	200.0	200.0	200.0

Positions

Full-time								
Part-time								
Temporary								

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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

Why this fiscal note differs from previous version:

The analysis section is revised to reflect updated bill references and a minor change to section 39.

Prepared By: Margaret Brodie, Director
 Division: Health Care Services
 Approved By: Sana Efird, Asst. Commissioner, Finance and Management Services
 Agency: Health and Social Services

Phone: (907)334-2520
 Date: 04/07/2016 12:50 PM
 Date: 04/07/16

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
HFC 04/11/2016
Control Code: f0wVZ

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

Section 36 (47.05.270(a)(8)) requires the Department to adopt regulations to design and implement a program for reforming the state medical assistance program under AS 47.07. The reform program must include redesigning the payment process by implementing fee agreements that include certain premium payments, penalties, bundled payments, and global payments. This work will specifically be accomplished through the demonstration projects required under Section 38 of the bill because the projects will focus on innovative payment models. Therefore, fiscal impact for this section is fully accounted for in the analysis of Section 38 of the bill (see below).

Section 38 (47.07.036(e)) requires the Department to apply for a \$1115 demonstration waiver to establish one or more demonstration projects focused on innovative payment models. The projects may include managed care organizations, community care organizations, patient-centered medical homes, or innovative payment models.

Redesigning payment processes and/or service delivery models would require changes in regulation, and possibly State Plan Amendments (in addition to the demonstration waiver). Changes in regulation would vary for each provider type and would require stakeholder input before implementation.

Demonstration projects that focus on innovative payment models, including a managed care system with care coordination and global payments, will involve complex data analysis and calculations that require actuarial expertise. Once an innovative payment model is established, administration of the system would still require actuarial expertise that is available by contract.

The initial and ongoing costs associated with hiring a contractor to perform this work are not fully known at this time. Based on consultation with other states and experts concerning the cost of actuarial services for Medicaid managed care systems, the Department estimates a one-time \$500.0 contract for a firm to analyze and implement one or more innovative payment models, and an annual \$100.0 contract for actuarial work and assistance with administration.

While the Department will contract for actuarial services and support, the Office of Rate Review will be responsible for the rate calculations and financial analysis. The Department anticipates that this work can be accomplished without adding any positions.

Section 39 (47.07.039(c)) requires that for any contract with a managed care organization, primary care case manager, accountable care organization, prepaid ambulatory health plan, or provider-led entity to implement a demonstration project, the fee structure may include global payments, bundled payments, capitated payments, shared savings and risk, or other payment structures. Since this pertains to implementing a demonstration project and concerns innovative payment models, the fiscal impact for this section is fully accounted for in the analysis of Section 38 of the bill (see above).

Section 39 (47.07.039(e)) requires the Department to contract with a third-party actuary to review demonstration projects after two years of implementation and make recommendations for the implementation of a similar project on a statewide basis. Starting in 2018, on or before December 31 of each year, the actuary must submit a final report to the department regarding any demonstration project that has been in operation for at least two years. Since this will likely result in actuarial review of multiple projects or project components each year in the immediate future, this work would be incorporated in the actuary contract described in the analysis of Section 38 of the bill (see above). To account for this increased workload, the Department estimates that the annual contract for actuarial work and assistance with administration would be increased by an additional \$100.0.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: SB 74
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB74 -CC-HSS-MC Fraud 4-25-16
Title: MEDICAID REFORM;TELEMEDICINE;DRUG
DATABAS
Sponsor: KELLY
Requester: Conf Committee

Department: Department of Health and Social Services
Appropriation: Public Assistance
Allocation: Fraud Investigation
OMB Component Number: 237

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services			(46.0)	(46.0)	(46.0)	(46.0)	(46.0)	(46.0)
Travel								
Services	680.0							
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	680.0	0.0	(46.0)	(46.0)	(46.0)	(46.0)	(46.0)	(46.0)

Fund Source (Operating Only)

1002 Fed Rcpts	61.2		(23.0)	(23.0)	(23.0)	(23.0)	(23.0)	(23.0)
1004 Gen Fund	618.8		(23.0)	(23.0)	(23.0)	(23.0)	(23.0)	(23.0)
Total	680.0	0.0	(46.0)	(46.0)	(46.0)	(46.0)	(46.0)	(46.0)

Positions

Full-time								
Part-time								
Temporary								

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:

CC Note: Reduces FY17 funding for Medicaid Fraud Services from \$980.0 to \$680.0 to align with updated CS.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. HCSCSSB074(FIN)

Analysis

Section 24 of the proposed legislation directs the department to establish an enhanced computerized income, asset, and identity verification system in order to deter fraud and eliminate duplication of public assistance benefits. The department is directed to procure the system through a competitive contract with a third party vendor. The annual savings to the state resulting from the system must exceed the cost of the system.

Assumptions:

The system will be web-enabled and interface electronically with the department's eligibility and enrollment system. Following a competitive process, the selected system will be implemented January 1, 2017, to allow the interface to begin along with full implementation of the division's new eligibility and enrollment system, ARIES.

The contractual system costs will be based on number of inquiries (encounters) submitted to the system. The estimated cost per encounter is 60 cents. The anticipated savings for cost avoidance will be used to offset the costs of the system starting in FY2018.

The Division of Public Assistance Fraud Unit may see a net savings of up to \$46.0 in personal services by FY2018 as a result of the overall decreased volume of cases the division will need to investigate as a result of this new system being able to screen out individuals who might have otherwise been found eligible.

The department received federal financial participation to fund the existing 12 interfaces (two state and ten federal) that provide an array of information to verify residency, citizenship, incarceration, felons, date of death, child support, intentional program violations in another state, identity and income. We anticipate very little federal financial participation for this new system because it duplicates many of these functions.

One-time costs:

ARIES related changes (interface design, security setup to allow single sign on, potential page display within ARIES): \$250.0

State implementation costs (process define, documentation updates, user acceptance testing, training, heightened support during implementation, potential IV&V support) \$400.0

Section 31 of the proposed legislation directs the department to refer Medicaid recipients to community resources, Department of Labor and the University for education and career opportunities.

Assumptions:

Notice will be sent from ARIES to refer adults approved for Medicaid to Department of Labor, universities or community resources.

The Division will program ARIES to send the new notice to adult Medicaid recipients who are not elderly or disabled.

One-time cost:

\$30.0, 75% of which will be federal funds and 25 percent will be state general funds.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HCS CSSB 74(FIN)
Fiscal Note Number:	50
(H) Publish Date:	4/11/2016

Identifier: SB074HCSCS(FIN)-DHSS-SDSA-4-8-16
 Title: MEDICAID REFORM;TELEMEDICINE;DRUG
 DATABAS
 Sponsor: KELLY
 Requester: House Finance

Department: Department of Health and Social Services
 Appropriation: Senior and Disabilities Services
 Allocation: Senior and Disabilities Services Administration
 OMB Component Number: 2663

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services	390.9		611.9	611.9	318.3	318.3	318.3	
Travel	2.3		6.9	6.9	6.9	6.9	6.9	
Services	2,761.8		408.6	325.9	10.5	10.5	10.5	
Commodities	2.5		7.5	7.5	7.5	7.5	7.5	
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	3,157.5	0.0	1,034.9	952.2	343.2	343.2	343.2	

Fund Source (Operating Only)

1002 Fed Rcpts	1,652.1		590.8	549.4	171.6	171.6	171.6
1003 G/F Match	71.1		297.3	256.0	171.6	171.6	171.6
1092 MHTAAR	1,434.3		146.8	146.8			
Total	3,157.5	0.0	1,034.9	952.2	343.2	343.2	343.2

Positions

Full-time	1.0		3.0	3.0	3.0	3.0	3.0
Part-time							
Temporary	4.0		4.0	4.0			

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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

Why this fiscal note differs from previous version:

Bill section references are updated.

Prepared By: Duane Mayes, Director
 Division: Senior and Disabilities Services
 Approved By: Sana Efird, Asst. Commissioner, Finance and Management Services
 Agency: Health and Social Services

Phone: (907)269-2083
 Date: 04/08/2016 01:00 PM
 Date: 04/08/16

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
HFC 04/11/2016
Control Code: PPGRM

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

SB74 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 36 charges the Department with "reducing the cost of... senior and disabilities services provided to recipients of medical assistance under the state's home and community-based services waiver."

Section 38(d) (1) and (2) of the bill more specifically directs the State to apply to the Centers for Medicare and Medicaid Services (CMS) to develop two new Medicaid funding authorities, the 1915(i) and 1915(k) State Plan options. Under these new authorities the state will realize savings in the provision of home and community-based services (HCBS).

Services under these new funding authorities will reduce general fund expenditures by replacing 100% general fund services with 50% fed / 50% GF match (1915(i) option) or capturing a higher federal match rate (1915(k)).

In FY2018 and FY2019, the Department anticipates new costs associated with initial eligibility assessments of individuals previously served through the general fund grant programs or services. The estimated number of new assessments = 1,539. Cost per assessment = \$225.41 (not including travel). Assessments for 953 recipients transitioning from Community Developmental Disabilities Grant total \$214.8 in FY2018, at 50% fed / 50% GF match. Assessments for 586 recipients transitioning from Senior Community Based Grants and General Relief / Temporary Assistance total \$132.1 in FY2019, at 50% fed / 50% GF match. Total estimated cost (FY2018 and FY2019) to manage the 1,539 initial eligibility assessments = \$346.9.

In FY2017, FY2018 and FY2019 the Department anticipates additional expenditures related to the "Automated Services Plan" management information system. State staff, providers, and consumers will have access to the system and a public web resource center. The Department will plan and configure substantial, necessary software changes to this system for new assessments, additional programmatic elements, and interfaces with other department data management systems. Additional user accounts and licenses, and training and support for all users, will need to be developed and supported. The estimated costs for case management system development = \$ 550.0, eligible for enhanced federal funding at a 90 percent federal match, and spread in equal thirds over FY2017-FY2019.

Both the increased assessments at \$346.9, and case management system development at \$550.0, will be services line item expenditures. These costs will be realized in the development years, while the savings will continue and grow as overall expenditures grow.

The Division of Senior and Disabilities Services (SDS) will need to implement a new assessment tool for persons served by home and community based services through 1915(c), 1915(i) and 1915(k). This tool will provide a comprehensive clinical assessment of recipient needs by acuity, which will feed into the development of identified services within the recipient's Plan of Care. Of importance is that this new assessment tool will allow SDS to improve our efficiencies and reform our payment system. The \$2,575.0 one-time cost to implement this new assessment tool in FY2017 will cover software development, development of algorithms within the assessment tool, internal systems change, and training. **The Alaska Mental Health Trust is providing \$1,287.5 MHTAAR for the State's 50% portion.**

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. HCSCSSB074(FIN)

Analysis Continued

To plan, develop, and manage the new program, beginning in FY2017 Senior and Disabilities Services will require three additional permanent full-time positions and, due to accelerated time frame for the roll-out of reform initiatives, four additional long-term non-permanent positions.

Full-time positions:

One staff full-time position beginning in August 2016 (FY2017) and two more staff beginning in FY2018. These will be Health Program Manager II positions, located in Anchorage, in the GG unit, each = \$106.1; Travel = \$2.3; Services = \$3.5; Commodities = \$2.5. FY2017 personal services costs are prorated to reflect the August 1, 2016 start date.

Non-permanent positions:

Four long-term non-perm positions are requested for FY2017 - FY2019 so that SDS is staffed to accomplish the work required to implement 1915(i) and (k) and amend 1915 (c) on a short timeline while maintaining its current workload. These will be Health Program Manager II positions, Range 19, located in Anchorage, in the GG unit, each = \$73.4., for a \$293.6 annual total. **The Alaska Mental Health Trust is providing \$146.8 MHTAAR for the State's 50% portion in FY2017 - FY2019.**

The additional HPM II position in the *Research and Analysis Unit* will be responsible for ensuring continued data integrity as changes to the new automated service plan are implemented for 1915(i) and (k), building management reports necessary for Division operations and federal and state reporting requirements, and building subject matter expertise in a variety of data systems.

The additional HPM II position in the *Provider Certification and Compliance Unit* will be responsible for certifying providers as qualified to provide services to vulnerable Alaskans, and monitoring each provider's compliance with current and upcoming Federal regulatory requirements.

The additional HPM II position in the *Quality Assurance Unit* will be responsible for the quality assurance work, including fraud investigations, related to the system-wide change required to implement new 1915 (c), (i) and (k) mandates for conflict free care coordination and settings compliance.

The additional HPM II position in the *Policy and Program Development Unit* will be responsible for regular communication with CMS on Alaska's Medicaid reform goals, maintaining the Division's desire for transparency through provider and recipient education, outreach, and the formal public comment process, and the research for and development of State Plan Amendments and related amendments to Alaska's four 1915 c waivers as home and community based services transition from general fund programs to Medicaid.

Regulation changes are required to implement the new options and would involve extensive public comment. The estimated effective date of this regulation change is July 2017.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: SB 74
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB074 CC-DHSS-CO-5-3-16
Title: MEDICAID REFORM;TELEMEDICINE;DRUG
 DATABAS
Sponsor: KELLY
Requester: Conference Committee

Department: Department of Health and Social Services
Appropriation: Departmental Support Services
Allocation: Commissioner's Office
OMB Component Number: 317

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
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	27.6		27.6	27.6	27.6	27.6	27.6
Travel							
Services	535.0						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	562.6	0.0	27.6	27.6	27.6	27.6	27.6

Fund Source (Operating Only)

1002 Fed Rcpts	13.8		13.8	13.8	13.8	13.8	13.8
1003 G/F Match	13.8		13.8	13.8	13.8	13.8	13.8
1004 Gen Fund	535.0						
Total	562.6	0.0	27.6	27.6	27.6	27.6	27.6

Positions

Full-time							
Part-time							
Temporary							

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:

CC Note: The House and Senate versions of the operating budget (HB256) included funding and four positions. The CC note removes the difference between what was included in the budget and the amount included in the fiscal note.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. HCSCSSB074(FIN)

Analysis

Section 48: Included in this note is the creation of the Tribal Federal Liaison Section that will aggressively move forward on the new Centers for Medicare and Medicaid Services (CMS) policy to obtain maximum savings in as quick a timeline as possible. This section would have statewide multi-division and departmental responsibility for effectively implementing tasks to obtain maximum refinancing and savings associated with the CMS policy clarification on tribal claiming. It would include federal tribal liaison work with CMS, covering all aspects of the Alaska Medicaid program.

This section will be responsible for achieving the enhanced savings in tribal claiming shown in the Health Care Medicaid Services component. **These positions were contained in the House and Senate Finance subcommittee recommendations for the DHSS operating budget and are included the operating budget bill currently awaiting action by the Conference Committee.**

Enhanced federal funding for the Medicaid program is contingent upon development and implementation of referrals, care plans and claiming for services to Alaska Native and American Indians (AN/AI). This will require maintaining and amending the Medicaid State Plan in accordance with federal requirements and regulations. As such, this section will provide department-wide oversight and expert policy analysis to meet the new CMS policy requirements.

This new section will be made up of four new positions: One Division Operations Manager, two Medical Assistance Administrator IVs, and one Medical Assistance Administrator I. Costs are as follows.

Personal Services: One permanent full-time Division Operations Manager; Range 24, Juneau; \$ 152.5 annual cost

Two permanent full-time Medical Assistance Administrator IV; Range 21, Juneau; \$ 247.9 annual cost

One permanent full-time Medical Assistance Administrator I; Range 16, Juneau; \$ 92.9 annual cost

Travel: 9.6 annually (only the Manager and one Administrator IV will travel)

Services: Office space, phones, reimbursable service agreements (RSA) for position support costs: \$37.6 annually

Commodities: Office supplies: \$8.1 annually

One-Time Commodities Cost: Computer, software, and office equipment: \$30.4 (FY2017)

Section 50 of this bill directs the Department to conduct a study analyzing the feasibility of privatizing services delivered at select facilities within the Division of Juvenile Justice (DJJ) and the pharmacy functions of the Alaska Pioneer Homes (AKPH). In addition, the Department is directed to, in conjunction with the Alaska Mental Health Trust Authority, conduct a study analyzing the feasibility of privatizing services delivered at the Alaska Psychiatric Institute. A summary of the findings is due to the legislature by the 10th day of the first regular session of the thirtieth legislature.

The Division of Alaska Pioneer Homes (AKPH) has a central office, a pharmacy, and six 24-hour facilities which provide assisted living care and memory care to residents. In total, the central office, pharmacy, and six facilities account for 600 permanent positions and 499 licensed assisted living home beds. The AKPH pharmacy is a long-term care pharmacy, has six permanent positions, and provides daily services to over 400 residents.

The Division of Juvenile Justice operates eight 24-hour Alaska youth facilities that account for 342 permanent positions and 258 beds.

The Alaska Psychiatric Institute is a 24-hour, 80 bed, nationally accredited inpatient psychiatric hospital employing about 250 permanent staff and organizationally housed within the Division of Behavioral Health (DBH).

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. HCSCSSB074(FIN)

Analysis Continued

The Department will contract out for these studies, which will assess the most common types of privatization and rank them by applicability for DHSS services.

The contractor, or contractors, will need to provide:

- (1) a final written feasibility analysis report
- (2) a comprehensive assessment of the ranked privatization options
- (3) an analysis of the impact to DHSS DJJ, AKPH, and API services and clientele thereof that privatization will cause
- (4) employer costs resulting from any labor relations and/or union contract stipulations regarding privatizing state employee duties
- (5) recommendations for cost saving measures that would help the Department if privatization is not feasible

The contractor, or contractors, must consider:

- the complex nature of the population served by each facility
- the variety of Alaskan communities
- stakeholders' needs

The complexity of the services provided by the AKPH pharmacy will likely require a specialized feasibility study.

The contractor, or contractors, must bring to bear considerable expertise in the services and systems, legal authorities, frameworks and funding mechanisms specific to the three Divisions. Additionally, the contractor, or contractors, must have knowledge of the process and outcomes of privatization of similar services in other states, and specific application to services provided in Alaska.

To arrive at the estimated contract cost of \$535.0, the Department assumed that the options outlined by the National League of Cities guidance regarding privatizing municipal services are followed (see <http://www.nlc.org/Documents/Find%20City%20Solutions/Research%20Innovation/Economic%20Development/privitizing-municipal-services-gid-10.pdf>) and contractors would charge similar rates to those previously paid by DHSS. In addition, a well-planned feasibility study would require on-site visits.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HCS CSSB 74(FIN)
Fiscal Note Number:	55
(H) Publish Date:	4/11/2016

Identifier: SB074HCSCS(FIN)-DHSS-BHMS-4-8-16
 Title: MEDICAID REFORM;TELEMEDICINE;DRUG
 DATABAS
 Sponsor: KELLY
 Requester: House Finance

Department: Department of Health and Social Services
 Appropriation: Medicaid Services
 Allocation: Behavioral Health Medicaid Services
 OMB Component Number: 2660

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES							
Personal Services							
Travel							
Services	850.0		3,825.0	5,300.0	5,500.0	5,800.0	5,800.0
Commodities							
Capital Outlay							
Grants & Benefits			1,100.0	4,600.0	8,700.0	13,200.0	13,200.0
Miscellaneous							
Total Operating	850.0	0.0	4,925.0	9,900.0	14,200.0	19,000.0	19,000.0

Fund Source (Operating Only)

1002 Fed Rcpts	425.0	2,750.0	6,224.5	10,132.0	13,804.0	17,794.0	17,794.0
1037 GF/MH		(2,750.0)	(3,212.0)	(2,882.0)	396.0	1,206.0	1,206.0
1092 MHTAAR	425.0		1,912.5	2,650.0			
Total	850.0	0.0	4,925.0	9,900.0	14,200.0	19,000.0	19,000.0

Positions

Full-time							
Part-time							
Temporary							

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: 2,348.0 (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:

Bill section references are updated.

Prepared By: Randall P. Burns, Director
 Division: Behavioral Health
 Approved By: Sana Efird, Asst. Commissioner, Finance and Management Services
 Agency: Health and Social Services

Phone: (907)269-5948
 Date: 04/07/2016 04:21 PM
 Date: 04/08/16

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
HFC 04/11/2016
Control Code: tlHzs

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

Section 36 of **SB74** adds a new section, AS 47.05.270, entitled "Medical assistance reform program." New subsection AS 47.05.270(b) instructs the Department of Health and Social Services (DHSS), in coordination with the Alaska Mental Health Trust Authority, to "manage a comprehensive and integrated behavioral health program," including a plan for providing a continuum of community-based services from a wide array of providers and disciplines that addresses housing, employment, and criminal justice, and reduces barriers that fragment services and reduce effectiveness and efficiency. It is expected that Alaskans served by the criminal justice system will benefit from the reformed system of behavioral health care, and savings will be realized in the Department of Corrections, Public Safety and the Court system as well as within the Office of Children's Services.

Capital Budget: \$1,348.0 (90% federal\10% MHTAAR)

One-time costs to connect behavioral health providers to the Alaska Statewide Health Information Exchange (HIE) to improve care coordination and management in the comprehensive and integrated behavioral health system; and to connect Alaska's Automated Information Management System (AKAIMS), the behavioral health electronic health record and data system, to the HIE to increase efficiency and streamline provider documentation requirements.

Section 38 adds new subsections AS 47.07.036(d)(4) and (5) that authorize the Department to develop demonstration projects for innovative service delivery and payment models, and provide incentives for telehealth. New subsection AS 47.07.036(e) requires the Department to seek 1115 demonstration waivers from the Centers for Medicare and Medicaid Services (CMS), and subsection (f) requires that one of these 1115 waivers focus on behavioral health system improvements for Medicaid recipients. These system improvements must be consistent with the improvements expected under Section 36, p. 32 of the bill [47.05.270(b)] that are intended to improve access to quality care while managing costs.

Following CMS approval of the 1115 behavioral health Medicaid demonstration waiver, DHSS will apply to amend that waiver to expand access to substance use disorder services. The amendment will seek an Institution for Mental Diseases (IMD) exclusion for those services currently not reimbursed by Medicaid that are provided in an inpatient or residential substance use disorder setting having more than 16 beds. Starting in FY2018, the Division of Behavioral Health will contract with an Administrative Services Organization (ASO) to develop and manage a network of providers; establish utilization management; provide quality and outcomes reporting; provide fraud, waste, and abuse auditing; and demonstrate benchmarks on healthcare outcomes and quality. **The state match required for the ASO contract for FY2018 and FY2019 is being provided by the Alaska Mental Health Trust Authority.**

This fiscal note includes \$700.0 in FY2017 and \$250.0 in FY2018 for consulting contracts to assist the Department in the design and implementation of a managed behavioral health system of care and development of the 1115 demonstration waiver application, to provide the required actuarial analysis for the waiver application, and to support the required public review process. Also included is \$150.0 in FY2017 and \$75.0 in FY2018 for contractual services to adapt a new prospective payment model designed for Certified Community Behavioral Health Centers for pilot testing with substance abuse providers. **The state match required for all of these contracts is being provided by the Alaska Mental Health Trust Authority.**

The design and implementation of a managed system of behavioral health care will require necessary changes to the Medicaid Management Information System (MMIS).

Capital Budget: One-time MMIS system changes: \$1,000.0 (90% federal\10% GF match)

Analysis Continued

The table below summarizes the Behavioral Health Medicaid Services operating costs of this legislation. Costs are subject to a blended FMAP rate of between 50% and 100%, depending on the populations served.

Behavioral Health Medicaid Services Summary of Operating Expenditures						
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Grants: Change in Medical Costs due to Medicaid Redesign Initiatives		\$ 1,100.0	\$ 4,600.0	\$ 8,700.0	\$ 13,200.0	\$ 13,200.0
Services: Administrative Service Organization Contract		\$ 3,500.0	\$ 5,300.0	\$ 5,500.0	\$ 5,800.0	\$ 5,800.0
Services: 1115 Consulting Contract	\$ 700.0	\$ 250.0				
Certified Community Behavioral Health Clinic Prospective Payment Pilot	\$ 150.0	\$ 75.0				
Total Expenditures	\$ 850.0	\$ 4,925.0	\$ 9,900.0	\$ 14,200.0	\$ 19,000.0	\$ 19,000.0

Section 48 directs the Department to collaborate with Alaska tribal health organizations to implement federal policy on tribal Medicaid reimbursement. The Department, anticipating benefits from the recently published CMS national policy allowing states to broaden the range of services eligible for 100% Federal Medical Assistance, has projected impacts in the initial years of policy implementation. This fiscal note addresses a percentage of the total expenditures for Alaska Native/American Indian (AN/AI) recipients served at the largest in-state, *non-tribal* residential psychiatric treatment facilities, then working into the out-of-state medium and smaller sized facilities as the contracting process is refined and the policy fully understood.

Percentage of total payments to non-tribal Residential Psychiatric Treatment Centers (RPTCs) FY2015

Based on FY2015 data, which indicated that there were a total of 193 unduplicated AN/AI recipients receiving RPTC services at non-tribal sites, DHSS projected the maximum State benefit that could be realized from the new tribal policy between now and FY2021; that total is \$6,050.0 (estimated \$12,100.0 in expenditures by 2021, at the previous FMAP rate of 50%). Under the new policy, the chart below shows in-state provider savings beginning in FY2017 (\$2,750.0). From FY2018 forward, out-of-state providers are added for an additional savings of \$825.0 in each subsequent year.

RPTC svcs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
fed	\$ 2,750.0	\$ 3,575.0	\$ 4,400.0	\$ 5,225.0	\$ 6,050.0	\$ 6,050.0
GF/MH	\$ (2,750.0)	\$ (3,575.0)	\$ (4,400.0)	\$ (5,225.0)	\$ (6,050.0)	\$ (6,050.0)

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: SB 74
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB74 CC HSS HCMS 5-3-16
Title: MEDICAID REFORM;TELEMEDICINE;DRUG
 DATABAS
Sponsor: KELLY
Requester: Conference Committee

Department: Department of Health and Social Services
Appropriation: Medicaid Services
Allocation: Health Care Medicaid Services
OMB Component Number: 2077

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
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services							
Travel							
Services	1,887.5		536.5	436.5	436.5	436.5	436.5
Commodities							
Capital Outlay							
Grants & Benefits	12,032.2		9,277.8	(3,213.2)	(8,904.6)	(15,061.6)	(18,965.9)
Miscellaneous							
Total Operating	13,919.7	0.0	9,814.3	(2,776.7)	(8,468.1)	(14,625.1)	(18,529.4)

Fund Source (Operating Only)

1002 Fed Rcpts	13,548.4		24,568.4	21,851.7	22,606.0	23,127.5	21,175.4
1003 G/F Match	228.9		(14,934.0)	(24,850.7)	(31,293.9)	(37,972.4)	(39,924.6)
1092 MHTAAR	7.5		2.5	2.5			
1247 MedRecover	134.9		177.4	219.8	219.8	219.8	219.8
Total	13,919.7	0.0	9,814.3	(2,776.7)	(8,468.1)	(14,625.1)	(18,529.4)

Positions

Full-time							
Part-time							
Temporary							

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: 6,900.0 *(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? **07/01/17**

Why this fiscal note differs from previous version:

CC Note: The House and Senate versions of the operating budget (HB256) included a reduction of \$20.3 million of UGF and the addition of \$7 million of Federal Receipts to reflect anticipated savings resulting from the new CMS policy change that broadened the range of services eligible for 100% Federal Medical Assistance (FMAP). The CC note removes the difference between what was included in the budget and the amount of funding needed to implement reforms that had been included in the latest fiscal note.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. CSSB074(FIN)

Analysis

Section 18 (Chapter 58) (Sec. 09.58.010) establishes the Alaska Medicaid False Claim and Reporting Act (AMFCA) and includes several subsections related to liability for certain acts and omissions, civil actions, rights of participants in such actions, awards allowed, actions that are not allowed, limits on state liability, and protections for whistleblowers. Based on the Department’s experience with whistleblower recoveries during the past two years, the Department is poised to recover approximately \$500.0, in FY2015-FY2016. The new law is estimated to triple the recoveries to \$750.0 *annually*. Whistleblowers will receive approximately 25% of the ultimate recovery, leaving 75% for the State, or \$562.5. Compared to current annual recoveries, this represents an increase of \$312.5 annually. In addition, the civil penalty provisions contained in Section 17 provides for civil penalties plus three times the amount of actual damages sustained by the State. A conservative estimate of \$100.0 of recoverable overpayments subject to the treble damages provision equates to an additional \$300.0 in recoveries annually. **Combined with above equates to \$612.5 annually for FY2018-2019. The Private right of action for realtor or private citizens is repealed on 7-1-2019, reducing recoveries by an estimated \$100.0 per year for FY 2020 through FY 2022. FY2017 is a phase in year and recoveries are estimated at \$306.2, 50% of normal annual recoveries.** Recoveries will be categorized as *abatements of expenditures*.

AMFCA recoveries FY 2017	\$306.2
AMFCA annual recoveries FY 2018-FY2019	\$612.5
AMFCA annual recoveries FY 2020-FY2022	\$512.5

Section 33 (a) decreases the number of required of Medicaid providers, conducted by an independent contractor, from at least 75 annually to at least 50 annually. Audits are conducted on a representative sample of all Medicaid providers in order to identify both overpayments and violations of criminal statutes. The department is directed to attempt to minimize concurrent state or federal audits of specific providers. This section of the bill will have no fiscal impact on the department. Any change in the cost of audits is estimated to be offset by a change in recoveries.

Section 34 (b) allows the Department to assess interest on recoveries for audits performed under AS 47.05.200 as well as other audits and reviews conducted by the state and federal government. There is no additional cost to the department to implement interest penalties on identified overpayments, but recoveries will increase. The Department estimates it will take three years to reach the current volume of outstanding appeals subject to interest penalties. Interest penalty recoveries are calculated by taking the current amount of outstanding appeals and applying an estimated recovery percentage. The result is multiplied by the statutory rate for post-judgment interest of 3.75% and phased in over a period of three years, as shown below. Recoveries will be categorized as revenue receipts, recorded under new fund code #1247, Medicaid Monetary Recoveries.

Amount of Interest Penalty Recoveries FY2017	\$ 84.9
Amount of Interest Penalty Recoveries FY2018	\$127.4
Amount for FY2019-FY2022	\$169.8

Section 35 requires enrolled Medicaid providers to conduct an audit every two years unless they are subject to an audit under AS 47.05.200 to identify overpayment and report findings to the department. The DHSS currently receives an average of approximately \$500.0 in self disclosures annually. Although it is currently required by federal law, the DHSS estimates an increase in self-reporting of approximately 100% would result by requiring biennial audits and increasing awareness of the requirement when it is codified in Alaska Law. Based on the Department’s prior experience with self-disclosure recoveries, the State can expect to receive an estimated \$500.0 in additional recoveries for the first two years, and then gradually decrease to \$25.0 decrements for the remainder of the period.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. CSSB074(FIN)

Analysis Continued

Regulations are required to implement the provisions of the bill. Receipt of repayments will be categorized as abatements.

Amount of Self-Identified Recoveries FY2017	\$ 500.0
Amount of Self-Identified Recoveries FY2018	\$ 500.0
Amount of Self-Identified Recoveries FY2019	\$ 475.0
FY 2020	\$ 450.0
FY 2021	\$ 425.0
FY 2022	\$ 400.0

Section 36 grants the Department of Health and Social Services the authority to assess civil fines against Medicaid providers. Fines are to be assessed within a range of from \$100 to \$25,000 per occurrence or offense. There is no additional cost to the department to implement fines under this section. Recoveries based on implementing fines in this section are calculated by taking the estimated number of civil fines and applying an average fine amount. It is estimated the amount of fines imposed per recovery will increase over time, but the number of fines assessed will decrease over time. The estimated amount of the recoveries would be \$50.0 per year. These recoveries are categorized as revenue receipts, under new fund code #1247, Medicaid Monetary Recoveries. Regulations will be required to implement these provisions of the bill.

Annual recoveries for FY2017-FY2022 **\$ 50.0**

Section 36 47.05.270 Medical assistance reform program (a) (2) of this bill requires the department to provide an electronic distribution of an explanation of medical assistance benefits to recipients for health care services received under the program. It is the intent of the department to fully implement this section of the bill through the My Alaska Portal. It estimates that it will cost \$707.5 (90% federal/10% GF) to fully implement the electronic distribution of an explanation of medical assistance benefits in FY2017. After the initial set-up, estimated on-going costs are the concurrent user license, \$76.5, and the yearly maintenance fee, \$17.0, for a total of \$93.5 (50% federal/50% GF) annual costs.

Section 36 47.05.270(a)(9) directs the department to provide for stakeholder involvement in setting annual targets for quality and cost effectiveness. Existing department employees will staff this effort, and meetings of the workgroup will occur telephonically with no travel costs incurred. A consultant will be hired to facilitate the meetings and compile a report on the workgroup’s findings and recommendations. **Services: \$5.0 annually for consultant contract (Mental Health Trust Funded from FY2017 through FY2019)**

Section 37 directs the department to implement the Primary Care Case Management system authorized under AS 47.07.030(d). *This is a foundational component to other initiatives and projected savings.* This system would assign Medicaid enrollees to a case manager in order to increase use of primary and preventive care, and decrease the use of specialty care and hospital services. The department proposes expansion of an existing case management contract, at \$500.0 across FY2017-2018 (50% federal/50% GF match). The contractor will case manage at \$3.85 per member per month to approximately 30,000 recipients. This approach would reduce implementation timelines.

This initiative will require planning and development in FY2017 with implementation in the 2nd quarter FY2018 (on Oct 1, 2017). Activities will include determining regions/communities for which Primary Care Case Management is practicable and determining populations/beneficiary groups to include in Primary Care Case Management. It also includes drafting a state plan amendment (SPA), regulations, revising beneficiary and provider manuals, provider education, evaluation and reporting plan, comparison of before and after costs and patient outcomes, and Medicaid Management Information System (MMIS) changes to add per member per month payments.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. CSSB074(FIN)

Analysis Continued

Funding is also required to implement associated changes to MMIS, including one-time capital funds for systems changes, and additional contractual costs for on-going operations.

Capital Budget: One-time MMIS system changes: \$1,000.0 (90% federal/10% GF)

Once primary care case management is fully implemented, the department projects an increase in expenditures for physician services, but a decrease in outpatient, inpatient, and pharmacy services to produce a net savings of:

FY2017	(\$596.4)
FY2018	(\$1,787.3)
FY2019	(\$4,375.5)
FY2020	(\$6,963.7)
FY2021	(\$9,517.5)
FY2022	(\$9,517.5)

Section 38 (d)(3) directs the department to implement the Health Homes option under section 1945 of the Social Security Act. Health Homes provide integrated and coordinated care for people with chronic health conditions. The federal government would provide a 90% enhanced Federal Medical Assistance Percentage (FMAP) reimbursement for the new Health Home services for the first eight quarters following their approval of the state’s Medicaid State Plan Amendment.

The department would need approximately two years (FY2017-2018) for planning and development prior to implementation in FY2019, in order to determine eligibility criteria for recipients and providers, design the new payment methodology and required reporting systems, develop and receive approval on the State Plan Amendment and process associated regulations, and make required IT modifications to the Medicaid payment system.

Additional resources would also be required to support systems changes required in MMIS. A portion of these would be a one-time capital budget request, but the MMIS contract would also need to be increased on an on-going basis to support the new workload associated with payment reform.

Capital Budget: One-time MMIS system changes: \$1,000.0 (90% federal/10% GF)

The above planning and development work would move the department to an enhanced reimbursement/provider payment model and would follow 2 years after the Primary Care Improvement Initiative. This would lead to potentially paying enrolled Health Home providers per month for enrolled recipients (on top of regular fee-for-service reimbursement). Projected savings would be assumed through utilization reduction factors specific to Health Homes and based on the above with a reduction in 0.25% of inpatient costs at \$5,230.0 (based on the FY2016 budget line items) for the projected population of 10,000 recipients and offset by the projected 10,000 recipients X \$15.00 per member per month = \$150.0 X 12 months = \$1,800.0 for a **total projected future savings of \$3,430.0.**

Section 38 (d)(5) directs the department to provide incentives for telehealth, including increasing the capability for and reimbursement of telehealth for recipients. The department’s first step in implementing this new provision will be to convene a workgroup, including stakeholders from the health care community, for one year to identify legal, technical and financial barriers to increasing use of telehealth in Alaska.

Existing department employees will staff this effort, and meetings of the workgroup will occur telephonically with no travel costs incurred. A consultant will be hired to facilitate the meetings and compile a report on the workgroup’s findings and recommendations. **Services: \$5.0 one-time cost in FY2017 for consultant contract (Mental Health Trust Funded).**

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. CSSB074(FIN)

Analysis Continued

FY2017 will be used to implement the final recommendations of the workgroup. Once those recommendations are fully implemented, the department expects the following savings:

FY2018	(\$1,300.0)
FY2019	(\$2,600.0)
FY2020	(\$5,800.0)
FY2021	(\$9,400.0)
FY2022	(\$13,300.0)

Section 39 (47.07.038) authorizes the department to support private initiatives designed to reduce non-urgent use of hospital emergency departments by Medicaid enrollees. The department’s supporting role would include data sharing, support for the Prescription Drug Monitoring Program database, support for electronic health record sharing between participating hospitals’ emergency departments, and development of a shared savings payment model reflected below.

The planning phase for this initiative would begin during FY2017, and the required data, reporting and information system infrastructure would be built in FY2018. The department would implement the shared-savings payment model in FY2019.

Resources would also be required to support Health Information Exchange interface and other changes related to payment reform for MMIS. A portion of these would be a one-time capital budget request.

Capital Budget: One-time MMIS system changes: \$1,000.0 (90% federal/10% GF)

The Prescription Drug Monitoring Program (PDMP) is an integral part of this initiative, as it is required to help prevent the misuse and abuse of opioids prescribed or administered through emergency departments. Access to the PDMP database by physicians and pharmacists could be improved if the current stand-alone system was integrated into the Health Information Exchange (HIE). The following costs are one -time in addition to \$20.0 annual operating costs:

FY2017 PDMP system and interface to the HIE is \$285.0 (90%federal/10%GF), and FY2017 costs to connect pharmacies is \$480.0 (90%federal/10% GF)

The projected DHSS savings from this would be calculated from reduced utilization in 2% of hospital outpatient services. **Total savings are estimated at \$3,200.0, including \$960.0 of shared savings paid to providers, for a savings to the department of \$2,240.0, with an increase of 0.5% to the savings in each subsequent year.**

Section 39 (47.07.039)(C) authorizes the department to contract with one or more entities to demonstrate the use of local, provider-led coordinated care entities that agree to monitor care across multiple care settings and that will be accountable to the department for the overall cost and quality of care. This demonstration project will be implemented in three regions of the state. Planning and development would begin in FY2017, with implementation starting in FY2019. An estimated 30,000 Medicaid recipients would be enrolled to receive services through this demonstration project. For purposes of estimation, the Department assumes the entities would be reimbursed on a fee-for-service basis plus shared-savings, with the entities receiving a portion of any savings accrued to the state Medicaid program, for the first two years. The department’s best estimate at this time is approximately \$1,500.0 in GF savings. The state’s fiscal agent will require an additional 3 staff members for the additional work in provider enrollment, claims processing, and telephone inquiries as a result of the change - **increase contract by \$318.0 (50% federal/50% GF)**. These individuals will provide support across the primary care case management project, health homes, and the hospital emergency room project as well.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. CSSB074(FIN)

Analysis Continued

The estimated capital budget start up cost for FY2017 is **\$3,125.0** for technical development and consulting services, reimbursed at 90% federal, 10% GF. On-going annual maintenance costs is expected to be approximately \$318.0 to the fiscal agent for Medicaid reform activities. These costs are placed in the operating budget and are reimbursed at 50% federal, 50% GF.

Program staff support would be required for negotiation and contracting with such entities, and also for data systems and analysis. The positions established to develop Sec. 38 (d)(3) Health Homes; and Sec 37 Primary Care Case Management system will staff this initiative as well.

Section 48 directs the Department to implement federal policy on tribal Medicaid reimbursement to collaborate with Alaska tribal health organizations. The Department will utilize the Centers for Medicare and Medicaid (CMS) recent proposed clarification of national policy to allow states to broaden the range of services eligible for 100% Federal Medical Assistance. However, the Department is cautious in projecting the impacts in the initial years of implementation.

Total Transportation to US TRAVEL for 2015 Payments

Total Monthly average reimbursement for AI/AN transportation claims = \$3,000.0
Monthly average X 12 months = \$3,000.0 x 12 = \$36,000.0 total costs. The refinancing from 50% federal/50% GF match to 100% federal results in **\$18,000.0 in GF match savings**, with a reciprocal increase to federal costs. This fund source change is to be equally spread at 20% per year for five years, or **\$3,600.0 in annual, cumulatively building GF match savings across each subsequent year from FY2017-2021**. The multi-year spread is because the cost shift to 100% federal is assumed to take several years. Full savings achieved in FY2021, year five of the effort.

Total Ground and Air Ambulance for 2015

Total quarterly average reimbursement for AI/AN claims = \$3,100.0

Total quarterly at \$3,100.0 X 4 quarters = \$12,400.0 total costs. Results in **\$6,200.0 GF match savings** and a reciprocal increase in federal costs. Assume a two-year spread to shift costs to 100% federal. **\$3,100.0 in annual, cumulatively building GF match savings across the two-year span, FY2017-2018**. Full savings achieved in FY2018, year two.

To aggressively pursue the new Centers for Medicare and Medicaid Services (CMS) policy and realize an additional \$20,000.0 in savings in FY2017, the Department is requesting a Tribal Federal Liaison section, staffed with 4 positions in the Commissioner’s Office. This section will focus on achieving these additional savings as referrals and care plans are approved by CMS. **This additional \$20,000.0 in savings for FY2017 has also been proposed in the House and Senate Finance subcommittee recommendations for the DHSS operating budget.**

US Travel	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
fed	\$ 3,600.0	\$ 7,200.0	\$ 10,800.0	\$ 14,400.0	\$ 18,000.0	\$ 18,000.0
GF match	\$ (3,600.0)	\$ (7,200.0)	\$ (10,800.0)	\$ (14,400.0)	\$ (18,000.0)	\$ (18,000.0)
ambulance	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
fed	\$ 3,100.0	\$ 6,200.0	\$ 6,200.0	\$ 6,200.0	\$ 6,200.0	\$ 6,200.0
GF match	\$ (3,100.0)	\$ (6,200.0)	\$ (6,200.0)	\$ (6,200.0)	\$ (6,200.0)	\$ (6,200.0)
Addn'l Savings	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
fed	\$ 20,000.0	\$ 20,000.0	\$ 20,000.0	\$ 20,000.0	\$ 20,000.0	\$ 20,000.0
GF match	\$ (20,000.0)	\$ (20,000.0)	\$ (20,000.0)	\$ (20,000.0)	\$ (20,000.0)	\$ (20,000.0)
Total	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
fed	\$ 26,700.0	\$ 33,400.0	\$ 37,000.0	\$ 40,600.0	\$ 44,200.0	\$ 44,200.0
GF match	\$ (26,700.0)	\$ (33,400.0)	\$ (37,000.0)	\$ (40,600.0)	\$ (44,200.0)	\$ (44,200.0)

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. CSSB074(FIN)

Analysis Continued

Section 49 directs the department to develop a health information infrastructure plan to support transformation of the healthcare system in the state by providing data health care providers require for care coordination and quality improvement, and the information support required by the department and providers to enable development and implementation of other provisions of this act.

The department's existing Health Information Technology program will staff this effort, and meetings of the workgroup will occur telephonically at minimal cost with no travel costs incurred. A consultant will be hired to facilitate the meetings and compile a report on the workgroup's findings and recommendations. **Services: \$5.0 one-time cost in FY2017 for consultant contract (Mental Health Trust Funded).**

Capital Costs:

Health Information Infrastructure Plan development to improve health care outcomes through:

OUTCOMES:

- Outcome I - Provide Personal Health View
- Outcome II - Provide Population Data Analytical view
- Outcome III - Provide Health Care Provider View

ASSUMPTIONS:

Assumption I - The Plan will include the use of the existing Health Information Exchange (HIE)

Assumption II - The Plan will provide a communication infrastructure plan that will utilize new and existing systems that include Electronic Medical Record Systems, Electronic Health Record Systems, Personal Health Record Systems, Registries and Data interchange capabilities.

Assumption III - The plan will provide:

- "As-Is" view of the existing systems.
- Gap analysis of what is missing.
- "To-Be/Desired" view of the future state.
- Design roadmap with milestone investment targets to incrementally achieve "To-Be" state.
- Implementation plan to achieve To-Be state.

PHASES:

- Phase I - Requirements Gathering/Define As-Is environment.
- Phase II - Development To-Be/Desired state roadmap with Gap analysis of what is missing.
- Phase III - Design/Engineering Implementation Plan with phases and achievement goals to implement the Health Information Infrastructure Plan.

The estimated capital budget cost to implement these changes is **\$775.0**, 90% federal, 10% GF.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HCS CSSB 74(FIN)
Fiscal Note Number:	59
(H) Publish Date:	4/11/2016

Identifier: SB074CS(FIN)-LAW-CRIM-03-18-16
 Title: MEDICAID REFORM;TELEMEDICINE;DRUG
 DATABAS
 Sponsor: KELLY
 Requester: Senate Finance

Department: Department of Law
 Appropriation: Criminal Division
 Allocation: Criminal Appeals/Special Litigation
 OMB Component Number: 2203

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
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	316.6		316.6	316.6	316.6	316.6	316.6
Travel	1.5		1.5	1.5	1.5	1.5	1.5
Services	39.8		39.8	39.8	39.8	39.8	39.8
Commodities	6.1		6.1	6.1	6.1	6.1	6.1
Capital Outlay	1.0		1.0	1.0	1.0	1.0	1.0
Grants & Benefits							
Miscellaneous							
Total Operating	365.0	0.0	365.0	365.0	365.0	365.0	365.0

Fund Source (Operating Only)

1002 Fed Rcpts	273.7		273.7	273.7	273.7	273.7	273.7
1003 G/F Match	91.3						
1005 GF/Prgm			91.3	91.3	91.3	91.3	91.3
Total	365.0	0.0	365.0	365.0	365.0	365.0	365.0

Positions

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary							

Change in Revenues	250.0		500.0	500.0	500.0	500.0	500.0
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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?

Why this fiscal note differs from previous version:

This version contains a technical adjustment to the fund sources for the state's 25% match requirement as well as a reduction in the anticipated revenue to be collected in FY17. These changes represent differences from both the initial version and version two.

Prepared By: Valerie Rose, Budget Analyst IV
 Division: Administrative Services Division
 Approved By: Craig W. Richards, Attorney General
 Agency: Department of Law

Phone: (907)465-3674
 Date: 03/18/2016 11:03 AM
 Date: 03/18/16

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
HFC 04/11/2016
Control Code: eeWIL

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

In addition to other provisions amending AS 47.05, the committee substitute for SB 74 (STA) would add a provision to Title 9, code of civil procedure, to establish an "Alaska Medical Assistance False Claim and Reporting Act." Under AS 09.58.010, sec. 4 of the bill, a medical assistance provider or medical assistance recipient may not knowingly submit, authorize, or cause to be submitted, a false or fraudulent claim under the medical assistance program. A beneficiary of a false or fraudulent claim, whether intentional or inadvertent, would be required to disclose the false or fraudulent claim to the state not later than 60 days after discovering the false claim.

Under proposed AS 09.58.010, a medical assistance provider or recipient who engages in the prohibited acts would be liable to the state in a civil action for a penalty of not less than \$5,500 and not more than \$11,000, three times the amount of damages sustained by the state and costs and attorney fees. Damages could be reduced if the person liable furnishes the attorney general or the Department of Health and Social Services all information known to the person about the violation not later than 30 days after the information was obtained and the person cooperates with the attorney general, and no action is pending with respect to the violation.

Under proposed AS 09.58.015 and 09.58.020, an action for damages due to a false or fraudulent claim for medical assistance may be brought by the attorney general, or by a private plaintiff. If a private person files a complaint, the complaint is under seal for at least 60 days to allow the attorney general time to investigate the action and decide whether to recommend dismissal due to lack of substantial evidence that a violation occurred, intervene and pursue the case on behalf of the state, or allow the private person to proceed with the action on behalf of the state. The attorney general may request an extension of time to conduct the investigation.

If the attorney general elects not to proceed with the action, and does not move to dismiss it, the person who brought the action has the right to proceed and conduct the action. The attorney general may request to be served with all documents related to an action pursued by a private plaintiff. To protect pending state investigations, under proposed AS 9.58.030(d), the attorney general may request a court to stay discovery for not more than 90 days.

For an action brought by a private plaintiff, if the claim is successful, a private plaintiff would be entitled to a percentage of damages. If the attorney general pursues the action, damages to the private plaintiff would be at least 15 percent but not more than 25 percent of the proceeds. If the attorney general does not proceed with the action, the available damages amount shall be at least 25 percent but not more than 30 percent of the proceeds.

Certain actions would be barred: actions based on evidence known to the state, actions based on allegation or transactions subject to an action in which the state is a party, actions based on public disclosure, and actions against the state or current or former state employees. The bill would also establish as part of AS 47.05, a provision authorizing seizure and forfeiture of property of a medical assistance provider if the attorney general finds probable cause that the provider has or is committing medical assistance fraud; seizure is subject to court review.

Both the proposed Medical Assistance False Claim and Reporting Act and provision on seizure and forfeiture of real property require involvement of the Department of Law. The Department of Law would require attorneys, investigators, and support staff in order to review the complaints and make recommendations as to which action to take under the Medical Assistance False Claim and Reporting Act. The department anticipates that the work could be done by attorneys in the Medicaid Fraud Control Unit (MFCU) of the Office of Special Prosecutions and Appeals. The bill would allow for recovery of attorney fees incurred in prosecuting civil action for Medicaid fraud, but under federal law fifty percent of attorney fees recovered must be paid to the federal government to reimburse the federal government its proportionate share of funding the Medicaid program.

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. SB74

Analysis Continued

The State of Alaska recovered approximately \$1.9 million in civil settlements in 2012 through the MFCU in the form of global class action cases as a result of the State's membership in the National Association of Medicaid Fraud Units. A portion of recovered monies could be used to pay MFCU attorney fees. While conservative estimates may not provide for full funding of the MFCU through attorney fee recoveries, it is likely that a significant portion will be recovered to pay for the twenty-five percent of matching state funds that are required. This fact combined with a positive fiscal note from the Department of Health and Social Services regarding this legislation (for savings in the amount of \$800,000 for the first year and approximately \$900,000 each year thereafter), along with the deterrent effect of the proposed legislation should result in significant savings for the State of Alaska.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HCS CSSSSB 91(FIN)
Fiscal Note Number:	36
(H) Publish Date:	5/2/2016

Identifier: SB91HCSCSSS(FIN)-DOC-IDO-04-29-16
 Title: OMNIBUS CRIM LAW & PROCEDURE;
 CORRECTIONS
 Sponsor: COGHILL
 Requester: (H) Finance

Department: Department of Corrections
 Appropriation: Population Management
 Allocation: Institution Director's Office
 OMB Component Number: 1381

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services	(1,704.5)		(8,639.3)	(11,381.6)	(10,336.9)	(9,237.2)	(8,020.7)	
Travel	(1,086.2)		(6,000.0)	(8,006.9)	(7,242.4)	(6,437.6)	(5,547.3)	
Services	(498.8)		(2,528.1)	(3,330.5)	(3,024.8)	(2,703.0)	(2,347.0)	
Commodities	(305.1)		(1,546.2)	(2,037.0)	(1,850.0)	(1,653.2)	(1,435.5)	
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	(3,594.6)	0.0	(18,713.6)	(24,756.0)	(22,454.1)	(20,031.0)	(17,350.5)	

Fund Source (Operating Only)

1004 Gen Fund	(3,594.6)		(18,713.6)	(24,756.0)	(22,454.1)	(20,031.0)	(17,350.5)
Total	(3,594.6)	0.0	(18,713.6)	(24,756.0)	(22,454.1)	(20,031.0)	(17,350.5)

Positions

Full-time							
Part-time							
Temporary							

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?
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

This fiscal note has been updated to reflect amendments impacting the reduction to the offender population and the requirement to assist and pay for a state issued identification card for releasing offenders adopted by the House Finance Committee.

Prepared By: April Wilkerson
 Division: Administrative Services - Department of Corrections
 Approved By: Dean Williams
 Agency: Department of Corrections

Phone: (907)465-3460
 Date: 04/29/2016 01:30 PM
 Date: 04/29/16

APPROVED BY
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Printed 5/17/2016

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HFC 04/29/2016
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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

This legislation makes several changes to sentencing, probation, parole and bail statutes. The changes to the sentencing and bail statutes will reduce and limit the sentence length of imprisonment of those individuals placed under the department's custody.

The current projected changes to the offender population are:

FY2017 reduced population by (248) for a generated savings of (\$3,755.8),
FY2018 reduced population by (1,009) for a generated savings of (\$15,280.2),
FY2019 reduced population by (399) for a generated savings of (\$6,042.4),
FY2020 increased population by 152 for an adjusted cost of \$2,301.9,
FY2021 increased population by 160 for an adjusted cost of \$2,423.1 and
FY2022 increased population by 177 for an adjusted cost of \$2,680.5.

These projections are accumulative of all changes reflective throughout the legislation based on a total Justice Reinvestment package and would result in an overall reduction of the prisoner population of (1,167) and general fund savings of (\$17,672.9) through FY2022. The anticipated impacted population is based on actual population trends incurred during FY2013 and FY2014. Annual savings are calculated using a marginal cost rate of \$41.49 per day per person.

This legislation also requires the department to assist prisoners in obtaining and paying for a valid state identification card (ID) for those that do not have a valid state ID card prior to the prisoner's release. The costs for a state issued ID card is \$15.00 or \$50.00 for an alcohol restricted ID card. The department currently provides a certified document as needed to those releasing offenders to use when obtaining a valid ID or driver's license; however, all fees are currently paid by the prisoner.

The department releases an average of 13,000 sentenced offenders annually of which approximately 37% (approximately 4,810) could have an alcohol restrictions due to alcohol and drug related convictions. If the department were to be required to provide valid IDs for each releasing offender, the financial impact to the department to provide valid state IDs without restrictions would be approximately \$81.9 annually and an additional \$240.5 for IDs with alcohol restrictions.

It is anticipated this legislation will have an annual financial impact to the department of approximately \$322.4 for the releasing sentenced population. The department would need \$161.2 in FY2017 due to the delayed implementation date of January 1, 2017 and an additional \$161.2 for FY2018 to meet the requirements of this section. These amounts are reflected in the adjusted numbers section of the fiscal note.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HCS CSSSSB 91(FIN)
Fiscal Note Number:	38
(H) Publish Date:	5/2/2016

Identifier: SB91HCSCSSS(FIN)-DOC-PB-04-29-16
 Title: OMNIBUS CRIM LAW & PROCEDURE;
 CORRECTIONS
 Sponsor: COGHILL
 Requester: (H) Finance

Department: Department of Corrections
 Appropriation: Population Management
 Allocation: Parole Board
 OMB Component Number: 695

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	605.9		605.9	605.9	605.9	605.9	605.9
Travel	10.0		10.0	10.0	10.0	10.0	10.0
Services	75.0		75.0	75.0	75.0	75.0	75.0
Commodities	85.0		10.0	10.0	10.0	10.0	10.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	775.9	0.0	700.9	700.9	700.9	700.9	700.9

Fund Source (Operating Only)

1004 Gen Fund	775.9		700.9	700.9	700.9	700.9	700.9
Total	775.9	0.0	700.9	700.9	700.9	700.9	700.9

Positions

Full-time	5.0		5.0	5.0	5.0	5.0	5.0
Part-time							
Temporary							

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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/17

Why this fiscal note differs from previous version:

This fiscal note has been revised with an updated analysis for when a person may be eligible for discretionary parole if at least 60 years of age.

Prepared By: April Wilkerson
 Division: Administrative Services - Department of Corrections
 Approved By: Dean Williams
 Agency: Department of Corrections

Phone: (907)465-3460
 Date: 04/29/2016 01:30 PM
 Date: 04/29/16

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Printed 5/17/2016

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION**Analysis**

This legislation makes several changes to sentencing, probation, parole and bail statutes.

Probation and Parole incentive reductions

This section allows probationers to receive earned compliance credit when the probationer successfully complies with all conditions of probation or parole allowing for early termination.

Board of Parole

This section establishes automatic Administrative Parole allowing offenders a limited category of automatic release without a hearing if the prisoner has met the conditions of imprisonment, is not excluded by court order, has agreed to the conditions of parole, the victim does not request a hearing, and the prisoner has met the requirements of the case plan. This section is anticipated to reduce the overall institutional population and is included in the above population projections. Revisions to the departments Victim Information Notification (VINE) System may be required.

This section will also expand and streamline the use of discretionary parole. It is anticipated this will increase the number of offenders who are eligible to apply for parole as well as streamline the decision making process. A conservative estimate is this recommendation would double the number of discretionary parole hearings conducted by the board. This recommendation does not allow for "automatic" releases onto discretionary parole as with the administrative parole.

In addition, it implements specialty parole options for the oldest cohort of inmates. This section will create a new category of parole eligible inmates: all inmates over the age of 60 and have served at least 10 years of a sentence for one or more crimes in a single judgment, and have not been convicted of an unclassified felony or sexual felony as defined in AS 12.55.185 are now eligible to apply for discretionary parole. At this time there are 68 inmates incarcerated that are over 60 years of age and have served 10 years or more of their sentence, of those 7 would meet the criteria of this section.

It is anticipated each of these increases will impact the number of hearings held annually increasing the board member Honoraria. The Honoraria is calculated based on work days and file reviews. Each additional work day is \$250.00 per board member and \$16.00 per file review. It is anticipated that this will increase the number of work days to 200 for each board member from 140 days per Board Member. This increases the personal services costs by \$110,000.00 for the Parole Board Member Honoraria (\$100,000.00 for the increased work days for the 5 board members and \$10,000.00 for the increased file reviews).

Reduces the pre-hearing length of stay and caps the overall incarceration time for revocations on technical violations of supervision. This recommendation will limit incarceration lengths for parole violations and require a shorter response time by the board for technical violations. Currently board members have 15 working days to conduct an initial hearing for remanded parolees this changes the timeframe and requires a hearing within 3 days for the first violation. This will require the Parole Board to re-configure the current violation response process in order to meet this timeframe. Currently the board members are part-time employees, in order to respond timely to remanded parolees four additional full-time hearing officer positions will be needed. The anticipated cost for these four Hearing Officer positions is: \$415.2 – Personal Services, \$ 10.0 – Travel and training, \$ 60.0 – Contractual Services (including indirect costs), \$ 68.0 – Supplies (including \$60.0 OTI startup costs), for a total need for FY2017 of \$553.2

Establishes a system of earned compliance credits. The board or a staff member designated by the board will review and calculate the parole eligibility date of a case brought to the board's attention and will notify the prisoner and department in writing of the correct calculation date. This calculation by the board or designated staff member is the official eligibility date. Currently there is no dedicated position within the Parole Board certified in time accounting. With the anticipated increases in the number of expected discretionary hearings and also calculating earned compliance credits which will consistently reduce parole expiration dates, the board will need a certified time accounting position. The anticipated cost for one Criminal Justice Technician I/II is: \$ 80.7 – Personal Services, \$ 15.0 – Contractual Services (including indirect costs), \$ 17.0 – Supplies (including \$15.0 OTI startup costs), for a total need for FY2017 of \$112.7

It is anticipated these changes will require a total of 5 new positions and \$775.9 in FY2017.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HCS CSSSSB 91(FIN)
Fiscal Note Number:	39
(H) Publish Date:	5/2/2016

Identifier: SB91HCSCSSS(JUD)-DOC-PTS-04-19-16
 Title: OMNIBUS CRIM LAW & PROCEDURE;
 CORRECTIONS
 Sponsor: COGHILL
 Requester: (H)FINANCE

Department: Department of Corrections
 Appropriation: Population Management
 Allocation: Pre-Trial Services
 OMB Component Number:

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
OPERATING EXPENDITURES	FY 2017	FY 2017					
Personal Services	2,293.8		7,168.0	7,168.0	7,168.0	7,168.0	7,168.0
Travel	43.2		134.9	134.9	134.9	134.9	134.9
Services	577.6		1,805.0	1,805.0	1,805.0	1,805.0	1,805.0
Commodities	345.5		1,079.8	1,079.8	1,079.8	1,079.8	1,079.8
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	3,260.1	0.0	10,187.7	10,187.7	10,187.7	10,187.7	10,187.7

Fund Source (Operating Only)

1004 Gen Fund	3,260.1		10,187.7	10,187.7	10,187.7	10,187.7	10,187.7
Total	3,260.1	0.0	10,187.7	10,187.7	10,187.7	10,187.7	10,187.7

Positions

Full-time	29.0		***	***	***	***	***
Part-time							
Temporary							

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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/17

Why this fiscal note differs from previous version:

This fiscal note has been revised to reflect indeterminate positions for FY2018.

Prepared By: April Wilkerson
 Division: Administrative Services - Department of Corrections
 Approved By: Dean Williams
 Agency: Department of Corrections

Phone: (907)465-3460
 Date: 04/20/2016 09:15 AM
 Date: 04/20/16

APPROVED BY
CONFERENCE
COMMITTEE

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HFC 04/29/2016

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION**Analysis**

This legislation makes several changes to sentencing, probation, parole and bail statutes and establishes Pre-Trial Services within the Department of Corrections.

Pre-Trial Services

This section establishes a Pre-trial Services Program within the Department of Corrections. This program requires pre-trial risk assessments for all defendants to be submitted to the Courts within 24 hours of arrest and may include basic community supervision. This requires the adoption of a pre-trial risk assessment tool that does not require a defendant to be interviewed, but instead relies only on factors that could be found in public safety and court records; A pre-trial officer will conduct risk assessment scoring on all defendants prior to their first appearance before a judicial officer; and make recommendations to the court regarding the release/detain decision, and appropriate conditions of release; provide basic supervision through phone contact to monitor compliance with release conditions for higher-risk defendants and some moderate-risk defendants who have been released; and provide "enhanced supervision" which involves face-to-face supervision or state-monitored electronic monitoring for highest-risk defendants who are released.

The following assumptions were made to calculate pre-trial costs and represent the minimum needs to successfully implement the program and includes assumptions to partner with local entities to assist with remote supervision as appropriate.

Approximately 32,000 persons would be processed annually and require a risk assessment, of which 70% (or 22,500 persons) would release pre-trial. Of the pre-trial releases approximately 66% (or 14,850 persons) would release to basic supervision with an average length of supervision of 4.66 months (based on current Department of Corrections reporting) for 5,767 persons on supervision at any given time. In addition, this legislation allows for enhanced supervision of which it is assumed that approximately 10% of the population released pre-trial population (or 2,250 persons) would release to enhanced supervision or electronic monitoring with an average length of supervision of 4.66 months (based on Department of Corrections data) for 874 persons on enhanced supervision at any given time.

It is anticipated this program will require 80 full-time positions and \$10,187.7 in funding (or 49 full-time positions and \$5,845.7 without enhanced supervision/electronic monitoring) over two years allowing for the establishment of policy and training criteria for the program. Three regional offices would be established in Anchorage, Juneau and Palmer to oversee the persons placed into this Program. Based on these assumptions above the funding break-out for each of these areas is anticipated to be:

Offender Assessments of 32,000 persons annually (required within 24-hours / no face to face interviews):

\$1,793.9 – Personal Services
 \$ 30.0 – Travel and training
 \$ 451.5 – Contractual Services (including indirect costs)
 \$ 105.0 – Supplies (excludes OTI startup costs)
 \$2,380.4 – Total

19 Positions would include:

1-Pre-Trial Director (range 21),
 3-Pre-Trial Officer Supervisors for each regional office (range 18),
 12-*Pre-Trial Officer positions (range 16) ,
 3-Criminal Justice Technician I/II (range 12/14)

*Pre-Trial Officers would assist with basic supervision.

Analysis Continued**Pre-Trial Services (continued)**

Basic Supervision of 14,850 persons annually (estimated 5,767 daily with 175 caseloads per officer):

\$2,619.0 – Personal Services

\$ 52.4 – Travel and training

\$ 644.0 – Contractual Services (including indirect costs)

\$ 149.8 – Supplies (excludes one-time start-up costs)

\$3,465.2 - Total

30 Positions would include:

21-Pre-Trial Officer positions,

6-Criminal Justice Technician I/II,

3-Office Assistant

Enhanced Supervision of 2,250 persons annually (estimated 874 daily with 45 caseloads per officer):

\$2,755.0 – Personal Services

\$ 52.5 – Travel and training

\$ 709.5 – Contractual Services (including indirect costs)

\$ 825.1 – Supplies (excludes one-time start-up costs)

\$4,342.1 - Total

31 Positions would include:

3-Pre-Trial Officer Supervisors to oversee each regional office,

19-Pre-Trial Officer positions,

6-Criminal Justice Technician I/II,

3-Office Assistant

Analysis Continued**Pre-Trial Services (continued)**

In FY2017 the department would require partial funding (approximately 30%) to establish programmatic policy and training criteria needs. This would require the following:

\$2,293.8 – Personal Services
\$ 43.2 – Travel and training
\$ 577.6 – Contractual Services (including indirect costs)
\$ 345.5 – Supplies (excludes one-time start-up costs)
\$3,260.1 – Total

Initial 29 positions would include:

1-Pre-Trial Director,
3-Pre-Trial Officer Supervisors to oversee each regional office,
18-Pre-Trial Officer positions (6 for each regional office),
3-Criminal Justice Technician I/II,
4-Office Assistant

The remaining funding and positions would be necessary in FY2018 to fully deploy the program. This would require the following:

\$4,874.2 – Personal Services
\$ 91.7 – Travel and training
\$1,227.4 – Contractual Services (including indirect costs)
\$ 734.3 – Supplies (excludes one-time start-up costs)
\$6,927.6 – Total

Remaining 51 positions would include:

3-Pre-Trial Officer Supervisors to oversee enhanced supervision within each regional office,
34-Pre-Trial Officer positions,
12-Criminal Justice Technician I/II,
2-Office Assistant

Additional positions needed for FY2018 would be offset by positions made available through the reduction of the incarcerated population, however, the department is currently unable to identify how many positions could potentially be transferred to the new Pre-Trial Services component to reduce the future increment request.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	CSSSSB 91(FIN)
Fiscal Note Number:	26
(S) Publish Date:	4/8/2016

Identifier: SB091CSSS(FIN)-DHSS-ASAP-4-6-16
 Title: OMNIBUS CRIM LAW & PROCEDURE;
 CORRECTIONS
 Sponsor: COGHILL
 Requester: Senate Finance

Department: Department of Health and Social Services
 Appropriation: Behavioral Health
 Allocation: Alcohol Safety Action Program (ASAP)
 OMB Component Number: 305

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
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services							
Travel							
Services							
Commodities	30.3		29.2	29.2	29.2	29.2	29.2
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	30.3	0.0	29.2	29.2	29.2	29.2	29.2

Fund Source (Operating Only)

1004 Gen Fund	30.3		29.2	29.2	29.2	29.2	29.2
Total	30.3	0.0	29.2	29.2	29.2	29.2	29.2

Positions

Full-time							
Part-time							
Temporary							

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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

Why this fiscal note differs from previous version:

Responsive to draft CS version "F".

Prepared By: Randall Burns, Director

Division: Behavioral Health

Approved By: Sana Efird, Asst. Commissioner, Finance and Management Services

Agency: Health and Social Services

Phone: (907)269-5948

Date: 04/06/2016 05:00 PM

Date: 04/06/16

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
SFC 04/07/2016

REPORTED OUT OF
HFC 04/29/2016

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

Sections 151, 152, and 153 of the bill change the criteria used for the courts and the Division of Motor Vehicles (DMV) to refer offenders to an ASAP provider. The Division of Behavioral Health anticipates that referrals to the ASAP providers would decrease by an estimated 30-40% if the referrals to ASAP are confined to specific offenses ordered by the court under AS 28.35.028, AS 28.35.030, or AS 28.35.032, or referred by the DMV in connection with a driver's license action involving the use of alcohol or a controlled substance only.

Sections 152 and 153: Require the department to develop ASAP regulations that ensure:

- screenings are conducted using a validated risk tool, and
- both public and private ASAP programs monitor ASAP participants appropriate to the level of risk of reoffense as determined by the screening conducted.

The reduction in referrals would allow ASAP providers the additional time necessary to screen ASAP participants for their risk to reoffend. Based on the screening, ASAP providers would be responsible for making the appropriate referrals for needed substance use treatment/education, and be responsible to assist offenders in identifying additional service needs for mental health, co-occurring disorders, or other cognitive behavioral services. The ASAP providers would be responsible for an appropriate level of monitoring of each offender, based on the results of the offender's screening for risk.

It is assumed that the majority of these misdemeanor offenders would meet the criteria for a *low risk to offend* and require only a referral and minimal monitoring. There will be a portion of offenders who would meet the *medium to high level of risk to offend* and they would require a more intensive level of monitoring by the ASAP Offices.

Assuming the adoption of regulations that limit the ASAP-monitored referrals to just those individuals ordered by the court under statute, we believe the bill requires 1) both the public and private ASAP providers to be trained on the use of the screening tool, and 2) the purchase of a validated screening tool.

ASSUMPTIONS

All Public and Private ASAP Offices - The Anchorage Adult ASAP office received 3,969 new cases in FY2015 while the private grantee ASAP offices received another 3,079 new adult cases in FY2015. With the referral criteria limited by newly proposed statute and the development of administrative regulations, there should be closer to 4,000 referrals per year, total, under that scenario.

The anticipated cost would be for the following screening tools and associated training:

Screening tool	FY2017	FY2018-FY2022
14 Manuals @ \$80.00 =	\$ 1,120	\$ 0
Interview Guides = \$ 1.80 @ 4,000 =	\$ 7,200	\$ 7,200
Quickscore Forms = \$ 3.00 @ 4,000 =	\$12,000	\$12,000
Training	<u>\$10,000</u>	<u>\$10,000</u>
Total Cost:	\$30,320	\$29,200

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	CSSSSB 91(FIN)
Fiscal Note Number:	33
(S) Publish Date:	4/8/2016

Identifier: SB91
Title: OMNIBUS CRIM LAW & PROCEDURE;
CORRECTIONS
Sponsor: COGHILL
Requester: Senate Judiciary

Department: Judiciary
Appropriation: Judicial Council
Allocation: Judicial Council
OMB Component Number: 771

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services	67.9	126.3	194.2	194.2	194.2	194.2	194.2	
Travel		27.5	27.5	27.5	27.5	27.5	27.5	
Services		38.4	38.4	38.4	38.4	38.4	38.4	
Commodities		1.6	1.6	1.6	1.6	1.6	1.6	
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	67.9	193.8	261.7	261.7	261.7	261.7	261.7	0.0

Fund Source (Operating Only)

1004 Gen Fund	67.9	193.8	261.7	261.7	261.7	261.7	261.7	
Total	67.9	193.8	261.7	261.7	261.7	261.7	261.7	0.0

Positions

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

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:

This note is revised to reflect small changes in the new CS: adding one more duty to the commission's work, and section renumbering. The amount of funding is not changed.

Prepared By: Susanne DiPietro, Executive Director
Division: Alaska Judicial Council
Approved By: Susanne DiPietro, Executive Director
Agency: Alaska Judicial Council

Phone: (907)279-2526
Date: 04/07/2016 11:30 PM
Date: 04/07/2016

APPROVED BY
CONFERENCE
COMMITTEE
Printed 5/17/2016

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SFC 04/07/2016

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

Several sections of the CS to SB91 affect the Criminal Justice Commission, which is staffed by the Judicial Council. The CS extends the operation of the Alaska Criminal Justice Commission until June 30, 2021 (the commission currently is scheduled to sunset on June 30, 2017). The bill also adds to the existing duties of the commission. It adds a new requirement for the commission to make recommendations to the governor and the legislature about how savings from criminal justice reform should be reinvested to reduce recidivism. Also the CS authorizes the commission to create a working group to report to the commission on the status of implementation of criminal justice reforms, and to enter into data sharing agreements to assist with its work. The bill adds to the commission's data and analysis responsibilities by requiring it to receive and analyze data collected by agencies and entities charged with implementing criminal justice reform initiatives, to track and assess outcomes of such recommendations, and to request, receive, and review data and reports on criminal justice reform outcomes, and a new requirement to study sex offenses. The bill adds items to be included in the commission's annual report: a summary of savings achieved by criminal justice reform, recommendations on how those savings should be reinvested, performance metrics and outcomes from the recommendations in the commission's December 2015 report, recidivism rates, and recommendations for additional reforms. The CS sets Nov. 1 as the due date for annual reports. The CS designates the commission (instead of the commissioner of corrections) as the entity with whom the commissioner of HSS cooperates when providing funding for reentry programs. The bill requires the commission to research and report on the relationship between offenses on a person's criminal record and barriers to successful re-integration into the community, and to report on the role of expungement in successful re-entry. All these provisions take effect on July 1, 2016, and the barrier offenses report is due Nov. 1, 2017.

The commission is currently staffed by the Alaska Judicial Council with one 30 hour per week project attorney and one 20 hour per week research analyst. Because the part-time attorney has been unable to complete all the required work, additional professional support has been provided as possible by existing Judicial Council staff. Similarly, existing Council administrative staff have as possible assisted with clerical tasks, but the lack of consistent administrative support has decreased the productivity and efficiency of the project attorney, who now must spend time on clerical and administrative tasks.

The Council anticipates that it could continue to support the commission's work with the new requirements by slightly increasing the existing staffing level, beginning in FY17. The request is to increase the existing 30-hour/week attorney position to full time (37.5 hours/week); to add 9 hours per week to the research analyst's time (increasing the hours from 20/week to 29/week); and to add 7.5 hours per week of administrative support. A full-time attorney is needed to be a consistent liaison between the commissioners, policy makers, and the public, to guide the work of the commission, and to provide information to state policy makers as requested. The research analyst will work with the attorney, the agencies and other entities, the commissioners, and the working group members to collect and analyze the data and the new performance measures, including designing databases, coordinating data collection, and statistical analysis. The 7.5 hours per week of administrative support will be added to an existing 30 hour per week position at the Judicial Council to help schedule meetings and commissioner travel, manage the web site, generate meeting materials, and handle inquiries from the public.

A 29-hour-per-week Research Analyst at Range 18A is \$71,100 per year, a full-time Project Attorney at Range 20A is \$109,900 per year, and 7.5 hours per week of administrative support at Range 13E is \$13,200 per year. The Council will need to rent office space for the Research Analyst (\$29,000 year), and parking for two employees (\$1,800 per year). This note continues the existing travel budget for commissioners to attend four in-person meetings per year, including a small amount (\$1,500/year) for staff travel in anticipation that one meeting per year will be held in Juneau (total travel estimated at \$27,500/year). The Council will continue to arrange and pay for travel costs for the thirteen commission members as authorized for boards and commissions under AS 39.20.180.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	SB 124
Fiscal Note Number:	3
(S) Publish Date:	3/18/2016

Identifier: SB124-DHSS-COA - 3-18-16
 Title: EXTEND SUNSET ON AK COMMISSION ON AGING
 Sponsor: STOLTZE BY REQUEST
 Requester: Senate Finance

Department: Department of Health and Social Services
 Appropriation: Senior and Disabilities Services
 Allocation: Commission on Aging
 OMB Component Number: 2674

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services	(93.3)	478.8	272.2	272.2	272.2	272.2	272.2	272.2
Travel		37.7	37.7	37.7	37.7	37.7	37.7	37.7
Services		19.2	19.2	19.2	19.2	19.2	19.2	19.2
Commodities		4.0	4.0	4.0	4.0	4.0	4.0	4.0
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	(93.3)	539.7	333.1	333.1	333.1	333.1	333.1	333.1

Fund Source (Operating Only)

1004 Gen Fund	(36.0)	42.9						
1007 I/A Rcpts	(57.3)	348.1	214.0	214.0	214.0	214.0	214.0	214.0
1037 GF/MH		29.6						
1092 MHTAAR		119.1	119.1	119.1	119.1	119.1	119.1	119.1
Total	(93.3)	539.7	333.1	333.1	333.1	333.1	333.1	333.1

Positions

Full-time	(1.0)	4.0	2.0	2.0	2.0	2.0	2.0	2.0
Part-time								
Temporary								

Change in Revenues								

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?

Why this fiscal note differs from previous version:

The Senate Finance Committee anticipates some administrative duties can be consolidated and removes one position in FY17 and a second position in FY18.

Prepared By: Senator Kelly
 Senate Finance Committee
 Senator MacKinnon
 Senate Finance Committee

Phone: (907)465-3709
 Date: 03/18/2016

APPROVED BY
 CONFERENCE
 COMMITTEE
 Printed 5/17/2016

REPORTED OUT OF
 SFC 03/18/2016

REPORTED OUT OF
 HFC 04/06/2016

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

Legislation is needed to reauthorize the Alaska Commission on Aging for eight years.

The Alaska Commission on Aging satisfies a requirement of the federal Older Americans Act (OAA). States receiving OAA funding are required to have an advisory council that:

- Must be comprised of older individuals eligible to participate in OAA-funded programs;
- Advises the "state unit on aging" regarding matters of aging issues. In Alaska, the Department of Health and Social Services (DHSS) is the state unit on aging as designated by the Governor. The Alaska Commission on Aging serves as the advisory council to DHSS and satisfies this federal requirement.

The Alaska Commission on Aging consists of eleven seats and four full-time positions.

The amended fiscal note reflects a staff reduction from four full-time positions to three full-time positions in FY2017 and two full-time positions beginning in FY2018 going forward. This reduction will diminish the agency's ability to fulfill its statutory responsibilities related to the general senior population and the Older Americans Act requirements, reduce the ability to conduct a comprehensive senior needs assessment, reduce capacity to convene and collaborate with stakeholders, analyze policy and data, conduct studies, prepared reports and conduct outreach and education.

The Older Americans Act provided \$12,851.8 in funding for Alaska's senior programs in FY2016. This funding supports a variety of services for seniors such as the Office of the Long-Term Care Ombudsman, the Alaska Housing Finance Corporation senior housing office, the Department of Labor's Mature Alaskans Seeking Skills Training program, and Nutrition, Transportation, and Support Services grants issued through the Division of Senior and Disabilities Services.

The proposed legislation would amend AS 44.66.010(a)(4) to extend the Commission's sunset date by eight years to June 30, 2024.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	SB 145
Fiscal Note Number:	3
(S) Publish Date:	2/3/2016

Identifier: SB145-DHSS-CCB-1-26-2016
 Title: RECOVERY OF PUB. ASSIST. OVERPAYMENTS
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: Senate HSS

Department: Department of Health and Social Services
 Appropriation: Public Assistance
 Allocation: Child Care Benefits
 OMB Component Number: 1897

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
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1002 Fed Rcpts	(500.0)		(500.0)	(500.0)	(500.0)	(500.0)	(500.0)
1005 GF/Prgm	500.0		500.0	500.0	500.0	500.0	500.0
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

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.

Prepared By: Sean O'Brien, Director
 Division: Public Assistance
 Approved By: Sana Efird, Asst. Commissioner, Finance and Management Services
 Agency: Health and Social Services

Phone: (907)465-5847
 Date: 01/26/2016 02:00 PM
 Date: 01/26/16

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
SFC 04/04/2016

REPORTED OUT OF
HFC 04/12/2016

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

This legislation provides necessary authority for the Child Care Program Office to recover overpayments or misspent funds through garnishment of Permanent Fund Dividends from participants in the Child Care Assistance and Child Care Grant Programs. This change strengthens the integrity of the Child Care Assistance and Child Care Grant Programs, and aligns Child Care programs' overpayment recovery with that of other public assistance programs.

The fiscal impact of this proposed legislation is neutral. Costs for identifying overpayments and fraudulent activity are incorporated into the division's existing operational budget.

The division identified \$331,578 in calculated overpayments and incorrect payment claims for State Fiscal Year 2015. This legislation adds PFD garnishment as a mechanism for recovering overpayments and fraudulent claims and the division anticipates that this tool will increase the division's ability to identify and capture funding , bringing total annual receipts to an estimated \$500,000.

The division is requesting the general fund program receipt authority to collect Permanent Fund Dividend garnishment revenues associated with the projected amount included in this fiscal note, and can relinquish an equal amount in federal receipts. No increase in administrative costs is anticipated to make this change.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HCS CSSB 210(FIN)
Fiscal Note Number:	2
(H) Publish Date:	4/16/2016

Identifier: SB210-HFIN-Fund Cap-4-16-16
 Title: COMMUNITY REVENUE SHARING/ASSISTANCE
 Sponsor: FINANCE
 Requester: House Finance

Department: Fund Capitalization
 Appropriation: Fund Capitalization (no approps out)
 Allocation: Community Assistance Fund
 OMB Component Number: 2907

Expenditures/Revenues

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

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous	13,555.5							
Total Operating	13,555.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1169 PCE Endow	13,555.5							
Total	13,555.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

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?

Why this fiscal note differs from previous version:

Initial Version - This fiscal note capitalizes the Community Revenue Sharing Fund (changed to Community Assistance Fund if this legislation is adopted) in FY17 with \$13,555.5 from the PCE Endowment Fund to allow a Community Assistance distribution of \$30 million in FY18.

Prepared By: Representative Neuman
House Finance Committee
Representative Thompson
House Finance Committee

Phone: (907)465-2679
 Date: 04/16/2016

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
HFC 04/16/2016

Community Assistance Funding				
Year	BoY Balance	Payment	Deposit	EoY Balance
FY14	180	(60.0)	60.0	180
FY15	180	(60.0)	52.0	172
FY16	172	(57.3)	-	115
FY17	115	(38.2)	13.6	90
FY18	90	(30.0)	30.0	90
FY19	90	(30.0)	30.0	90
FY20	90	(30.0)	30.0	90
FY21	90	(30.0)	30.0	90
FY22	90	(30.0)	30.0	90
FY23	90	(30.0)	30.0	90
FY24	90	(30.0)	30.0	90
FY25	90	(30.0)	30.0	90