

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	CSSB 74(FIN)
Fiscal Note Number:	39
(S) Publish Date:	3/9/2016

Identifier: SB074CS(FIN)-DHSS-CDDG-3-8-16
 Title: MEDICAID REFORM/PFD/HSAS/ER
 USE/STUDIES
 Sponsor: KELLY
 Requester: Senate Rules

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

Expenditures/Revenues

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

	FY2017 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			(5,817.9)	(11,635.8)	(11,635.8)	(11,635.8)	(11,635.8)
Miscellaneous							
Total Operating	0.0	0.0	(5,817.9)	(11,635.8)	(11,635.8)	(11,635.8)	(11,635.8)

Fund Source (Operating Only)

1037 GF/MH			(5,817.9)	(11,635.8)	(11,635.8)	(11,635.8)	(11,635.8)
Total	0.0	0.0	(5,817.9)	(11,635.8)	(11,635.8)	(11,635.8)	(11,635.8)

Positions

Full-time							
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? yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/18

Why this fiscal note differs from previous version:

Corrects the year of first anticipated UGF savings under 1915(i) option for CS SB 74, version U.
--

Prepared By: Duane Mayes, Director	Phone: (907)269-2083
Division: Senior and Disabilities Services	Date: 03/05/2016 12:00 AM
Approved By: Sana Efird, Asst. Commissioner, Finance and Management Services	Date: 03/08/16
Agency: Health and Social Services	

REPORTED OUT OF
SFC 03/08/2016

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

In part, **CSSB74 (FIN)** 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 28, p.25 lines 27-29 charge 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 30 (d) (1) of the bill directs the Department to apply for the 1915(i) option under Medicaid.

Making use of the 1915(i) option offers the Department the opportunity to shift eligible recipients from 100% general funded grant programs to the 50% federal/50% general fund funded 1915(i) Medicaid option.

Individuals receiving home and community-based services through the Community Developmental Disabilities Grant (CDDG) program must meet the definition of a person with a developmental disability presented in AS 47.80.900. The CDDG program provides home and community-based services to support individuals' desire to live as independently as they are able.

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

Changes to the State Plan and regulations are required to implement the new option and would involve extensive public comment. The Department expects the 1915(i) option for community developmental disabilities services to be implemented by January 1, 2018. Savings have been prorated for FY2018.