Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HCS CSSB 74(FIN)
Fiscal Note Number:	52
(H) Publish Date:	4/11/2016

Identifier: SB074HCSCS(FIN)-DHSS-SCBG-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 Community Based Grants
OMB Component Number: 2787

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				
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				(735.2)	(735.2)	(735.2)	(735.2)
Miscellaneous							
Total Operating	**0.0**	**0.0**	**0.0**	**(735.2)**	**(735.2)**	**(735.2)**	**(735.2)**

Fund Source (Operating Only)

1004 Gen Fund				(735.2)	(735.2)	(735.2)	(735.2)
Total	**0.0**	**0.0**	**0.0**	**(735.2)**	**(735.2)**	**(735.2)**	**(735.2)**

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If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/18

Why this fiscal note differs from previous version:

Bill section references are updated.

Prepared By:	Duane Mayes, Director	Phone:	(907)269-2083
Division:	Senior and Disabilities Services	Date:	04/08/2016 01:00 PM
Approved By:	Sana Efird, Asst. Commissioner, Finance and Management Services	Date:	04/08/16
Agency:	Health and Social Services		

REPORTED OUT OF HFC 04/11/2016

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

In part, S**B74** authorizes the 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 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.

The Department will use this option to refinance the Senior Community Based Grant component's Adult Day and Senior In-Home Services for those who are receiving the service and are also Medicaid eligible.

Adult Day Grant: Total general fund expenditures = $1,757.0, serving 423 recipients. Of those, the Division of Senior and Disabilities Services (SDS) anticipates serving 114 under the 1915(i) option with an average cost per individual of $4,153.69. Estimated general fund Adult Day grant services to be refinanced with the 1915(i) Medicaid option = $473.5.

Senior In-Home Grant: Total general fund expenditures = $2,917.3, serving 1,371 individuals. Of those, SDS anticipates serving 123 under the 1915(i) option with an average cost per individual of $2,127.84. Estimated general Senior In-Home grant services to be refinanced with the 1915(i) Medicaid option = $261.7.

The combined estimated general fund to be refinanced through the use of the 1915(i) option = $735.2.

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 senior community based services to be implemented by FY2018.