

Fiscal Note

State of Alaska
2015 Legislative Session

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| Bill Version: | SB 78 |
| Fiscal Note Number: | 8 |
| (S) Publish Date: | 3/18/2015 |

Identifier: 0055-DHSS-MAA-03-17-15
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: Governor

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)

| | FY2016 Appropriation Requested | Included in Governor's FY2016 Request | Out-Year Cost Estimates | | | | | |
|-------------------------------|--------------------------------------|--|-------------------------|--------------|--------------|--------------|--------------|---------|
| | | | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
| OPERATING EXPENDITURES | | | | | | | | |
| Personal Services | 463.6 | | 463.6 | 576.2 | 576.2 | 688.8 | 688.8 | |
| Travel | 2.0 | | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | |
| Services | 37.6 | | 37.6 | 47.0 | 47.0 | 56.4 | 56.4 | |
| Commodities | 38.4 | | 8.0 | 17.6 | 10.0 | 19.6 | 12.0 | |
| Capital Outlay | | | | | | | | |
| Grants & Benefits | | | | | | | | |
| Miscellaneous | | | | | | | | |
| Total Operating | 541.6 | 0.0 | 511.2 | 642.8 | 635.2 | 766.8 | 759.2 | |

Fund Source (Operating Only)

| | | | | | | | |
|----------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|
| 1002 Fed Rcpts | 270.8 | | 255.6 | 321.4 | 317.6 | 383.4 | 379.6 |
| 1003 G/F Match | 65.8 | | 255.6 | 321.4 | 317.6 | 383.4 | 379.6 |
| 1092 MHTAAR | 205.0 | | | | | | |
| Total | 541.6 | 0.0 | 511.2 | 642.8 | 635.2 | 766.8 | 759.2 |

Positions

| | | | | | | | |
|-----------|-----|--|-----|-----|-----|-----|-----|
| Full-time | 4.0 | | 4.0 | 5.0 | 5.0 | 6.0 | 6.0 |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | | | | | |
|--|--|--|--|--|--|--|--|

Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) 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? 07/01/16

Why this fiscal note differs from previous version:

Not applicable, initial version.

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|--------------|--|--------|---------------------|
| Prepared By: | Margaret Brodie, Director | Phone: | (907)334-2520 |
| Division: | Health Care Services | Date: | 03/15/2015 03:00 PM |
| Approved By: | Sarah Woods, Deputy Director Finance & Management Services | Date: | 03/17/15 |
| Agency: | Health & Social Services | | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

Analysis

Medicaid Expansion:

Health Care Services projects that it will need a total of five staff positions to fully implement Medicaid expansion. Beginning with FY2016, the division projects that it will need one full-time, range 20, Anchorage, Medical Assistance Administrator III (06-#103); and two full-time, range 21, Anchorage, Medical Assistance Administrator IV positions (06-#104 and 06-#105), along with associated administrative costs to support the positions.

The initial costs of the three positions are \$351.0 (\$112.6 for the Medical Assistant Administrator III, and \$119.2 for each Medical Assistant IV position). Each position assumes hiring at step C with a start date of July 1, 2015. These costs include benefits.

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

These costs have been projected out to include the hiring of a second Medical Assistant Administrator III position in FY2018 (\$112.6), and a third Medical Assistant Administrator III in FY2020 (\$112.6).

1115 Waiver:

The Department anticipates that the Division of Health Care Services will need to add one FTE (Medicaid Assistance Administrator III) to develop, design and begin implementation of the 115 waiver program and perform extensive data analytics to measure outcomes. The Department anticipates hiring the Medical Assistance Administrator III in FY2016 at a cost of \$131.6 GF.

2 Medical Asst Administrator III - range 20, $\$112.6 \times 2 = \225.2

2 Medical Asst Administrator IV - range 21, $\$119.2 \times 2 = \238.4

FY2016 Personal services total \$463.6

Travel total \$2.0

Lease costs, phone, etc - $\$9.4 \times 4 = \37.6

FY2016 Services total \$37.6

Office supplies - $\$2.0 \times 4 = \8.0

FY2016 Commodities, ongoing total \$8.0

Computer, software - $\$2.6 \times 4 = \10.4

One-time office set-up - $\$5.0 \times 4 = \20.0

FY2016 Commodities, one-time total \$30.4