

Fiscal Note

State of Alaska
2019 Legislative Session

Bill Version:	CSSB 1(HSS)
Fiscal Note Number:	1
(S) Publish Date:	4/10/2019

Identifier: SB001-DHSS-RR-3-22-2019
Title: REPEAL CERTIFICATE OF NEED PROGRAM
Sponsor: WILSON
Requester: (S) HSS

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)

	FY2020 Appropriation Requested	Included in Governor's FY2020 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2020	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Personal Services			(147.6)	(147.6)	(147.6)	(147.6)	(147.6)
Travel							
Services			(29.4)	(29.4)	(29.4)	(29.4)	(29.4)
Commodities			(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	(179.0)	(179.0)	(179.0)	(179.0)	(179.0)

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)			(89.5)	(89.5)	(89.5)	(89.5)	(89.5)
1004 Gen Fund (UGF)			(89.5)	(89.5)	(89.5)	(89.5)	(89.5)
Total	0.0	0.0	(179.0)	(179.0)	(179.0)	(179.0)	(179.0)

Positions

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

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2019) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2020) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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If yes, by what date are the regulations to be adopted, amended or repealed?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/comments:

Not applicable, initial version based on the Governor's February 13, 2019 FY2020 amended budget request

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Date: 02/11/2019
Date: 03/22/19

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2019 LEGISLATIVE SESSION

Analysis

There is a companion fiscal notes for this bill the Medicaid Services component that projects increased costs without the Certificate of Need Program.

The certificate of need process requires health service providers to obtain approval of the commissioner before building or remodeling health care facilities, or purchasing equipment costing more than an established capital expenditure threshold. Under AS 18.07.031, the existing expenditure threshold for requiring a certificate of need is \$1,500.0. Alaska is one of 31 states and the District of Columbia to have a Certificate of Need program.

SB001 would repeal the Certificate of Need Program, effective July 1, 2020 (start of FY2021). The passage of this bill, will result in one position deletion (Medical Program Specialist IV), for an annual total cost savings of \$147.6. There will also be an additional annual cost savings of \$29.4 in contractual services and \$2.0 saved in commodities. The total projected savings is \$179.0.