Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	CSHB 176(L&C)
Fiscal Note Number:	2
(H) Publish Date:	4/25/2022

Identifier: HB176-DOH-MAA-3-18-2022
Title: DIRECT HEALTH AGREEMENT: NOT INSURANCE
Sponsor: RASMUSSEN
Requester: (H) L&C

Department: Department of Health
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)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2023**	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	*******	**0.0**	*******	*******	*******	*******	*******
Fund Source (Operating Only)							
None							
Total	*******	**0.0**	*******	*******	*******	*******	*******
Positions							
Full-time							
Part-time							
Temporary							
Change in Revenues							
None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2023) 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? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/23

Why this fiscal note differs from previous version/comments:

This fiscal note has been updated to reflect FY23 and the change to the Department of Health.

Prepared By: Renee Gayhart, Director — Phone: (907)465-1184
Division: Health Care Services — Date: 01/11/2022
Approved By: Sylvan Robb, Assistant Commissioner — Date: 03/18/2022
Agency: Department of Health and Social Services

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

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Analysis

This bill creates direct health care agreements that would primarily benefit consumers of health care services who do not have health insurance, employers of individuals who do not have health insurance, and government entities that must provide for health care services for individuals in government care or custody who do not have health insurance. It is possible that a direct health care agreement could provide for cosmetic, experimental, and other services not covered by an individual's health insurance.

The bill allows a patient to submit a health insurance claim for services not included in the agreement but does not include language that would allow the provider to submit a claim to a patient's insurance for a service that is not covered under a direct health care agreement. The existence of a direct health care agreement will result in a Medicaid recipient being unable to utilize their Medicaid coverage, as federal and state regulations allow Medicaid claims to be submitted only by an enrolled provider; a Medicaid recipient cannot submit claims for Medicaid coverage.

The department is unable to accurately project the cost of implementing the provisions of this bill because it cannot project how many people may enter into direct health care agreements and the additional staff that will be needed to manage the manual processing of claims that will result.