

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	CSHB 265(FIN)
Fiscal Note Number:	8
(H) Publish Date:	4/20/2022

Identifier: HB265CS(HSS)-DOH-MAA-3-18-2022
 Title: HEALTH CARE SERVICES BY TELEHEALTH
 Sponsor: SPOHNHOLZ
 Requester: (H) FIN

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	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2023 Request	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
OPERATING EXPENDITURES	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	
Personal Services	100.4		120.5	120.5	120.5	120.5	120.5	120.5
Travel								
Services	10.0		10.0	10.0	10.0	10.0	10.0	10.0
Commodities	9.6		1.5	1.5	1.5	1.5	1.5	1.5
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	120.0	0.0	132.0	132.0	132.0	132.0	132.0	132.0

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	60.0		66.0	66.0	66.0	66.0	66.0	66.0
1003 GF/Match (UGF)	60.0		66.0	66.0	66.0	66.0	66.0	66.0
Total	120.0	0.0	132.0	132.0	132.0	132.0	132.0	132.0

Positions

Full-time	1.0		1.0	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	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 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/23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 updates the analysis section to reflect the changes in the committee substitute version of the bill.

Prepared By: Renee Gayhart, Director
 Division: Health Care Services
 Approved By: Sylvan Robb, Assistant Commissioner
 Agency: Department of Health and Social Services

Phone: (907)465-1184
 Date: 03/17/2022
 Date: 03/18/22

**REPORTED OUT OF
HFC 04/18/2022**
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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

Analysis

The bill requires the department to pay for all services provided through telehealth in the same manner as if the services had been provided in person, except as provided in 47.07.069(b).

47.07.069(b) directs the department to adopt telehealth regulations, including setting rates of payment, and limits the department's ability to reduce, restrict, or disallow health services from being delivered through telehealth.

The intent of the bill is to make permanent the expanded telehealth flexibilities under the federal public health emergency; to expand access to telehealth services through payment parity and an expansion of the types of health care providers - including behavioral health providers - who can provide health care services through telehealth without an initial in-person consultation; and to specify and make permanent within state statute telehealth modalities, which are the means through which telehealth services are delivered.

The department expects that the implementation of this bill will result in an increase of new providers who will need to be onboarded for telehealth services; an increase in post payment reviews, which are the measures that ensure claim payment accuracy, identify incorrectly paid claims, identify problematic policies and procedures, and ensure the modality used was clinically appropriate and is supported by documentation; an increase in data collection and reporting due to the expansion of services provided through telehealth, including gathering information for audits; an increase in the monitoring of the expanded telehealth services and modalities to prevent Medicaid fraud; and an increase in clinical monitoring to assess and review the clinical appropriateness of behavioral health services delivered through telehealth, including the best practices and outcomes associated with expanded telehealth services.

One Medicaid Program Specialist 3 is needed to facilitate an anticipated increase in the volume of telehealth credentials being applied to provider enrollment files at new-enrollment and revalidation. The bill extends telehealth beyond current provider types; it is anticipated that there will be a significant increase in participation from existing provider types.

This position will conduct additional post-payment review of telehealth claims to ensure compliance with state and federal rules surrounding the delivery of telehealth services; this includes establishing new review strategies within the Surveillance and Utilization Review (SUR) unit and working with current data-analytics vendors to develop compliance strategies and peer group comparison algorithms.

Personal Services: Full Time Medicaid Program Specialist 3, Range 20, located in Anchorage, \$120.5 (prorated in FY2023 to reflect a September 1, 2022 hire date)

Services: \$10.0 annually for phone, rent, utilities, etc.

Commodities: Office supplies: \$2.0 in the first year and then \$1.5 annually

One-Time Commodities Cost: Computer, software, and office equipment: \$7.6

Promulgation of associated regulations will take approximately twelve months with implementation effective after July 1, 2023.