

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	CSHB 292(HSS)
Fiscal Note Number:	2
(H) Publish Date:	4/20/2022

Identifier: HB292-DOH-SDSA-02-18-2022
 Title: HOME AND COMMUNITY-BASED WAIVER SERVICES
 Sponsor: SNYDER
 Requester: (H) HSS

Department: Department of Health
 Appropriation: Senior and Disabilities Services
 Allocation: Senior and Disabilities Services Administration
 OMB Component Number: 2663

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				
			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	***		***	***	***	***	***
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 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/24

Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

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Division:	Senior and Disabilities Services	Date:	02/03/2022
Approved By:	Sylvan Robb, Assistant Commissioner	Date:	02/07/22
Agency:	Department of Health & Social Services		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION**Analysis**

This bill would change the process through which the department assesses individuals with disabilities and seniors for continuing participation in Medicaid-funded home and community based services. Specifically, the bill would require that all service reductions recommended by the department - typically recommended when an individual has had increased functioning or natural supports - go through the same review process as is required for recommended denials of services. The new process would also require the department to engage independent contractors to review all recommended service reductions. Currently, independent contractors are only engaged for these reviews when the department recommends a denial of services.

Requiring that service reductions for all types of home and community-based services administered by the Division of Senior and Disabilities Services go through the same review process as is currently in place for denials of service would result in significant workload increases. Additional personnel would be needed across the division's units responsible for assessments for services, review of service plans, development of regulations and policy, and fair hearings, and require significantly more cases to be submitted to third-party contractors for review. New tools that assess for ability to live independently, as opposed to functional ability, would need to be developed or purchased. The division's database does not currently include a management report or tool to track the number of service plans that are approved for reductions in services. Forecasting the additional staff and contractual resources needed to make these changes and manage the increased workload would require a labor-intensive, dedicated effort to manually review all support plans, which is not possible given current resources. These costs therefore are indeterminate at this time. The department would be able to receive matching federal Medicaid funds of approximately 50% for the administration of these services, with undesignated general state funds covering the remaining 50% of the costs.

The department expects the changes in the bill would result in increased numbers of individuals appealing findings. The department would be required to pay more to the Department of Law for assistance in managing the increased number of cases that are appealed to the Office of Administrative Hearings. With no available estimate of the number of cases that would be appealed, the added costs for the Department of Law's services also are indeterminate.

Regulations changes, amendments to the Medicaid state plan, and amendments to the state's home and community-based waiver agreements with the federal government would be needed. Given the extent of the research and changes required the department estimates this work would take at least two years for completion.