

Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version:	HCS SB 58(FIN)
Fiscal Note Number:	4
(H) Publish Date:	4/28/2023

Identifier: HCSSB058(FIN)-DOH-PAA-04-27-2023
 Title: MEDICAID ELIGIBILITY: POSTPARTUM
 MOTHERS
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: House Finance

Department: Department of Health
 Appropriation: Public Assistance
 Allocation: Public Assistance Administration
 OMB Component Number: 233

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2024 Appropriation Requested	Included in Governor's FY2024 Request	Out-Year Cost Estimates					
			FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	1,444.8							
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	1,444.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	1,300.3							
1003 GF/Match (UGF)	144.5							
Total	1,444.8	0.0	0.0	0.0	0.0	0.0	0.0	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	0.0

Estimated SUPPLEMENTAL (FY2023) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2024) 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 If yes, by what date are the regulations to be adopted, amended or repealed?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:

Initial version.

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 Agency: Department of Health

Phone: (907)465-2680
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 Date: 04/27/23

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Control Code: XihhY

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

Analysis

This legislation intends to authorize the Department of Health to implement section 9812 of the American Rescue Plan Act (ARPA), which allows but does not require the extension of postpartum coverage from the required 60 days to 12 months for eligible beneficiaries, authorizing the department to implement an extension of postpartum Medicaid coverage up to the maximum period authorized under federal law. Alaska is required by sections 1902(e)(5) and 1902(e)(6) of the Social Security Act to extend Medicaid coverage for 60 days during the postpartum period if a person applied for and was receiving any category of Alaska Medicaid on or before the date of termination of the pregnancy.

This legislation is anticipated to increase Medicaid expenditures as it extends Medicaid benefits for 10 months for a subsection of individuals eligible for the pregnancy eligibility group but not otherwise eligible for Medicaid under an alternate eligibility category. However, given the anticipated reduction in services required to respond to emergent and chronic conditions, it is reasonable to expect the department to, over time, experience cost savings related to extended postpartum coverage.

The Centers for Medicare and Medicaid Services (CMS) requires the state to include an optional coverage group in its state plan. A similar change occurred in 2018 with the addition of a new Medicaid Subtype and Eligibility Code for the Individualized Supports Waiver, and the department anticipates the same level of effort to implement the change to its information systems.

Changes to the ARIES information system will be necessary for the Division of Public Assistance to determine eligibility for the new category of coverage. The division estimates the cost to reprogram ARIES is \$1,444,800, and expects to receive a 90/10 percent split in federal/state matching funds. Based on consultation with the current ARIES contractor, the division anticipates that approximately four programmers and three testers to work 30 hours each per week for eight months, resulting in approximately 7,224 total hours of work at an average/mixed rate of \$200 per hour. Applying 90 percent federal matching funds would result in a total cost of \$144,480 to the state.

Amends the uncodified law to establish the requirement that the commissioner of health notifies the revisor of statutes within 30 days of federal approval of the state plan amendment. This provision takes effect only if federal approval occurs before July 1, 2027.

Establishes that the postpartum extension takes effect on the day after the date the commissioner notifies the revisor of statutes as described above.

Promulgation of associated regulations will take approximately 9 to 12 months following State Plan Amendment approval by the Centers for Medicare and Medicaid Services, with implementation effective after July 1, 2024.

Cost estimates are based on an estimated 1,596 women receiving an additional 10 months of coverage at a cost of \$566.48 per month. The blended match rate is approximately 71.2 percent. No additional federal authority is needed.