

S B

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Alaska State Legislature

Please enter into the record my testimony to the HFS
 committee name
 hearing April 10 8:30AM
 committee on SB 395, dated 4-7-92
 bill/subject

In May of 1990 a special needs child was placed in our home as a foster child. We are currently adopting this child. This child's medications cost over \$300 per month. This is a condition that he will outgrow between the ages of 7-12, however, this is his medication needs right now. I know of other children currently in state custody in similar situations. It is not fair to expect potential parents to pay this. Most of these children are very difficult to care for ~~now~~ anyway - Please don't make it any worse! Children belong in homes and cost is a major factor regarding adoption. Please allow Medicaid to continue to pay. (I have to work or I would be at teleconference)

Signed: Jackie P Swayne
 Testifier

J P Swayne

Representing (Optional)
2755 Parkwood Wasilla AK 99654

Address:
376-7403

Phone No.

Alaska State Legislature

During Session
State Capitol
Juneau, Alaska 99801-1182
(907) 465-2828



During Interim
3111 C Street, Suite 540
Anchorage, Alaska 99503
(907) 561-2040

Senator Virginia Collins

SB 395

Medicaid Coverage for Certain Adoptees

SB 395 would allow the state to collect federal Medicaid dollars for those in state custody who need medical care in order to be placed for adoption.

Persons with special medical needs under the age of 21, of whom the state has custody, are difficult to place for adoption. Under AS 25.23.190 - .210 (relating to adoption assistance), the state pays for the cost of care provided these children and young adults.

With the passage of SB 395, federal Medicaid could be used to provide health care coverage for this group.

The bill would also make this group the last to be eliminated from Medicaid coverage if sufficient funding were not available.

SB 395 would not affect the payments made to parents who adopt these children nor would it place additional requirements on them.

The bill does not increase the number of children being served nor does it increase the total amount being paid for their medical care.

In an era of projected declines in state revenues, SB 395 is a revenue generator, saves the state money, and does not require any expenditure of state monies.

Sponsor Statement

FEB 26 1992

"An Act relating to Medicaid coverage for certain persons under the age of 21 for whom an adoption assistance agreement is in effect; and providing for an effective date"

SB No. 395 will add a new group to the list in AS 47.07.020 of persons eligible for coverage under Medicaid in Alaska. This new group consists of children under the age of 21 who have special medical needs, who are therefore difficult to place for adoption, and for whom there is in effect a state adoption assistance agreement. The bill would make this new group the last to be eliminated from Medicaid coverage under AS 47.07.035 if there are insufficient appropriations to cover all optional services and groups.

ANALYSIS

At present, adoptive parents of these children are subsidized by the state under AS 25.23.190 -- AS 25.23.210. State money often pays for the cost of medical care provided for these children. Under the federal Medicaid program, a state may select these children as an optional group to be covered by Medicaid. The statutory changes made by the bill would not change the subsidy payments made to the adoptive parents, and there would be no additional requirements imposed on them. The changes would not increase the number of children served, nor the total amount being paid. SB No. 395 would simply allow one-half of the cost of the medical care being paid for by the state to be paid instead with federal money.

Savings to the State in the first full year alone will exceed \$163,000.

POSITION

The Department supports the passage of SB No. 395. Given Alaska's short and long-term revenue picture, it is important that we take advantage of every legitimate opportunity we have to reduce state expenditures by claiming on federal matching funds for the necessary medical services we furnish to needy Alaskans.

Recommended by: Kimberly B. Busch
Kimberly B. Busch
Director
Div. of Medical Assistance

Date: _____
Approved by: Theodore A. Mada
Theodore A. Mada, MD, MPH
Commissioner

Date: 26 Feb 92

DHSS POSITION

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
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POUCH Y - STATE CAPITOL
JURISDICTION, ALASKA 99511
907-465-3800

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

Senate Health, Education
and Social Services Committee
2/16/92 meeting (SB 395)

(7)

HOUSE COMMITTEE REPORT

Date Referred: March 11, 1992

FURTHER REFERRALS:

Finance

Date of Committee Action: 4/10/92

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

SB 395

SENATE BILL NO. 395

MEDICAID IN CERTAIN ADOPTION CASES

"An Act relating to Medicaid coverage for certain persons under the age of 21 for whom an adoption assistance agreement is in effect; and providing for an effective date."

RECOMMENDATIONS:

[] the same title

be replaced with _____

[] a new title

[] have attached amendments(s)

[x] do pass

[] do not pass

[] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[] fiscal impact _____

[] fiscal note(s) _____

[] zero fiscal note _____

[] zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Bill / M Carney</i>	<input checked="" type="checkbox"/>				
<i>Georganna Miller</i>	<input checked="" type="checkbox"/>				
<i>Mary Miller</i>	<input checked="" type="checkbox"/>				
<i>Benny Davis</i>	<input checked="" type="checkbox"/>				
<i>G. G. Sample</i>	<input checked="" type="checkbox"/>				
<i>Cheri Davis</i>	<input checked="" type="checkbox"/>				

Bill / M Carney
CO-CHAIRMAN'S SIGNATURE

FISCAL NOTE

No. 1

Bill Version: SB 395

(S) Publish Date: 2-26-92

STATE OF ALASKA

1992 LEGISLATIVE SESSION

Revision Date: 2/25/92 Department Affected: DH&SS

Title: An Act Relating to Medicaid BRU: Medical Assistance

Coverage Component: Medicaid

Sponsor: Collins

Requestor: _____ COMPONENT SERIAL NO.

0	2	2	9
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	326.1	413.8	523.9	664.2	838.4	1,061.4
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	326.1	413.8	523.9	664.2	838.4	1,061.4

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING (Thousands of Dollars)

GENERAL FUNDS	163.0	206.9	261.9	332.1	419.2	530.7
FEDERAL FUNDS	163.0	206.9	261.0	332.1	419.2	530.7
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	326.1	413.8	523.9	664.2	838.4	1,061.4

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY:	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

See attached

Prepared by: Kimberly B. Busch, Director *Kimberly B. Busch* Phone: 907-465-3355

Division: Medical Assistance Date: 2-25-92

Approved by Commissioner: Theodore A. Nala, M.D., M.P.H.

Agency: Health and Social Services *Theodore A. Nala* Date: 2/26/92

Distribution (by Preparer: Leg. Fir

Impacted Agency(ies)

Rev 10/7/91

FN DHSS Medical Assistance

Page 1 of 2

Fiscal Note Attachment

The Division of Family and Youth Services currently pays a direct monthly reimbursement to adoptive parents to pay for the medical needs of an adoptive child with special medical or rehabilitative needs. This bill would authorize Alaska to add the Medicaid option to provide coverage for these state-subsidized adoptive children. Medicaid would then provide for payment of these children's medical needs, eliminating the need for direct reimbursement from the Division of Family and Youth Services and accessing federal Medicaid funding available to the State at a 50 percent match rate.

The Division of Family and Youth Services will spend \$258,192, all from the state general fund, on direct reimbursement to adoptive parents in FY 92. These funds currently provide payment for medical services averaging \$326 per month to 66 special needs adoptive children. With addition of the Medicaid option to cover this group of children, the FY 93 cost shifts to the Division of Medical Assistance Medicaid program. Then adoptive parents will no longer be reimbursed directly for the child's medical expenses, but will be provided with Medicaid coupons for payment of the child's medical services.

The Medicaid cost in FY 93 will be \$326,112, anticipating a 20 percent growth in the current caseload of 66 children and 5.5 percent medical expense inflation rate. This calculation is detailed below:

FY 92: 66 children X \$326 per month = \$21,516 X 12 months = \$258,192

FY 93 \$326 X 5.5% inflation rate = \$344
66 children X 20% caseload growth = 79
79 children X \$344 X 12 months = \$326,112 total funds
 \$163,056 GF
 \$163,056 FED

FY 94 - 98: For future years, we assume the same caseload and inflation growth rates.

Because this is a Medicaid option, the federal government will contribute 50% of the total costs.

Total savings to the State are the amount of Federal funds (\$163,056 in FY 93).

Cross reference: Fiscal note by the Division of Family and Youth Services

FISCAL NOTE

No. 2

Bill Version: SB 395

(S) Publish Date: 2-26-92

STATE OF ALASKA

1992 LEGISLATIVE SESSION

Revision Date: _____

Department Affected: _____

Title: An Act Relating to Medicaid

BRU: Family & Youth Purchased Services

Coverage: _____

Component: Foster Care

Sponsor: Senator Collins

Requestor: _____

COMPONENT SERIAL NO.

1	2	5	2
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(326.1)	(413.3)	(523.9)	(664.2)	(338.4)	(1,061.4)
MISCELLANEOUS						
TOTAL OPERATING	(326.1)	(413.3)	(523.9)	(664.2)	(838.4)	(1,061.4)

CAPITAL

REVENUE FUND SOURCE:

FUNDING (Thousands of Dollars)

GENERAL FUNDS	(326.1)	(413.8)	(523.9)	(664.2)	(838.4)	(1,061.4)
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY:						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

See attached analysis.

DFYS saves cost of medical portion of program as shown.

50% Federal participation in funding achieved by this method.

Prepared By: Brian Saylor, Acting Director

Phone: 465-3633

Division: Family and Youth Services

Date: 2/25/92

Approved by Commissioner: Theodore A. Mala, MD, MPH

Agency: Department of Health and Social Services

Date: 2/25/92

Distribution (by Preparer: Leg)

Rev 10/7/91

FY DHSS Family & Youth Purchased Services (Impacted Agencies)

Page 1 of 1

FISCAL NOTE ATTACHMENT

SB 395: AN ACT RELATING TO MEDICAID COVERAGE

Adoption Assistance Fiscal note

1. DFYS surveyed 1/3 of their 9/91 state subsidized adoption caseload to determine to the portion of the caseload receiving extra funds for medical needs (26 of the 37, or 73%) and the average payment for medical needs per child (\$326 per month).

Current FY 92 caseload is 90 children; 73% with medical needs = 66.

2. 66 children with special medical needs x average monthly payment of \$326 = \$21,516 x 12 months = \$258,192 in FY 92.

To estimate future growth, we considered the fact the DFYS has had a major permanency planning move over the last two years, to address the problem of children remaining in long term foster care without permanent homes. This effort to "catch up" requires a continued growth rate over the next few years, although it is expected to level off within the next three to five years, as the effects of the permanency planning effort reduce the backlog and the family preservation efforts reduce the number of the new cases. The 20% figure is a best estimate based on current growth patterns. The Anchorage CPI of 5.5% is used to estimate growth in costs.

FY 93: 20% caseload growth = 79 (66 x 20%) Avg. month pymt \$326
x 5.5% cost increase = \$344 x 79 x 12 = \$326,112

FY 94: 79 x 20% = 95 \$344 x 5.5% = \$363 \$363 x 95 x 12
= \$413,820

FY 95: 95 x 20% = 114 \$363 x 5.5% = \$383 \$383 x 114 x 12
= 523,944

FY 96: 114 x 20% = 137 \$383 x 5.5% = \$404 \$404 x 137 x 12
= \$664,176

FY 97: 137 x 20% = 164 \$404 x 5.5% = 426 \$426 x 164 x 12
= \$838,368

FY 98: 164 x 20% = 197 \$426 x 5.5% = \$449 \$449 x 197 x 12
= \$1,061,436

FISCAL NOTE

STATE OF ALASKA

BILL NO. SB 395

1992 LEGISLATIVE SESSION

Revision Date: 2/25/92 Department Affected: DH&SS

Title: An Act Relating to Medicaid Coverage BRU: Medical Assistance
 Component: Medicaid

Sponsor: Collins

Requestor: _____ COMPONENT SERIAL NO.

0	2	2	9
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	326.1	413.8	523.9	664.2	838.4	1,061.4
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	326.1	413.8	523.9	664.2	838.4	1,061.4

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TEMPORARY:	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

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Prepared by: Kimberly B. Busch, Director *Kimberly B. Busch* Phone: 907-465-3355

Division: Medical Assistance Date: 2-25-92

Approved by Commissioner: Theodore A. Malaf, M.D., M.P.H.

Agency: Health and Social Services *Theodore A. Malaf* Date: 2/26/92

Distribution (by Preparer: Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies))

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Total savings to the State are the amount of Federal funds (\$163,056 in FY 93).

Cross reference: Fiscal note by the Division of Family and Youth Services

FISCAL NOTE

STATE OF ALASKA

BILL NO.

SB 395

1992 LEGISLATIVE SESSION

Revision Date: _____

Department Affected:

Title: An Act Relating to Medicaid

BRU: Family & Youth Purchased Services

Coverage: _____

Component: Foster Care

Sponsor: Senator Collins

Requestor: _____

COMPONENT SERIAL NO.

1	2	5	2
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EXPENDITURES/REVENUES: (Thousands of Dollars)

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CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING (Thousands of Dollars)

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FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL						

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FULL-TIME						
PART-TIME						
TEMPORARY:						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

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Prepared By: Brian Saylor, Acting Director

Phone: 465-3633

Division: Family and Youth Services

Date: 2/25/92

Approved by Commissioner: Theodore A. Mala, MD, MPH

Agency: Department of Health and Social Services

Date: 2/25/92

Distribution (by Preparer: Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legls. Ofc., & Impacted Agency(ies)

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