

HB438

# SENATE FINANCE COMMITTEE REPORT

*[Handwritten initials]*

DATE: 5/6/92

FURTHER:

DATE TURNED INTO OFFICE: 5/11/92

The Finance Committee considered CS FOR HOUSE BILL NO. 438 (FINANCE)

"An Act relating to Medicaid eligibility of persons who are eligible to be institutionalized but who are not in institutions; relating to Medicaid waivers; reordering the priorities assigned to groups of persons served under the Medicaid program; and providing for an effective date."

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ (FINANCE)
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts House Finance Letter of Intent

further referral to the \_\_\_\_\_

- do pass
- do not pass
- no recommendation
- individual recommendations

**NEW FISCAL NOTES: Dept/Date**

zero fiscal notes \_\_\_\_\_

\_\_\_\_\_

fiscal notes \_\_\_\_\_

\_\_\_\_\_

appropriation--no fiscal note

**PREVIOUS FISCAL NOTES: Dept/Date**

zero fiscal notes \_\_\_\_\_

DHSS - Medicaid 0

DHSS Medicare 0

fiscal notes DHSS 2.9 (6/92)

\_\_\_\_\_

\_\_\_\_\_

**DO PASS:**

[Signature]

[Signature]

[Signature]

[Signature]

1. [Signature] do pass

Co-Chair: Signature/Recommendation

**OTHER RECOMMENDATIONS:**

at least - No Rec

[Signature] No Rec.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

Co-Chair: Signature/Recommendation

**STATE OF ALASKA**  
**1992 LEGISLATIVE SESSION**

**REPORTED OUT OF**  
 5-11-92

No. 6

Bill Version: CSHB 438 (FIN)

(H) Publish Date: 4-29-92

BILL NO.

Revision Date: 4/28/92 Department Affected: Health and Social Services  
 Title: An Act relating to Medicaid eligibility of BRU: Medical Assistance  
persons who are eligible to be institutionalized ... Component: PFD Hold Harmless  
 Sponsor: Representative Ellis  
 Requestor: House Finance COMPONENT SERIAL NO. 

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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	0	0	0	2.9	5.8	9.2
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2.9</b>	<b>5.8</b>	<b>9.2</b>

<b>CAPITAL</b>	0	0	0	0	0	0
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<b>REVENUE FUND SOURCE:</b>	0	0	0	0	0	0
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**FUNDING (Thousands of Dollars)**

GENERAL FUNDS	0	0	0	2.9	5.8	9.2
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2.9</b>	<b>5.8</b>	<b>9.2</b>

**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.)  
 includes estimated 6 percent annual inflation. The cost of operating waivers are currently considered in legislative budget documents. The waiver costs shown in attached budget amendment summary page would have to be added to this fiscal note if dropped from the legislative budget. See attached analysis for additional information.

Prepared by: Co-Chair Eileen MacLean *Eileen MacLean* Phone: 465-4833  
Co-Chair Mike Navarre *Mike Navarre* Phone: 465-3779  
 Division: House Finance Committee Date: 4/29/92

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

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

NOTES TO FISCAL NOTE FOR HCS HB 438<sup>2</sup> (FIN)

HCS HB 438 (Fin) directs the Department of Health and Social Services to seek Medicaid home and community-based waivers and to implement the TEFRA option 2 years after the waiver for children becomes effective. Both the waiver and the option would extend Medicaid coverage to some people not currently eligible for Medicaid.

The cost of seeking and operating Medicaid waivers is not included in this fiscal note. HB 504 currently includes funding for the Division of Medicaid Assistance to seek waivers under the listings of Medical Assistance - Medicaid State Programs, and Medical Assistance Administration - Certification and Licensing and Claims Processing. If funding for waivers is not included in the operating budget, the cost of implementing HCS HB 438 (Fin) will be substantially greater than estimated by this fiscal note. The attached budget amendment summary page shows the additional funding required in FY 93 to seek waivers. Table 1 shows the cost of services under waivers for children and the TEFRA option.

Medical Assistance -- Medicaid Non-Facility, PFD Hold Harmless

We assume that all individuals eligible for the TEFRA option will be receive waiver services except that, under the TEFRA option, we assume an additional growth factor in TEFRA recipients of 2 percent per year due to contested level of care determinations lost on appeal. While it is not the intention of the Division to lower the criteria for eligibility to institutional care, it is probable that some appeals will be lost. The experience of other states with appeals varies widely; the cost of the TEFRA option could be greater depending on Alaska's actual experiences with appeals.

The resulting difference in the cost of services with a TEFRA option is in the TEFRA subtotal of Table 1. Medicaid Non-Facility component is estimated to be 97 percent of this amount. The Permanent Fund Dividend Hold Harmless component is assumed to account for 3 percent of the cost of services.

Medical Assistance Administration -- Office of Hearings and Appeals

The Division estimates that one additional hearing officer will be required beginning in FY 96, to handle the increase in hearings and appeals associated with the TEFRA option.

Additional background information on this fiscal note is available upon request from the Division of Medical Assistance.

	Medical State Programs					Claims Processing				Certification and Licensing						Program Totals				
	OAC	DMHDD	OTHER	TOTAL	SGF	FED	OTHER	TOTAL	SGF	FED	TOTAL			SGF	FED	TOTAL	SGF	FED		
<b>100 PERSONAL SERVICES</b>	HPSII	HPSII					HPSI				HSPII	HPSI	AT							
% of Year	100%	100%				50%					75%	25%	25%							
	04.0	02.7		127.5	03.8	03.0	27.0	27.8	13.8	13.8	47.1	13.8	10.5	71.4	35.7	35.7	220.4	113.2	113.2	
	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
<b>200 TRAVEL</b>																				
In-state, @ \$100 per trip	2.4	2.4		4.0	2.4	2.4	1.8	1.8	0.8	0.8	2.4	0.8	0.8	4.0	2.0	2.0	10.4	5.2	5.2	
Out-of-state, @ \$200 per trip	2.0	2.0		4.0	2.0	2.0	2.0	2.0	1.0	1.0	2.0	0.0	0.0	2.0	1.0	1.0	8.0	4.0	4.0	
Wkvr Development Conference	10.0	10.0		20.0	10.0	10.0											20.0	10.0	10.0	
MMIS -- Training Costs								14.0	14.0	3.5							14.0	3.5	10.5	
MMIS -- Acceptance Testing								10.0	10.0	2.5							10.0	2.5	7.5	
Total	14.4	14.4		20.0	14.4	14.4	3.8	24.0	27.8	7.8	10.8	4.4	0.8	0.8	6.0	3.0	3.0	62.4	25.2	37.2
	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>300 CONTRACTUAL</b>																				
Communications	1.0	1.0		3.0	1.8	1.0	0.9	0.0	0.5	0.4	2.8	0.7	0.5	4.0	2.0	2.0	6.5	4.2		
Printing and Advertising	0.1	0.1		0.2	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.4	0.2		
Repairs and Maintenance	0.1	0.1		0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.4	0.3	0.2	
Office Space Rental	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Equipment Rental	0.3	0.3		0.0	0.3	0.3	0.2		0.2	0.1	0.1	0.2	0.1	0.1	0.4	0.2	0.2	1.1	0.8	0.8
MMIS -- New Categories of Service								105.0	105.0	48.0	148.3						105.0	48.0	148.3	
MMIS -- Change or Add Edits								21.0	21.0	5.3	15.8						21.0	5.3	15.8	
MMIS -- New Reports								57.2	57.2	14.3	42.0						57.2	14.3	42.0	
Transition Funding			2000	2000	2000	0.0											2000	2000	0.0	
Other	2.3	2.3		4.0	2.3	2.3	0.2		0.2	0.1	0.1	0.2	0.1	0.1	0.4	0.2	0.2	5.1	2.6	2.8
Total	4.6	4.0	2000	2092	204.8	4.0	1.3	273.2	274.5	69.0	205.5	3.4	0.9	0.7	5.0	2.5	2.5	48.7	27.1	21.8
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>400 SUPPLIES</b>				1.2	0.0	0.0	0.3		0.3	0.2	0.2	0.5	0.2	0.2	0.9	0.4	0.5	2.4	1.2	1.3
	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>500 EQUIPMENT</b>																				
Micro computer, monitor, NIC	0.0	1.0		3.5	1.8	1.0	3.5		3.5	1.8	1.8	3.5	3.5	3.5	10.5	5.3	5.3	17.5	6.8	6.8
Software	0.5	1.0		2.1	1.1	1.1	1.0		1.8	0.8	0.8	1.8	1.8	1.8	4.8	2.4	2.4	6.5	4.3	4.3
Desk and Chair	0.0	0.0		0.0	0.5	0.5	1.0		1.0	0.5	0.5	1.0	1.0	1.0	3.0	1.5	1.5	4.0	2.5	2.5
Total	0.5	0.0		0.5	3.3	3.3	0.1		6.1	3.1	3.1	6.1	6.1	6.1	18.3	9.2	9.2	30.9	15.5	15.5
	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>TOTAL</b>	<b>04.0</b>	<b>00.3</b>	<b>2000</b>	<b>373.2</b>	<b>200.6</b>	<b>80.0</b>	<b>38.8</b>	<b>297.2</b>	<b>330.1</b>	<b>03.8</b>	<b>242.3</b>	<b>61.5</b>	<b>21.8</b>	<b>18.3</b>	<b>101.8</b>	<b>50.8</b>	<b>50.8</b>	<b>810.6</b>	<b>431.2</b>	<b>370.1</b>
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Position Summary	Title	Range	Start Date
Medical State Programs			
OAC	Health Program Spec. II	10B	7/1/82
DMHDD	Health Program Spec. II	10A	7/1/82
Claims Processing	Health Program Spec. I	17A	1/1/83
Certification and Licensing	Health Program Spec. I	17A	4/1/83
	Accounting Technician I	12A	4/1/83
	Health Program Spec. II	10A	10/1/82

**C5 ADDITIONAL EXPLANATION FORM**

AGENCY Health & Social Services  
 BRU Medical Assistance Administration  
 COMPONENT Claims Processing 243

**FY 93**

Page 4 of 4  
 Revised Date: 2/24/92

TABLE 1  
 ESTIMATED COST OF SERVICE FOR CHILDREN UNDER HCS HB438 (FIN)  
 ADJUSTED FOR INFLATION  
 (ADMINISTRATIVE COST NOT INCLUDED)  
 FY 93 - FY 98

Inflation Factor @ 6%	1.00	1.06	1.12	1.19	1.26	1.34	1.00	1.06	1.12	1.19	1.26	1.34	
<b>CHILDREN'S WAIVERS</b>			<b>TOTAL COSTS</b>					<b>STATE GENERAL FUNDS</b>					
No. of Children (at end of year)	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	
Medicaid Facility	0	52	96	108	122	137							
Institutional Care Offset	0	(450,283)	(1,358,468)	(1,945,914)	(2,320,503)	(2,767,199)	0	(231,896)	(699,611)	(1,002,146)	(1,195,059)	(1,425,108)	
Medicaid Nonfacility													
Home & Community-Based Svcs Cost	0	1,008,648	3,043,009	4,358,904	5,197,993	6,198,607	0	519,453	1,567,149	2,244,836	2,676,967	3,192,103	
Other Program Cost	0	578,297	1,744,676	2,499,131	2,980,214	3,553,905	0	297,823	898,508	1,287,052	1,534,810	1,830,261	
Other Medicaid Offset	0	(18,713)	(58,457)	(80,870)	(96,438)	(115,002)	0	(9,637)	(29,075)	(41,648)	(49,666)	(59,226)	
Subtotal	0	1,568,230	4,731,228	6,777,165	8,081,769	9,637,509	0	807,638	2,436,583	3,490,240	4,162,111	4,963,317	
<b>TOTAL MEDICAID</b>	0	1,117,947	3,372,760	4,831,251	5,761,266	6,870,310	0	575,743	1,736,971	2,488,094	2,967,052	3,538,210	
DPA	0	0	0	0	0	0	0	0	0	0	0	0	
DMHDD	0	(213,607)	(644,434)	(923,109)	(1,100,807)	(1,312,713)	0	(213,607)	(644,434)	(923,109)	(1,100,807)	(1,312,713)	
<b>TOTAL</b>	0	904,340	2,728,325	3,908,142	4,660,459	5,557,597	0	362,136	1,092,537	1,564,985	1,866,245	2,225,497	
=====													
<b>TEFRA OPTION</b>	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	
No. of Children on Option	0	65	73	67	77	88							
Percent of Year TEFRA offered	0	0	0	1	1	1							
Medicaid Nonfacility													
Home Based Services @\$7649	0	0	0	610,375	743,565	900,776	0	0	0	314,343	382,936	467,799	
Other Medicaid Services @41966*50/65	0	0	0	2,576,005	3,138,112	3,801,598	0	0	0	1,326,642	1,616,128	1,963,233	
<b>Medicaid Subtotal</b>	0	0	0	3,186,380	3,881,677	4,702,374	0	0	0	1,640,986	1,999,063	2,421,723	
Duplicated Waiver Expenditures													
Home Based Services (7649/waiver\$)	0	0	0	592,155	706,145	842,078	0	0	0	304,960	363,665	433,670	
Other Medicaid Services	0	0	0	2,499,131	2,980,214	3,553,905	0	0	0	1,287,052	1,534,810	1,830,261	
<b>Waiver Subtotal</b>	0	0	0	3,091,286	3,686,359	4,395,983	0	0	0	1,592,012	1,898,475	2,263,931	
Spending on TEFRA Option Less Waiver Expenditures													
Home Based Services	0	0	0	18,220	37,420	58,698	0	0	0	9,383	19,271	30,229	
Other Medicaid Services	0	0	0	76,874	157,898	247,694	0	0	0	39,590	81,318	127,562	
<b>TEFRA Subtotal</b>	0	0	0	95,094	195,318	306,391	0	0	0	48,973	100,589	157,791	
=====													
<b>TOTAL SERVICE COST -- WAIVER AND OPTION</b>	0	904,340	2,728,325	4,003,236	4,855,777	5,863,988	0	362,136	1,092,537	1,613,958	1,966,834	2,383,288	

**STATE OF ALASKA**  
**1992 LEGISLATIVE SESSION REPORTED OUT OF**

BILL NO.

Bill Version: CSHB 438 (FIN)

(H) Publish Date: 4-29-92

SFC

5-11-92

Revision Date: 4/28/92

Department Affected: Health and Social Services

Title: An Act relating to Medicaid eligibility of persons who are eligible to be institutionalized ...

BRU: Medical Assistance Administration

Component: Office of Hearing and Appeals

Sponsor: Representative Ellis

Requestor: House Finance

COMPONENT SERIAL NO. 

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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	84.0	89.0	94.3
TRAVEL	0	0	0	2.1	2.3	2.4
CONTRACTUAL	0	0	0	7.7	8.2	8.7
SUPPLIES	0	0	0	0.7	0.8	0.8
EQUIPMENT	0	0	0	7.3	0.6	0.7
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>101.8</b>	<b>100.9</b>	<b>106.9</b>

<b>CAPITAL</b>	0	0	0	0	0	0
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<b>REVENUE FUND SOURCE:</b>	0	0	0	0	0	0
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**FUNDING (Thousands of Dollars)**

GENERAL FUNDS	0	0	0	50.9	50.5	53.5
FEDERAL FUNDS	0	0	0	50.9	50.4	53.4
OTHER FUND SOURCE:	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>101.8</b>	<b>100.9</b>	<b>106.9</b>

**POSITIONS:**

FULL-TIME	0	0	0	1	1	1
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.) Includes estimated 6 percent annual inflation. There is a one-time cost of \$7.1 in FY 96 (3.6 GF). The cost of operating waivers are currently considered in legislative budget documents. The waiver costs shown in the attached budget amendment summary page would have to be added to this fiscal note if dropped from the legislative budget. See attached analysis for additional information.

Prepared by: /Co-Chair Eileen MacLean *[Signature]* Phone: 465-4833  
Co-Chair Mike Navarre *[Signature]* Phone: 465-3779  
 Division: House Finance Committee Date: 4/28/92

Approved by Commissioner: \_\_\_\_\_

Agency: \_\_\_\_\_ Date: \_\_\_\_\_

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

no.5  
4-29-92

NOTES TO FISCAL NOTE FOR HCS HB 432 (FIN)

HCS HB 438 (Fin) directs the Department of Health and Social Services to seek Medicaid home and community-based waivers and to implement the TEFRA option 2 years after the waiver for children becomes effective. Both the waiver and the option would extend Medicaid coverage to some people not currently eligible for Medicaid.

The cost of seeking and operating Medicaid waivers is not included in this fiscal note. HB 504 currently includes funding for the Division of Medicaid Assistance to seek waivers under the listings of Medical Assistance - Medicaid State Programs, and Medical Assistance Administration - Certification and Licensing and Claims Processing. If funding for waivers is not included in the operating budget, the cost of implementing HCS HB 438 (Fin) will be substantially greater than estimated by this fiscal note. The attached budget amendment summary page shows the additional funding required in FY 93 to seek waivers. Table 1 shows the cost of services under waivers for children and the TEFRA option.

Medical Assistance -- Medicaid Non-Facility, PFD Hold Harmless

We assume that all individuals eligible for the TEFRA option will be receive waiver services except that, under the TEFRA option, we assume an additional growth factor in TEFRA recipients of 2 percent per year due to contested level of care determinations lost on appeal. While it is not the intention of the Division to lower the criteria for eligibility to institutional care, it is probable that some appeals will be lost. The experience of other states with appeals varies widely; the cost of the TEFRA option could be greater depending on Alaska's actual experiences with appeals.

The resulting difference in the cost of services with a TEFRA option is in the TEFRA subtotal of Table 1. Medicaid Non-Facility component is estimated to be 97 percent of this amount. The Permanent Fund Dividend Hold Harmless component is assumed to account for 3 percent of the cost of services.

Medical Assistance Administration -- Office of Hearings and Appeals

The Division estimates that one additional hearing officer will be required beginning in FY 96, to handle the increase in hearings and appeals associated with the TEFRA option.

Additional background information on this fiscal note is available upon request from the Division of Medical Assistance.

**COMMITTEE COPY**

COMMITTEE COPY

	Medical State Programs					Claims Processing				Certification and Licensing						Program Totals		
	OAC	DMIID	OTHER	TOTAL	SGF	FED	OTHER	TOTAL	SGF	FED	TOTAL	SGF	FED	TOTAL	SGF	FED		
<b>100 PERSONAL SERVICES</b>																		
% of Year	100%	100%				50%				75%	25%	25%						
	04.0	02.7		127.5	03.8	03.0	27.0	27.0	13.8	13.8	47.1	13.8	10.5	71.4	35.7	35.7		
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
<b>200 TRAVEL</b>																		
In-state, @ \$100 per trip	2.4	2.4		4.0	2.4	2.4	1.0	1.8	0.8	0.8	2.4	0.8	0.8	4.0	2.0	2.0		
Out-of-state, @ \$2,000 per trip	2.0	7.0		4.0	2.0	2.0	2.0	2.0	1.0	1.0	2.0	0.0	0.0	2.0	1.0	1.0		
Winter Development Conference	10.0	10.0		20.0	10.0	10.0												
MMIS -- Training Costs							14.0	14.0	3.5	10.5								
MMIS -- Acceptance Testing							10.0	10.0	2.5	7.5								
Total	14.4	14.4		20.0	14.4	14.4	3.0	24.0	27.0	7.8	18.8	4.4	0.8	0.8	3.0	3.0		
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
<b>300 CONTRACTUAL</b>																		
Communications	1.0	1.0		3.0	1.0	1.0	0.0	0.9	0.5	0.4	2.8	0.7	0.5	4.0	2.0	2.0		
Printing and Advertising	0.1	0.1		0.2	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.1		
Repairs and Maintenance	0.1	0.1		0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.1		
Office Space Rental	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Equipment Rental	0.3	0.3		0.0	0.3	0.3	0.2	0.2	0.1	0.1	0.2	0.1	0.1	0.4	0.2	0.2		
MMIS -- New Categories of Service							195.0	105.0	48.8	148.3								
MMIS -- Change or Add Edits							21.0	21.0	5.3	15.8								
MMIS -- New Reports							57.2	57.2	14.3	42.9								
Transition Funding			2000	2000	2000	0.0												
Other	2.3	2.1		4.0	2.3	2.3	0.2	0.2	0.1	0.1	0.2	0.1	0.1	0.4	0.2	0.2		
Total	4.6	4.0	2000	2092	204.8	4.0	1.3	273.2	274.5	69.0	205.5	3.4	0.9	0.7	5.0	2.5		
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
<b>400 SUPPLIES</b>																		
	0.0	0.0		1.2	0.0	0.0	0.3	0.3	0.2	0.2	0.5	0.2	0.2	0.9	0.4	0.5		
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
<b>500 EQUIPMENT</b>																		
Micro computer, monitor, NIC	0.0	3.5		3.5	1.0	1.0	3.5	3.5	1.8	1.8	3.5	3.5	3.5	10.5	5.3	5.3		
Software	0.5	1.0		2.1	1.1	1.1	1.0	1.0	0.8	0.8	1.8	1.8	1.8	4.8	2.4	2.4		
Desk and Chair	0.0	0.0		0.0	0.5	0.5	1.0	1.0	0.5	0.5	1.0	1.0	1.0	3.0	1.5	1.5		
Total	0.5	0.0		0.5	3.3	3.3	0.1	0.1	3.1	3.1	0.1	0.1	0.1	18.3	9.2	9.2		
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
<b>TOTAL</b>	<b>04.0</b>	<b>00.3</b>	<b>2000</b>	<b>3732</b>	<b>200.8</b>	<b>80.0</b>	<b>38.9</b>	<b>297.2</b>	<b>330.1</b>	<b>93.8</b>	<b>242.3</b>	<b>61.5</b>	<b>21.8</b>	<b>18.3</b>	<b>101.6</b>	<b>50.8</b>		
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		

Position Summary	Title	Range	Start Date
Medical State Programs			
OAC	Health Program Spec. II	100	7/1/02
DMIID	Health Program Spec. II	10A	7/1/02
Claims Processing	Health Program Spec. I	17A	1/1/00
Certification and Licensing			
	Health Program Spec. I	17A	4/1/00
	Accounting Technician I	12A	4/1/00
	Health Program Spec. II	10A	10/1/02

C5 ADDITIONAL EXPLANATION FORM

AGENCY Health & Social Services  
 BRU Medical Assistance Administration  
 COMPONENT Claims Processing 243

FY 93

Page 4 of 4  
 Revised Date: 2/24/92

TABLE 1  
 ESTIMATED COST OF SERVICE FOR CHILDREN UNDER HCS HB438 (FIN)  
 ADJUSTED FOR INFLATION  
 (ADMINISTRATIVE COST NOT INCLUDED)  
 FY 93 - FY 98

Inflation Factor @ 6%	1.00	1.06	1.12	1.19	1.26	1.34	1.00	1.06	1.12	1.19	1.26	1.34
<b>CHILDREN'S WAIVERS</b>	<b>TOTAL COSTS</b>						<b>STATE GENERAL FUNDS</b>					
	<b>FY 93</b>	<b>FY 94</b>	<b>FY 95</b>	<b>FY 96</b>	<b>FY 97</b>	<b>FY 98</b>	<b>FY 93</b>	<b>FY 94</b>	<b>FY 95</b>	<b>FY 96</b>	<b>FY 97</b>	<b>FY 98</b>
No. of Children (at end of year)	0	52	96	108	122	137						
Medicaid Facility												
Institutional Care Offset	0	(450,283)	(1,358,468)	(1,945,914)	(2,320,503)	(2,767,199)	0	(231,896)	(699,611)	(1,002,146)	(1,195,059)	(1,425,108)
Medicaid Nonfacility												
Home & Community-Based Svcs Cost	0	1,008,646	1,043,009	4,358,904	5,197,993	6,198,607	0	519,453	1,567,149	2,244,836	2,676,967	3,192,283
Other Program Cost	0	578,297	1,744,676	2,499,131	2,980,214	3,553,905	0	297,823	898,508	1,287,052	1,534,810	1,830,261
Other Medicaid Offset	0	(18,713)	(56,457)	(80,870)	(96,438)	(115,002)	0	(9,637)	(29,075)	(41,648)	(49,666)	(59,226)
Subtotal	0	1,568,230	4,731,228	6,777,165	8,081,769	9,637,509	0	807,638	2,436,583	3,490,240	4,162,111	4,963,317
<b>TOTAL MEDICAID</b>	0	1,117,947	3,372,760	4,831,251	5,761,266	6,870,310	0	575,743	1,736,971	2,488,094	2,967,052	3,538,210
DPA	0	0	0	0	0	0	0	0	0	0	0	0
DMHDD	0	(213,607)	(644,434)	(923,109)	(1,100,807)	(1,312,713)	0	(213,607)	(644,434)	(923,109)	(1,100,807)	(1,312,713)
<b>TOTAL</b>	0	904,340	2,728,325	3,908,142	4,660,459	5,557,597	0	362,136	1,092,537	1,564,985	1,866,245	2,225,497
=====												
<b>TEFRA OPTION</b>	<b>FY 93</b>	<b>FY 94</b>	<b>FY 95</b>	<b>FY 96</b>	<b>FY 97</b>	<b>FY 98</b>	<b>FY 93</b>	<b>FY 94</b>	<b>FY 95</b>	<b>FY 96</b>	<b>FY 97</b>	<b>FY 98</b>
No. of Children on Option	0	65	73	67	77	88						
Percent of Year TEFRA Offered	0	0	0	1	1	1						
Medicaid Nonfacility												
Home Based Services @\$7649	0	0	0	610,375	743,565	900,776	0	0	0	314,343	382,936	460,079
Other Medicaid Services @41966*50/65	0	0	0	2,576,005	3,138,112	3,801,598	0	0	0	1,326,642	1,616,128	1,900,000
Medicaid Subtotal	0	0	0	3,186,380	3,881,677	4,702,374	0	0	0	1,640,986	1,999,063	2,421,723
Duplicated Waiver Expenditures												
Home Based Services (7649/waiver\$)	0	0	0	592,155	706,145	842,078	0	0	0	304,960	363,665	433,670
Other Medicaid Services	0	0	0	2,499,131	2,980,214	3,553,905	0	0	0	1,287,052	1,534,810	1,830,261
Waiver Subtotal	0	0	0	3,091,286	3,686,359	4,395,983	0	0	0	1,592,012	1,898,475	2,263,931
Spending on TEFRA Option Less Waiver Expenditures												
Home Based Services	0	0	0	18,220	37,420	58,698	0	0	0	9,383	19,271	30,229
Other Medicaid Services	0	0	0	76,874	157,898	247,694	0	0	0	39,590	81,318	127,562
TEFRA Subtotal	0	0	0	95,094	195,318	306,391	0	0	0	48,973	100,589	157,791
=====												
<b>TOTAL SERVICE COST -- WAIVER AND OPTION</b>	0	904,340	2,728,325	4,003,236	4,855,777	5,863,988	0	362,136	1,092,537	1,613,958	1,966,834	2,383,288

COMMITTEE COPY

**STATE OF ALASKA**  
**1992 LEGISLATIVE SESSION REPORTED OUT OF**  
**SFC** 5-11-92

FISCAL NOTE No. 4  
 Bill Version: CSHB 438 (FIN)  
 (H) Publish Date: 4-29-92

Revision Date: 4/28/92 Department Affected: Health and Social Services  
 Title: An Act relating to Medicaid eligibility of BRU: Medical Assistance  
persons who are eligible to be institutionalized ... Component: Medicaid Non-Facility  
 Sponsor: Representative Ellis  
 Requestor: House Finance COMPONENT SERIAL NO. 

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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	0	0	0	92.1	189.1	297.6
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	92.1	189.1	297.6
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE:	0	0	0	0	0	0

**FUNDING (Thousands of Dollars)**

GENERAL FUNDS	0	0	0	46.1	94.6	148.8
FEDERAL FUNDS	0	0	0	46.0	94.5	148.8
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	92.1	189.1	297.6

**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.)  
 includes estimated 6 percent annual inflation. The cost of operating waivers are currently considered in legislative budget documents. The waiver costs shown in the attached budget amendment summary page would have to be added to this fiscal note if dropped from the legislative budget. See attached analysis for additional information.

Prepared by: Co-Chair Eileen MacLean 465-4833  
Co-Chair Mike Navarr 465-3779 Phone: \_\_\_\_\_  
 Division: House Finance Committee Date: 4/28/92

Approved by Commissioner: \_\_\_\_\_  
 Agency: \_\_\_\_\_ Date: \_\_\_\_\_

NOTES TO FISCAL NOTE FOR HCS HB 438 (FIN)

HCS HB 438 (Fin) directs the Department of Health and Social Services to seek Medicaid home and community-based waivers and to implement the TEFRA option 2 years after the waiver for children becomes effective. Both the waiver and the option would extend Medicaid coverage to some people not currently eligible for Medicaid.

The cost of seeking and operating Medicaid waivers is not included in this fiscal note. HB 504 currently includes funding for the Division of Medicaid Assistance to seek waivers under the listings of Medical Assistance - Medicaid State Programs, and Medical Assistance Administration - Certification and Licensing and Claims Processing. If funding for waivers is not included in the operating budget, the cost of implementing HCS HB 438 (Fin) will be substantially greater than estimated by this fiscal note. The attached budget amendment summary page shows the additional funding required in FY 93 to seek waivers. Table 1 shows the cost of services under waivers for children and the TEFRA option.

Medical Assistance -- Medicaid Non-Facility, PFD Hold Harmless

We assume that all individuals eligible for the TEFRA option will be receive waiver services except that, under the TEFRA option, we assume an additional growth factor in TEFRA recipients of 2 percent per year due to contested level of care determinations lost on appeal. While it is not the intention of the Division to lower the criteria for eligibility to institutional care, it is probable that some appeals will be lost. The experience of other states with appeals varies widely; the cost of the TEFRA option could be greater depending on Alaska's actual experiences with appeals.

The resulting difference in the cost of services with a TEFRA option is in the TEFRA subtotal of Table 1. Medicaid Non-Facility component is estimated to be 97 percent of this amount. The Permanent Fund Dividend Hold Harmless component is assumed to account for 3 percent of the cost of services.

Medical Assistance Administration -- Office of Hearings and Appeals

The Division estimates that one additional hearing officer will be required beginning in FY 96, to handle the increase in hearings and appeals associated with the TEFRA option.

Additional background information on this fiscal note is available upon request from the Division of Medical Assistance.

	Medical State Programs					Claims Processing				Certification and Licensing					Program Totals					
	OAC DMHDD	OTHER	TOTAL	SGF	FED	OTHER	TOTAL	SGF	FED	TOTAL	SGF	FED	TOTAL	SGF	FED					
<b>100 PERSONAL SERVICES</b>	HPSII 100%	HPSII 100%				HPSI 50%				HSPII 75%	HPSI 25%	AT 25%								
% of Year	04.0	02.7	127.5	03.0	03.0	27.0	27.0	13.8	13.8	47.1	13.8	10.5	71.4	35.7	35.7	220.4	113.2	113.2		
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
<b>200 TRAVEL</b>																				
In-state, @ \$1000 per trip	2.4	2.4	4.0	2.4	2.4	1.0	1.0	0.8	0.8	2.4	0.8	0.8	4.0	2.0	2.0	10.4	5.2	5.2		
Out-of-state, @ \$2,000 per trip	2.0	2.0	4.0	2.0	2.0	2.0	2.0	1.0	1.0	2.0	0.0	0.0	2.0	1.0	1.0	8.0	4.0	4.0		
Wolver Development Conference	10.0	10.0	20.0	10.0	10.0											20.0	10.0	10.0		
MMIS--Training Costs							14.0	14.0	3.5	10.5						14.0	3.5	10.5		
MMIS--Acceptance Testing							10.0	10.0	2.5	7.5						10.0	2.5	7.5		
Total	14.4	14.4	20.0	14.4	14.4	3.0	24.0	27.0	7.8	19.8	4.4	0.6	0.8	6.0	3.0	3.0	82.4	25.2	37.2	
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
<b>300 CONTRACTUAL</b>																				
Communications	1.0	1.0	3.0	1.8	1.0	0.9	0.9	0.5	0.4	2.8	0.7	0.5	4.0	2.0	2.0	8.5	4.2			
Printing and Advertising	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.4	0.2			
Repairs and Maintenance	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.4	0.3	0.2		
Office Space Rental	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Equipment Rental	0.3	0.3	0.8	0.3	0.3	0.2	0.2	0.1	0.1	0.2	0.1	0.1	0.4	0.2	0.2	1.1	0.6	0.6		
MMIS--New Categories of Service							105.0	105.0	48.8	148.3						195.0	48.8	148.3		
MMIS--Change of Ad/Effs							21.0	21.0	5.3	15.8						21.0	5.3	15.8		
MMIS--New Reports							57.2	57.2	14.3	42.0						57.2	14.3	42.0		
Transition Funding			200.0	200.0	0.0											200.0	200.0	0.0		
Other	2.3	2.1	4.0	2.3	2.3	0.2	0.2	0.1	0.1	0.2	0.1	0.1	0.4	0.2	0.2	5.1	2.6	2.6		
Total	4.6	4.0	200.2	204.0	4.0	1.3	273.2	274.5	69.0	205.5	3.4	0.9	0.7	5.0	2.5	2.5	486.7	276.1	212.8	
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
<b>400 SUPPLIES</b>	0.0	0.0	1.2	0.0	0.0	0.3	0.3	0.2	0.2	0.5	0.2	0.2	0.8	0.4	0.5	2.4	1.2	1.3		
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
<b>500 EQUIPMENT</b>																				
Micro computer, monitor, NIC	0.0	3.5	3.5	1.0	1.0	3.5	3.5	1.8	1.8	3.5	3.5	3.5	10.5	5.3	5.3	17.5	8.8	8.8		
Software	0.5	1.0	2.1	1.1	1.1	1.0	1.0	0.0	0.0	1.8	1.8	1.0	4.8	2.4	2.4	8.5	4.3	4.3		
Desk and Chair	0.0	0.0	0.0	0.5	0.5	1.0	1.0	0.5	0.5	1.0	1.0	1.0	3.0	1.5	1.5	4.8	2.5	2.5		
Total	0.5	4.5	6.5	3.3	3.3	0.1	0.1	3.1	3.1	6.1	6.1	6.1	18.3	9.2	9.2	30.9	15.2	15.5		
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
<b>TOTAL</b>	<b>04.0</b>	<b>00.3</b>	<b>200.0</b>	<b>373.2</b>	<b>200.0</b>	<b>80.0</b>	<b>38.8</b>	<b>297.2</b>	<b>330.1</b>	<b>83.8</b>	<b>242.3</b>	<b>61.5</b>	<b>21.8</b>	<b>18.3</b>	<b>101.0</b>	<b>50.8</b>	<b>50.8</b>	<b>810.8</b>	<b>431.2</b>	<b>379.7</b>
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	

Position Summary	Title	Range	Start Date
Medical State Programs			
OAC	Health Program Spec. II	10B	7/1/82
DMHDD	Health Program Spec. II	10A	7/1/82
Claims Processing			
	Health Program Spec. I	17A	1/1/83
Certification and Licensing			
	Health Program Spec. I	17A	4/1/83
	Accounting Technician I	12A	4/1/83
	Health Program Spec. II	10A	10/1/82

**C5 ADDITIONAL  
EXPLANATION FORM**

AGENCY Health & Social Services  
 BRU Medical Assistance Administration  
 COMPONENT Claims Processing 243

Page 4 of 4  
 Revised Date: 2/23/92

**FY 93**

TABLE 1  
 ESTIMATED COST OF SERVICE FOR CHILDREN UNDER HCS HB438 (FIN)  
 ADJUSTED FOR INFLATION  
 (ADMINISTRATIVE COST NOT INCLUDED)  
 FY 93 -- FY 98

Inflation Factor @ 6%	1.00	1.06	1.12	1.19	1.26	1.34	1.00	1.06	1.12	1.19	1.26	1.34
<b>CHILDREN'S WAIVERS</b>	<b>TOTAL COSTS</b>						<b>STATE GENERAL FUNDS</b>					
	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
No. of Children (at end of year)	0	52	96	108	122	137						
Medicaid Facility												
Institutional Care Offset	0	(450,283)	(1,358,468)	(1,945,914)	(2,320,503)	(2,767,199)	0	(231,896)	(699,611)	(1,002,146)	(1,195,059)	(1,425,108)
Medicaid Nonfacility												
Home & Community-Based Svcs Cost	0	1,008,646	3,043,009	4,358,904	5,197,993	6,198,607	0	519,453	1,567,149	2,244,836	2,676,967	3,192,403
Other Program Cost	0	578,297	1,744,676	2,499,131	2,980,214	3,553,905	0	297,823	898,508	1,287,052	1,534,810	1,830,261
Other Medicaid Offset	0	(18,713)	(56,457)	(80,870)	(96,438)	(115,002)	0	(9,637)	(29,075)	(41,648)	(49,666)	(59,226)
Subtotal	0	1,568,230	4,731,228	6,777,165	8,081,769	9,637,509	0	807,638	2,436,583	3,490,240	4,162,111	4,963,317
<b>TOTAL MEDICAID</b>	<b>0</b>	<b>1,117,947</b>	<b>3,372,760</b>	<b>4,831,251</b>	<b>5,761,266</b>	<b>6,870,310</b>	<b>0</b>	<b>575,743</b>	<b>1,736,971</b>	<b>2,488,084</b>	<b>2,967,052</b>	<b>3,538,210</b>
DPA	0	0	0	0	0	0	0	0	0	0	0	0
DMHDD	0	(213,607)	(644,434)	(923,109)	(1,100,807)	(1,312,713)	0	(213,607)	(644,434)	(923,109)	(1,100,807)	(1,312,713)
<b>TOTAL</b>	<b>0</b>	<b>904,340</b>	<b>2,728,325</b>	<b>3,908,142</b>	<b>4,660,459</b>	<b>5,557,597</b>	<b>0</b>	<b>362,136</b>	<b>1,092,537</b>	<b>1,564,985</b>	<b>1,866,245</b>	<b>2,225,497</b>
=====												
<b>TEFRA OPTION</b>	<b>FY 93</b>	<b>FY 94</b>	<b>FY 95</b>	<b>FY 96</b>	<b>FY 97</b>	<b>FY 98</b>	<b>FY 93</b>	<b>FY 94</b>	<b>FY 95</b>	<b>FY 96</b>	<b>FY 97</b>	<b>FY 98</b>
No. of Children on Option	0	65	73	67	77	88						
Percent of Year TEFRA offered	0	0	0	1	1	1						
Medicaid Nonfacility												
Home Based Services (@\$7649)	0	0	0	810,375	743,565	900,776	0	0	0	314,343	382,938	467,999
Other Medicaid Services @41966*50/65	0	0	0	2,576,005	3,138,112	3,801,598	0	0	0	1,326,642	1,616,128	1,963,317
Medicaid Subtotal	0	0	0	3,186,380	3,881,677	4,702,374	0	0	0	1,640,986	1,999,063	2,421,723
Duplicated Waiver Expenditures												
Home Based Services (7649/waiver\$)	0	0	0	592,155	706,145	842,078	0	0	0	304,960	363,665	433,670
Other Medicaid Services	0	0	0	2,495,131	2,980,214	3,553,905	0	0	0	1,287,052	1,534,810	1,830,261
Waiver Subtotal	0	0	0	3,091,286	3,686,359	4,395,983	0	0	0	1,592,012	1,898,475	2,263,931
Spending on TEFRA Option Less Waiver Expenditures												
Home Based Services	0	0	0	18,220	37,420	58,698	0	0	0	9,383	19,271	30,229
Other Medicaid Services	0	0	0	76,874	157,898	247,694	0	0	0	39,590	81,318	127,562
TEFRA Subtotal	0	0	0	95,094	195,318	306,391	0	0	0	48,973	100,589	157,791
=====												
<b>TOTAL SERVICE COST -- WAIVER AND OPTION</b>	<b>0</b>	<b>904,340</b>	<b>2,728,325</b>	<b>4,003,236</b>	<b>4,855,777</b>	<b>5,863,988</b>	<b>0</b>	<b>362,136</b>	<b>1,092,537</b>	<b>1,613,958</b>	<b>1,966,834</b>	<b>2,383,288</b>

HOUSE FINANCE COMMITTEE

LETTER OF INTENT

for

CSHB 438 (FIN)

It is the intent of the Legislature to support the Governor's decision to direct the Department of Health & Social Services to proceed without delay to gain federal approval of Medicaid waivers and options to provide home and community-based services to the aged, physically disabled adults, and developmentally disabled adults and children, including children with special medical needs.

Further, the Legislature believes that Alaska has a growing population needing an institutional level of care that would, if not for the home and community-based alternatives available under Medicaid waivers and options, require additional investment in construction and operation of additional health care facilities.

In regard to the Medicaid waivers and options for developmentally disabled children, including children with special medical needs, the Legislature further requests the Department of Health & Social Services to listen to and incorporate the concerns of families across the state. Specifically, the Department should:

1. Allow the Division of Mental Health & Developmental Disabilities to play a key role in the service design and policy of Medicaid waivers, along with the Division of Medical Assistance.
2. Allow parents, advocates and professionals to be involved with the development of the criteria for the definition of "at risk of institutionalization."

Finally, if the Department of Health & Social Services, Division of Medical Assistance fails to gain approval for the children's Medicaid waiver, it is the intent of the legislature that the department notify the Legislature without delay so that the Legislature can proceed with implementing the Medicaid option, the effective date of which is dependent upon approval of the Medicaid waiver for children with disabilities and special medical needs.

*Eileen P. Wukien*  
*Mike Savare*

COMMITTEE COPY

4-30-92  
Adopted by the House

ENGROSSED

CS FOR HOUSE BILL NO. 438 (FINANCE)  
 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/29/92  
 Referred: Rules

Sponsor(s): REPRESENTATIVES ELLIS, Koponen, Boyer, Gruenberg, Ulmer, B.Davis, Carney, Bruckman, Donley, Brown, Parnell, Finkelstein

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to Medicaid eligibility of persons who are eligible to be institutionalized  
 2 but who are not in institutions; relating to Medicaid waivers; reordering the priorities  
 3 assigned to groups of persons served under the Medicaid program; and providing for an  
 4 effective date."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 \* Section 1. AS 47.07.020(b) is amended to read:

7 (b) In addition to the persons specified in (a) of this section, the following optional  
 8 groups of persons for whom the state may claim federal financial participation are eligible for  
 9 medical assistance:

10 (1) persons eligible for but not receiving assistance under any plan of the state  
 11 approved under 42 U.S.C. 601 - 615 (Title IV-A, Social Security Act, Aid to Families with  
 12 Dependent Children) or 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental  
 13 Security Income);

14 (2) persons in a general hospital, skilled nursing facility or intermediate care

1 facility, who, if they left the facility, would be eligible for assistance under one of the federal  
2 programs specified in (1) of this subsection;

3 (3) persons under age 21 who are under supervision of the department, for whom  
4 maintenance is being paid in whole or in part from public funds, and who are in foster homes  
5 or private child-care institutions;

6 (4) aged, blind, or disabled persons, who, because they do not meet income and  
7 resources requirements, do not receive supplemental security income under 42 U.S.C. 1381 -  
8 1383c (Title XVI, Social Security Act), and who do not receive a mandatory state supplement,  
9 but who are eligible, or would be eligible if they were not in a skilled nursing facility or  
10 intermediate care facility to receive an optional state supplementary payment;

11 (5) persons under age 21 who are in an institution designated as an intermediate  
12 care facility for the mentally retarded and who are financially eligible as determined by the  
13 standards of the federal aid to families with dependent children program;

14 (6) persons in a medical or intermediate care facility whose income while in the  
15 facility does not exceed 300 percent of the supplemental security income benefit rate under 42  
16 U.S.C. 1381 - 1383c (Title XVI, Social Security Act) but who would not be eligible for an  
17 optional state supplementary payment if they left the hospital or other facility;

18 (7) persons under age 21 who are receiving active treatment in a psychiatric  
19 hospital and who are financially eligible as determined by the standards of 42 U.S.C. 601 - 615  
20 (Title IV-A, Social Security Act, Aid to Families with Dependent Children);

21 (8) persons under age 21 and not covered under (a) of this section, who would  
22 be eligible for benefits under the federal aid to families with dependent children program, except  
23 that they have the care and support of both their natural and adoptive parents;

24 (9) pregnant women not covered under (a) of this section and who meet the  
25 income and resource requirements of the federal aid to families with dependent children program;

26 (10) persons who can be considered under 42 U.S.C. 1396a(e)(3) (Title XIX,  
27 Social Security Act, Medical Assistance) to be individuals with respect to whom a  
28 supplemental security income is being paid under 42 U.S.C. 1381 - 1383c (Title XVI, Social  
29 Security Act) because they meet all of the following criteria:

30 (A) they are 18 years of age or younger and qualify as disabled  
31 individuals under 42 U.S.C. 1382c(a) (Title XVI, Social Security Act);

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(B) the department has determined that

(i) they require a level of care provided in a hospital, nursing facility, or intermediate care facility for the mentally retarded;

(ii) it is appropriate to provide their care outside of an institution; and

(iii) the estimated amount that would be spent for medical assistance for their individual care outside an institution is not greater than the estimated amount that would otherwise be expended individually for medical assistance within an appropriate institution;

(C) if they were in a medical institution, they would be eligible for medical assistance under other provisions of this chapter; and

(D) home and community-based services under a waiver approved by the federal government are not available to them under this chapter [REPEALED].

\* Sec. 2. AS 47.07.030 is amended by adding a new subsection to read:

(c) Notwithstanding (b) of this section, the department may offer a service for which the department has received a waiver from the federal government if the department was authorized, directed, or requested to apply for the waiver by law or by a concurrent or joint resolution of the legislature.

\* Sec. 3. AS 47.07.035 is amended to read:

Sec. 47.07.035. PRIORITY OF MEDICAL ASSISTANCE. If the department finds that the cost of medical assistance for all persons eligible under this chapter will exceed the amount allocated in the state budget for that assistance for the fiscal year, the department shall eliminate coverage for optional medical services and optionally eligible groups of individuals in the following order:

- (1) clinical social workers' services;
- (2) psychologists' services;
- (3) chiropractic services;
- (4) adult dental services;
- (5) emergency hospital services;
- (6) treatment of speech, hearing, and language disorders;
- (7) optometrists' services and eyeglasses;

- 1 (8) occupational therapy;  
2 (9) mammography screening;  
3 (10) prosthetic devices;  
4 (11) medical supplies and equipment;  
5 (12) clinic services;  
6 (13) physical therapy;  
7 (14) personal care services in a recipient's home;  
8 (15) prescribed drugs;  
9 (16) long-term care noninstitutional services;  
10 (17) inpatient psychiatric facility services;  
11 (18) intermediate care facility services for the mentally retarded;  
12 (19) intermediate care facility services;  
13 (20) individuals described in AS 47.07.020(b)(10);  
14 (21) individuals under age 21 who are not eligible for benefits under the federal  
15 aid to families with dependent children program because they are not deprived of one or more  
16 of their natural or adoptive parents;  
17 (22) [(21)] skilled nursing facility services for persons under age 21;  
18 (23) [(22)] aged, blind, and disabled individuals who, because they do not meet  
19 the income requirements, do not receive supplemental security income under Title XVI of the  
20 Social Security Act, but who are eligible, or would be eligible if they were not in a skilled  
21 nursing facility or intermediate care facility, to receive an optional state supplementary payment;  
22 (24) [(23)] individuals in a hospital, skilled nursing facility, or intermediate care  
23 facility whose income while in the facility does not exceed 300 percent of the supplemental  
24 security income benefit rate under Title XVI of the Social Security Act, but who, because of  
25 income, are not eligible for the optional state supplementary payment;  
26 (25) [(24)] individuals under age 21 under supervision of the department, for  
27 whom maintenance is being paid in whole or in part from public money and who are in foster  
28 homes or private child-care institutions.

29 \* Sec. 4. DEPARTMENT TO SEEK WAIVER. The Department of Health and Social Services shall  
30 seek approval of a waiver for home and community-based services under 42 U.S.C. 1396n for persons  
31 who are Medicaid eligible and who would otherwise require a level of care provided in a hospital,

1 nursing facility, or intermediate care facility for the mentally retarded, in the absence of home and  
2 community-based services.

3 \* Sec. 5. (a) Sections 1 and 3 of this Act take effect two years after the effective date of a waiver  
4 approved by the federal government under which the state Medicaid program will be able to cover home  
5 and community-based services for Medicaid-eligible persons under the age of 19 who are at risk of  
6 institutionalization.

7 (b) The Department of Health and Social Services shall notify the revisor of statutes as to the  
8 effective date of the waiver referred to in (a) of this section.

9 \* Sec. 6. Sections 2 and 4 of this Act take effect immediately under AS 01.10.070(c).

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# ALASKA STATE HOUSE



CHAIR  
RULES COMMITTEE

JUDICIARY

SPECIAL COMMITTEE ON INTERNATIONAL  
TRADE & TOURISM

LEGISLATIVE COUNCIL

REPRESENTATIVE JOHNNY ELLIS

## **CSHB 438 SPONSOR STATEMENT**

### **WHY SERVICES DOES CSHB 438 — THE TEFRA OPTION BILL — OFFER?**

The TEFRA Option Bill allows a child to be Medicaid eligible at home by treating the parents' income in the same way it would be handled if the child were in an institution. The option makes *all* kids under age 19 who qualify for an institutional level of care Medicaid eligible for basic hospital doctor care/health services, hospice for kids, case management — everything in normal EPSTD coverage. Seventeen states have the TEFRA Option, 28 states have regular waivers that serve kids and six have both as of Sept. 1, 1989.

### **DOES THIS BILL HAVE ANY MEANS OF COST CONTAINMENT?**

Yes. It only applies to kids under the age of 19 who meet the requirement for an institutional level of care *and* their care is more cost-effective if provided at home.

### **WHO IS ELIGIBLE FOR THE SERVICES PROVIDED BY CSHB 438?**

- Is under the age of 19 and would be eligible for Medicaid in an institution
- Requires or is at risk of needing an "institutional" level of care
- The care is appropriately provided outside the institution
- The cost of providing care is no more than the cost of institutional care
- Home and community based services are not available to this person under a waiver

### **WHAT GROUPS OF CHILDREN DOES CSHB 438 COVER?**

The DH&SS estimates about 100 children would be eligible for the option as of June 1990 — Families & advocates estimate there are more children.

- 20 children in Hope Cottages, one of Alaska's two ICF-MR's
- 5 children in hospitals
- 11 children in foster care
- 9 children in nursing homes
- Estimated 55 children at home (paid through private insurance from parents or Medicaid)

### **CONCLUSION**

Please consider adopting both the TEFRA option — CSHB 438 — and at the same time support the DH&SS's decision to apply for Medicaid waivers. The effective date of this legislation is two years after the federally-approved effective date of the waivers — hopefully July 1, 1995. This legislation will provide services only to those families who cannot be covered with a Medicaid waiver.



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## *CSHB 438 SECTIONAL ANALYSIS*

The House Finance Committee made several technical amendments to this legislation in regard to citing federal documents. Those are on page 4, lines 19, 24 and 30. Also, the effective date has been changed: page 5, line 3 changes from 180 days to 2 years the effective date of medicaid waivers for children.

HB 438 Amends Alaska Statutes 47.07 — Medical Assistance for Needy Persons

### SECTION 1

AS 47.07.020 (b) is amended by adding a new section (10) describing the kind of person to be eligible for the Medicaid option. (A) and (B) defines people under the age of 19 who are eligible for assistance if in a hospital, nursing facility or ICF-MR — whose care would cost less if that person were receiving care at home, and (C) and (D) says that if that person were eligible for Medicaid in the institution then that person should remain eligible if that person left the facility — disregarding the income and resources of that person's parents, guardian or other caretakers.

### SECTION 2

AS 47.07.030 is amended by adding a new section (c) that makes clear in the Statutes that the Department of H&SS can offer services under a waiver. The bill drafters thought this might be necessary to have in statute.

### SECTION 3

AS47.07.035 is amended to add the new Medicaid option to the list of prioritized Medicaid options the state can offer. It lists the new option as number 20 on the priority list. I worked with the bill drafters to place it as number 20 because that is where the services end and the groups of people begin. Last year there was an unwritten policy that new options listed should be the first to go on the priority list, and putting this at number 20 follows that policy to the extent that this is placed as the first GROUP of people.

### SECTION 4

This section recognizes that the state shall seek approval of a waiver from the federal government to provide home and community based services for persons who are Medicaid eligible.

### SECTION 5

Sections 1 and 3 of this Act take effect two years after the waivers for children are approved by the Federal government. The Department of Health & Social Services is expected to gain approval for waivers no later than July of 1993, thereby making the effective date of this legislation July 1, 1995.



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## *Letter of Intent for CSHB 438 (Finance)*

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