

HVB

178

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/23/93

FURTHER:

DATE TURNED INTO OFFICE: 4-26-93

The Finance Committee considered **HOUSE BILL NO. 178**

"An Act adding children under the age of 21 who are eligible for adoption assistance because of special needs to the optional Medicaid coverage list and revising the order of priority in which groups eligible for optional Medicaid coverage are eliminated; and providing for an effective date."

and recommends:

- replace with _____ CS _____ (FINANCE)
 or adopt previous S CS HR 178 (HES)
 attaches amendment(s)

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

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

| | Department | Date | Zero | Fiscal |
|----|------------|---------|------|---------|
| #8 | DHHS | 4-16-93 | | (35.4) |
| #7 | DHHS | 4-16-93 | | 25.1 |
| #6 | DHHS | 4-16-93 | | 499.6 |
| #5 | DHHS | 4-16-93 | | 35.4 |
| #4 | DHHS | 4-16-93 | | 1,165.7 |
| #3 | DHHS | 4-16-93 | | 55.8 |

PREVIOUS FISCAL NOTES

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Appropriation No Fiscal Note

DO PASS.

OTHER RECOMMENDATIONS:

Tom Kelly
Gene Madala
Steve Rein
Bob Sharp
 1. Do not do pass
 Co-Chair Signature/Recommendation

2. True/False - 10 Pass
 Co-Chair Signature/Recommendation

FISCAL NOTE

1
 Bill Version: HB 178
 (H) Publish Date: 3/22/93

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: "An Act adding children under the age of 21 who are eligible for adoption....to the optional Medicaid" BRU: Purchased Services
 Component: Foster Care
 Sponsor: HOUSE LABOR & COMMERCE
 Requestor: _____ COMPONENT SERIAL NO. 0252

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY94 | FY95 | FY96 | FY97 | FY98 | FY99 |
|------------------------|---------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | -35.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | (35.4) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CAPITAL | | | | | | |

REVENUE FUND SOURCE

FUNDING: (Thousands of Dollars)

| | | | | | | |
|--------------------------|---------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | (35.4) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| Other | | | | | | |
| TOTAL | (35.4) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

Estimate of current year (FY93) impact: \$0.0

ANALYSIS: (Attach a separate page if necessary)

This fiscal note represents a one-time transfer of funding responsibility from DFYS component #0252 to DMA component #0229. See attached analysis for more.

Prepared by: *for* Deborah R. Wing, Director Phone: 465-3191
 Division: Family & Youth Services Date: 03/03/93
 Approved by Commissioner: Theodore A. Mala, MD, MPH Date: 3/4/93
 Agency: Department of Health and Social Services

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Fiscal Note Analysis continuation
HB 178

"An Act adding children under the age of 21 who are eligible for adoption assistance because of special needs to the optional Medicaid coverage list and revising the order of priority in which groups eligible for optional Medicaid coverage are eliminated; and providing for an effective date."

The Division of Family and Youth Services currently pays a direct monthly subsidy to adoptive parents of hard-to-place children. A hard-to-place child is a child who is not likely to be adopted or to obtain a guardian by reason of physical or mental disability, emotional disturbance, recognized high risk of physical or mental disease, age, membership in a sibling group, racial or ethnic factors, or any combination of these.

The monthly subsidy is considered a reimbursement for costs of supporting hard-to-place children. AS 25.23.190 provides for continuation of the subsidy if necessary to assure placement of a hard-to-place child. The subsidy covers many ongoing maintenance costs including, food, shelter, clothing, school supplies, recreation and transportation costs, counseling or other types of therapy, as well as medical costs.

The bill would authorize Alaska to add the Medicaid option to provide medical coverage for state-subsidized adoptive children who are not otherwise eligible for Medicaid. Medicaid would then pay for these children's medical needs eliminating the need for the DFYS payments to cover those medical costs in their subsidies, and accessing federal Medicaid funding available to the state at a 50 percent match rate.

Future subsidy agreements for hard-to-place children will allow for the Medicaid coverage available under the bill. Subsidy agreements already in force, however, do not provide for an offset for the cost of medical care that may be paid under the bill. For this reason the fiscal note only considers the coverage available for future adoptions of hard-to-place children with special medical needs.

The experience under the program shows that the number of new subsidy agreements have begun to lessen. For FY91 new agreements for children with special medical needs totaled 46. After FY92 there have been 14 placements that have special medical needs. The projected number of special needs placements and the associated medical cost is anticipated to show only slight growth in future years.

A December 1992 review of DFYS files established a FY 93 base year average medical cost per child of \$2,400. The current medical inflation rate of 5.5% is assumed to continue. Medical costs for FY94 are calculated to be 35.4 (14 placements X \$2,400 X 1.055 medical inflation rate = \$35,448). There will be a one time transfer of funding for medical costs associated with subsidized adoptions.

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 2
Bill Version: HB 178
(H) Publish Date: 3/22/93

Revision Date: _____ Dept. Affected: Health and Social Services
Title: An Act adding children under the age of BRU: Medial Assistance
21 who are eligible for adoption....to the optional Medicaid Component: Medicaid Non Facility
Sponsor: House Labor & Commerce
Requestor: _____ COMPONENT SERIAL NO. 0229

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY94 | FY95 | FY96 | FY97 | FY98 | FY99 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| PERSONAL SERVICES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TRAVEL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CONTRACTUAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| SUPPLIES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EQUIPMENT | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| LAND & STRUCTURES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GRANTS, CLAIMS | 35.4 | 40.2 | 43.0 | 48.2 | 53.2 | 58.2 |
| MISCELLANEOUS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL OPERATING | 35.4 | 40.2 | 43.0 | 48.2 | 53.2 | 58.2 |
| CAPITAL | | | | | | |
| REVENUE FUND SOURCE | | | | | | |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1002 Federal Receipts | 17.7 | 20.1 | 21.5 | 24.1 | 26.6 | 29.1 |
| 1003 GF Match | 17.7 | 20.1 | 21.5 | 24.1 | 26.6 | 29.1 |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| Other | | | | | | |
| TOTAL | 35.4 | 40.2 | 43.0 | 48.2 | 53.2 | 58.2 |

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

Estimate of current year (FY93) impact: \$0.0

ANALYSIS: (Attach a separate page if necessary)

See attached for more.

*2 House FN
replaced w/
SOS (HES)
6 FNs*

Prepared by: Dave W. Williams
Division: Medical Assistance

Phone: 907-465-5826
Date: 3/2/93

Approved by Commissioner: Theodore A. Mala, MD, MPH
Agency: Department of Health and Social Services

Date: 3/4/93

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HB 178
NO. 2
Pg. 2 of 2

Fiscal Note Analysis continuation
HB 178

"An Act adding children under the age of 21 who are eligible for adoption assistance because of special needs to the optional Medicaid coverage list and revising the order of priority in which groups eligible for optional Medicaid coverage are eliminated; and providing for an effective date."

The Division of Family and Youth Services currently pays a direct monthly subsidy to adoptive parents of hard-to-place children. A hard-to-place child is a child who is not likely to be adopted or to obtain a guardian by reason of physical or mental disability, emotional disturbance, recognized high risk of physical or mental disease, age, membership in a sibling group, racial or ethnic factors, or any combination of these.

The monthly subsidy is considered a reimbursement for costs of supporting hard-to-place children. AS 25.23.190 provides for continuation of the subsidy if necessary to assure placement of a hard-to-place child. The subsidy covers many ongoing maintenance costs including, food, shelter, clothing, school supplies, recreation and transportation costs, counseling or other types of therapy, as well as medical costs.

The bill would authorize Alaska to add the Medicaid option to provide medical coverage for state-subsidized adoptive children who are not otherwise eligible for Medicaid. Medicaid would then pay for these children's medical needs eliminating the need for the DFYS payments to cover those medical costs in their subsidies, and accessing federal Medicaid funding available to the state at a 50 percent match rate.

Future subsidy agreements for hard-to-place children will allow for the Medicaid coverage available under the bill. Subsidy agreements already in force, however, do not provide for an offset for the cost of medical care that may be paid under the bill. For this reason the fiscal note only considers the coverage available for future adoptions of hard-to-place children with special medical needs.

The experience under the program shows that the number of new subsidy agreements have begun to lessen. For FY91 new agreements for children with special medical needs totaled 46. After FY92 there have been 14 placements that have special medical needs. The projected number of special needs placements and the associated medical cost is anticipated to show only slight growth in future years.

A December 1992 review of DFYS files established a FY 93 base year average medical cost per child of \$2,400. The current medical inflation rate of 5.5% is assumed to continue. Medical costs for FY94 are calculated to be 35.4 (14 placements X \$2,400 X 1.055 medical inflation rate = \$35,448). There will be a one time transfer of funding for medical costs associated with subsidized adoptions.

Position Paper
SCS HB 178 (HES)

"An Act adding children under the age of 21 who are eligible for adoption ... to the optional Medicaid coverage list...."

Subsidized Adoption

This bill 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.

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 some or all of the costs of medical care provided to these children. The bill would authorize Alaska to add the Medicaid option to provide medical coverage for state-subsidized adoptive children who are not otherwise eligible for Medicaid. Medicaid would then pay for these children's medical needs eliminating the need for the DFYS payments to cover those medical costs in their subsidies, and accessing federal Medicaid funding available to the state at a 50 percent match rate. This shift in funding source will be accomplished with a one-time transfer of fiscal responsibility from DFYS to DMA.

It is our estimate that this bill will save the state \$17.7 the first year; an amount equal to the federal matching funds received for new adoptions for children with special medical needs. This amount will grow over the following years as new children are placed and existing subsidy agreements are replaced.

Eligibility for Children Who Need Long Term Care

The department supports the delivery of health care to children in need of long term care in the environment of the the family's choice. Currently in Alaska, if a child is receiving long term care in an institution, only that child's income is used to determine whether he or she qualifies for Medicaid. However, if that same child lives at home, the income of the child's parents is also considered. As a result, some children who need long term care can qualify for Medicaid in institutions, but not if they live at home.

This bill would amend AS 47.07.020(b) so that children age 18 and younger who would qualify for Medicaid in institutions qualify at home. To qualify, children must: 1) require a level of long term care provided by an institution; 2) be served appropriately outside of the institution; 3) cost no more to serve outside the institution; 4) be eligible for

Medicaid were they in institutions; and 5) not qualify for Medicaid home and community-based services under a federally approved waiver.

The department recently received federal approval to offer home and community-based services under waivers, effective July 1, 1993. The waivers allow the state to pay for home and community-based services for Medicaid eligible people who need an institutional level of care and allow people who qualify for Medicaid in an institution to qualify for Medicaid on a waiver, living in the community. While the federal government limits the number of people that a state can serve under waivers, the department anticipates being able to serve all children qualify for the optional coverage added by this bill by the third year of waiver operation.

The Department supports the passage of this bill. 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 new federal matching funds for the necessary medical services we furnish to needy Alaskans through subsidized adoptions. The department also supports the addition of the children's long term care coverage option to the state's Medicaid program. While the department will use home and community-based waivers to provide Medicaid coverage to children who would qualify for this option, the option extends basic Medicaid coverage to all children who qualify while the waivers are being fully implemented. Once waivers are implemented, the option ensures that eligible children have basic Medicaid coverage regardless of federally-imposed limits on the number of waiver recipients. It will allow some families to obtain Medicaid coverage for their children without requesting any waiver services.

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

Date: _____

Recommended by: Deborah R. Wing
 Deborah R. Wing
 Director
 Div. of Family and Youth Services

Date: 4/16/93

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

Date: 4-16-93

FISCAL NOTE

No. 3

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Bill Version: SCS HB 178 (HES)

(S) Publish Date: 4-18-93

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act adding children under the age of BRU: Public Assistance Administration
21 who are eligible for adoption Component: Eligibility Determination
 Sponsor: House Labor & Commerce
 Requestor: Senate HES COMPONENT SERIAL NO. 270

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY94 | FY95 | FY96 | FY97 | FY98 | FY99 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| PERSONAL SERVICES | 46.8 | 48.2 | 49.7 | 51.1 | 52.7 | 54.3 |
| TRAVEL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CONTRACTUAL | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| SUPPLIES | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| EQUIPMENT | 3.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| LAND & STRUCTURES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GRANTS, CLAIMS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MISCELLANEOUS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL OPERATING | 55.8 | 53.7 | 55.2 | 56.6 | 58.2 | 59.8 |
| CAPITAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| REVENUE FUND SOURCE | 0 | 0 | 0 | 0 | 0 | 0 |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1002 Federal Receipts | 27.9 | 26.8 | 27.6 | 28.3 | 29.1 | 29.9 |
| 1003 GF Match | 27.9 | 26.9 | 27.6 | 28.3 | 29.1 | 29.9 |
| 1004 GF | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1005 GF/Program Receipts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1006 GF/MHTIA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | 55.8 | 53.7 | 55.2 | 56.6 | 58.2 | 59.8 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 1 | 1 | 1 | 1 | 1 | 1 |
| PART-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

Estimate of current year (FY93) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

SCS HB 178 (HES) expands Medicaid eligibility to cover severely disabled children in home and community-based care. The Division of Medical Assistance estimates that 139 disabled children who do not currently receive Medicaid would become eligible in FY94 under SCS HB 178(HES) and the Governor's amended budget. This caseload would grow to 148 in FY95 and 163 in FY96.

Additional public assistance field eligibility staff would be required to process applications and maintain Medicaid cases for these additional clients. One additional Eligibility Technician I/II would be necessary to cover the increased caseload.

Prepared by: Jan L. Hansen, Director
 Division: Division of Public Assistance
 Approved by Commissioner: Theodore A. Malan, MD, MPH
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 4/16/93
 Date: 4-16-93

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| | | | | |
|---|------------------------|-----------------------|---|-------------------------------|
| Position Title Eligibility Technician II | | No. of Positions 1 | Range/Step 14B | Bargaining Unit U3U |
| Time Status PFT | Staff Months 12.0 | Location Anchorage | | Election District House 15 |
| TYPE of EXPENDITURE | | AMOUNT | <p>Justification</p> <p>SCS HB 178 (HES) expands Medicaid eligibility to cover severely disabled children in home and community-based care. The Division of Medical Assistance estimates that 139 disabled children who do not currently receive Medicaid would become eligible in FY94 under SCS HB 178 (HES) and the Governor's amended budget. This caseload would grow to 148 in FY95 and 163 in FY96.</p> <p>Additional public assistance field eligibility staff would be required to process applications and maintain Medicaid cases for these additional clients. One additional Eligibility Technician I/II would be necessary to cover the increased caseload.</p> | |
| Salary | | 32.8 | | |
| Benefits | | 14.0 | | |
| Premium Pay | | | | |
| Other | | | | |
| Total Personal Services | | 46.8 | | |
| Travel | | | | |
| Contractual | | 5.0 | | |
| Commodities | | 0.5 | | |
| Equipment | | 3.5 | | |
| Other | | | | |
| Total Cost | | 55.8 | | |
| FUNDING SOURCE for TOTAL COST | | | | |
| 1002 | Federal Receipts | 27.9 | | |
| 1003 | GFMatch | 27.9 | | |
| 1004 | General Fund | | | |
| 1005 | GF/Program Receipts | | | |
| 1006 | GF/Mental Health Trust | | | |
| 1007 | I/A Receipts | | | |
| 1061 | CIP Receipts | | | |
| Other | | | | |

REQUEST for
NEW POSITION

AGENCY: Health and Social Services

BRU: Public Assistance Administration

COMPONENT: Eligibility Determination (270)

FY94

Page 1 of 1

Revised Date:

FISCAL NOTE

No. 4

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Bill Version: SCS HB 178 (HES)

(S) Publish Date: 4-18-93

Revision Date: 04/16/93 Dept. Affected: Health and Social Services
 Title: An Act adding children under the age of BRU: Medical Assistance
21 who are eligible for adoption...of the optional Medicaid Component: Medicaid Non-Facility
 Sponsor: House Labor and Commerce
 Requestor: Senate HESS Committee COMPONENT SERIAL NO. 229

Expenditures/Revenues:

(Thousands of Dollars)

| OPERATING | FY94 | FY95 | FY96 | FY97 | FY98 | FY99 |
|------------------------|----------------|--------------|------------|------------|------------|------------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | 1,165.7 | 692.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 1,165.7 | 692.2 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------------------|--|--|--|--|--|--|
| REVENUE FUND SOURCE | | | | | | |
|---------------------|--|--|--|--|--|--|

FUNDING:

(Thousands of Dollars)

| | | | | | | |
|--------------------------|----------------|--------------|------------|------------|------------|------------|
| 1002 Federal Receipts | 582.8 | 346.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1003 GF Match | 582.9 | 346.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| Other | | | | | | |
| TOTAL | 1,165.7 | 692.2 | 0.0 | 0.0 | 0.0 | 0.0 |

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 (FY93) impact: 0.0

ANALYSIS: (Attach a separate page if necessary)

The fiscal impact of this bill results from adding new Medicaid recipients. Cost calculations are shown on attached page. Cost per recipient and number of new recipients are taken from home and community-based services waiver applications and supporting documents. The Department of Health and Social Services has submitted a budget amendment for Medicaid home and community-based service waivers. The cost of serving new eligibles who would also be covered under a waiver is not included in this fiscal note. Some of the cost impact of this bill would be increased if that amendment is not fully funded. The Department has limited experience identifying children living in the community who need an institutional level of care. Any variance with the predicted number of those eligible will impact costs.

The cost impacts of the subsidized adoption provisions of this bill are addressed in a separate fiscal note.

Prepared by: Jon Sherwood
 Division: Division of Medical Assistance

Phone: 465-3355
 Date: 04/16/93

Approved by Commissioner: Theodore A. Malt, MD, MPH
 Agency: Department of Health & Social Services

Date: 5-16-93

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ANALYSIS (cont.):

Cost Estimate (thousands of dollars)

FY 94:

| | |
|--|------------------|
| FY 94 Medicaid service costs per recipient needing hospital or nursing facility level of care: | \$102.2 |
| Number of new recipients, not on waivers, in FY 94 needing hospital or NF level of care: | 21 |
| Percent of time in FY 94 recipients are covered in FY 94 | 50% |
| Total FY 94 cost of Medicaid services for new recipients needing hospital or nursing facility level of care: | |
| $\$102.2 \times 21 \times 50\% =$ | <u>\$1,073.1</u> |

| | |
|--|----------------|
| FY 94 Medicaid service costs per recipient needing ICF/MR level of care: | \$32.9 |
| Number of new recipients, not on waivers, in FY 94 needing ICF/MR level of care: | 36 |
| Percent of time in FY 94 recipients are covered in FY 94 | 50% |
| Total FY 94 cost of Medicaid services for new recipients needing ICF/MR level of care: | |
| $\$32.9 \times 36 \times 50\% =$ | <u>\$592.2</u> |

| | |
|---|------------------|
| Total FY 94 cost of Medicaid services for all new recipients: | |
| $\$1,073.1 + \$592.2 =$ | <u>\$1,665.3</u> |

Component Breakout:

| | |
|---|-----------|
| Medicaid Non-Facility (70 percent of total costs) | \$1,165.7 |
| Medicaid Facility (30 percent of total costs) | \$499.6 |

FY 95

| | |
|--|----------------|
| FY 95 Medicaid service costs per recipient needing hospital or nursing facility level of care: | \$111.1 |
| Number of new recipients, not on waivers, in FY 95 needing hospital or NF level of care: | 6 |
| Percent of time in FY 95 recipients are covered in FY 95 | 100% |
| Total FY 95 cost of Medicaid services for new recipients needing hospital or nursing facility level of care: | |
| $\$111.1 \times 6 \times 100\% =$ | <u>\$666.6</u> |

| | |
|--|----------------|
| FY 95 Medicaid service costs per recipient needing ICF/MR level of care: | \$35.8 |
| Number of new recipients, not on waivers, in FY 95 needing ICF/MR level of care: | 9 |
| Percent of time in FY 95 recipients are covered in FY 95 | 100% |
| Total FY 95 cost of Medicaid services for new recipients needing ICF/MR level of care: | |
| $\$35.8 \times 9 \times 100\% =$ | <u>\$322.2</u> |

| | |
|---|----------------|
| Total FY 95 cost of Medicaid services for all new recipients: | |
| $\$666.6 + \$322.2 =$ | <u>\$988.8</u> |

Component Breakout:

| | |
|---|---------|
| Medicaid Non-Facility (70 percent of total costs) | \$692.2 |
| Medicaid Facility (30 percent of total costs) | \$296.6 |

FY 96 - FY 99:

It is assumed that all new eligibles covered under this bill in FY 96 or after would receive coverage under waivers if this bill did not pass.

FISCAL NOTE

No. 5

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Bill Version: SCS HB 178 (HES)

(S) Publish Date: 4-18-93

Revision Date: 04/16/93 Dept. Affected: Health and Social Services
 Title: An Act adding children under the age of 21 who are eligible for adoption....to the optional Medicaid BRU: Medial Assistance
 Component: Medicaid Non Facility
 Sponsor: House Labor & Commerce
 Requestor: Senate HESS Committee COMPONENT SERIAL NO. 0229

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY94 | FY95 | FY96 | FY97 | FY98 | FY99 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| PERSONAL SERVICES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TRAVEL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CONTRACTUAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| SUPPLIES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EQUIPMENT | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| LAND & STRUCTURES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GRANTS, CLAIMS | 35.4 | 40.2 | 43.0 | 48.2 | 53.2 | 58.2 |
| MISCELLANEOUS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL OPERATING | 35.4 | 40.2 | 43.0 | 48.2 | 53.2 | 58.2 |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------------------|--|--|--|--|--|--|
| REVENUE FUND SOURCE | | | | | | |
|---------------------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1002 Federal Receipts | 17.7 | 20.1 | 21.5 | 24.1 | 26.6 | 29.1 |
| 1003 GF Match | 17.7 | 20.1 | 21.5 | 24.1 | 26.6 | 29.1 |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| Other | | | | | | |
| TOTAL | 35.4 | 40.2 | 43.0 | 48.2 | 53.2 | 58.2 |

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

Estimate of current year (FY93) impact: \$0.0

ANALYSIS: (Attach a separate page if necessary)
 This fiscal note represents a one-time transfer of funding responsibility from DFYS component #0252 to DMA component #0229. This fiscal note addresses the parts of this bill dealing with "subsidized adoptions". The sections of this bill dealing with the long term care eligibility provisions are addressed in a separate fiscal note on this component.

Prepared by: Dave W. Williams *Dave Williams*
 Division: Medical Assistance

Phone: 907-465-5826
 Date: 04/16/93

Approved by Commissioner: Theodore A. Mala, MD, MPH *Theodore A. Mala*
 Agency: Department of Health and Social Services

Date: 4-16-93

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Fiscal Note Analysis continuation
Sen CSHB 178 (HES) -- Subsidized Adoption Provisions

"An Act adding children under the age of 21 who are eligible for adoption assistance because of special needs to the optional Medicaid coverage list and revising the order of priority in which groups eligible for optional Medicaid coverage are eliminated; and providing for an effective date."

The Division of Family and Youth Services currently pays a direct monthly subsidy to adoptive parents of hard-to-place children. A hard-to-place child is a child who is not likely to be adopted or to obtain a guardian by reason of physical or mental disability, emotional disturbance, recognized high risk of physical or mental disease, age, membership in a sibling group, racial or ethnic factors, or any combination of these.

The monthly subsidy is considered a reimbursement for costs of supporting hard-to-place children. AS 25.23.190 provides for continuation of the subsidy if necessary to assure placement of a hard-to-place child. The subsidy covers many ongoing maintenance costs including, food, shelter, clothing, school supplies, recreation and transportation costs, counseling or other types of therapy, as well as medical costs.

The bill would authorize Alaska to add the Medicaid option to provide medical coverage for state-subsidized adoptive children who are not otherwise eligible for Medicaid. Medicaid would then pay for these children's medical needs eliminating the need for the DFYS payments to cover those medical costs in their subsidies, and accessing federal Medicaid funding available to the state at a 50 percent match rate.

Future subsidy agreements for hard-to-place children will allow for the Medicaid coverage available under the bill. Subsidy agreements already in force, however, do not provide for an offset for the cost of medical care that may be paid under the bill. For this reason the fiscal note only considers the coverage available for future adoptions of hard-to-place children with special medical needs.

The experience under the program shows that the number of new subsidy agreements have begun to lessen. For FY91 new agreements for children with special medical needs totaled 46. After FY92 there have been 14 placements that have special medical needs. The projected number of special needs placements and the associated medical cost is anticipated to show only slight growth in future years.

A December 1992 review of DFYS files established a FY 93 base year average medical cost per child of \$2,400. The current medical inflation rate of 5.5% is assumed to continue. Medical costs for FY94 are calculated to be 35.4 (14 placements X \$2,400 X 1.055 medical inflation rate = \$35,448). There will be a one time transfer of funding for medical costs associated with subsidized adoptions.

Calculation of Medical Costs for New Placements under the Bill
and
Anticipated Federal Revenue to Offset General Fund Spending.

| | New Place- ments | X | Base Year Medical Cost | X | Medical Infla- tion Rate | = | Total Annual Medical Costs | ÷ 2 = | New Federal Revenue & GF Offset |
|-------|------------------------|---|---------------------------------|---|-----------------------------------|---|-------------------------------------|-------|--|
| FY 94 | 14 | X | \$2,400 | X | 1.055 | = | \$35,448 | ÷ 2 = | \$17,724 |
| FY 95 | 16 | X | \$2,400 | X | 1.055 | = | \$40,512 | ÷ 2 = | \$20,256 |
| FY 96 | 17 | X | \$2,400 | X | 1.055 | = | \$43,044 | ÷ 2 = | \$21,522 |
| FY 97 | 19 | X | \$2,400 | X | 1.055 | = | \$48,108 | ÷ 2 = | \$24,054 |
| FY 98 | 21 | X | \$2,400 | X | 1.055 | = | \$53,172 | ÷ 2 = | \$26,586 |
| FY 99 | 23 | X | \$2,400 | X | 1.055 | = | \$58,236 | ÷ 2 = | \$29,118 |

Cross ref: Fiscal note by the Div. of Family and Youth Services

FISCAL NOTE

No. 6

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Bill Version: SCS HB 178 (H/S)

(S) Publish Date: 4-18-93

Revision Date: 04/16/93 Dept. Affected: Health and Social Services
 Title: An Act adding children under the age of 21 who are eligible for adoption.. of the optional Medicaid BRU: Medical Assistance
 Sponsor: House Labor and Commerce Component: Medicaid Facilities
 Requestor: Senate HESS Committee COMPONENT SERIAL NO. 230

Expenditures/Revenues:

(Thousands of Dollars)

| OPERATING | FY94 | FY95 | FY96 | FY97 | FY98 | FY99 |
|------------------------|--------------|--------------|------------|------------|------------|------------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | 499.6 | 296.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 499.6 | 296.6 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
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| CAPITAL | | | | | | |
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|---------------------|--|--|--|--|--|--|
| REVENUE FUND SOURCE | | | | | | |
|---------------------|--|--|--|--|--|--|

FUNDING:

(Thousands of Dollars)

| | | | | | | |
|--------------------------|--------------|--------------|------------|------------|------------|------------|
| 1002 Federal Receipts | 249.8 | 148.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1003 GF Match | 249.8 | 148.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| Other | | | | | | |
| TOTAL | 499.6 | 296.6 | 0.0 | 0.0 | 0.0 | 0.0 |

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 (FY93) impact: 0.0

ANALYSIS: (Attach a separate page if necessary)

The fiscal impact of this bill results from adding new Medicaid recipients. Cost calculations are shown on attached page. Cost per recipient and number of new recipients are taken from home and community-based services waiver applications and supporting documents. The Department of Health and Social Services has submitted a budget amendment for Medicaid home and community-based service waivers. The cost of serving new eligibles who would also be covered under a waiver is not included in this fiscal note. Some of the cost impact of this bill would be increased if that amendment is not fully funded. The Department has limited experience identifying children living in the community who need an institutional level of care. Any variance with the predicted number of those eligible will impact costs.

This fiscal note addresses the long term care eligibility provisions of the bill, the subsidized adoption provisions are addressed in a separate fiscal note.

Prepared by: Jon Sherwood
 Division: Division of Medical Assistance

Phone: 465-3355
 Date: 04/16/93

Approved by Commissioner: Theodore A. Mala, MD, MPH
 Agency: Department of Health & Social Services

Date: 4-16-93

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ANALYSIS (cont.):

Cost Estimate (thousands of dollars)

FY 94:

| | |
|--|------------------|
| FY 94 Medicaid service costs per recipient needing hospital or nursing facility level of care: | \$102.2 |
| Number of new recipients, not on waivers, in FY 94 needing hospital or NF level of care: | 21 |
| Percent of time in FY 94 recipients are covered in FY 94 | 50% |
| Total FY 94 cost of Medicaid services for new recipients needing hospital or nursing facility level of care: | |
| $\$102.2 \times 21 \times 50\% =$ | <u>\$1,073.1</u> |

| | |
|--|----------------|
| FY 94 Medicaid service costs per recipient needing ICF/MR level of care: | \$32.9 |
| Number of new recipients, not on waivers, in FY 94 needing ICF/MR level of care: | 36 |
| Percent of time in FY 94 recipients are covered in FY 94 | 50% |
| Total FY 94 cost of Medicaid services for new recipients needing ICF/MR level of care: | |
| $\$32.9 \times 36 \times 50\% =$ | <u>\$592.2</u> |

| | |
|---|------------------|
| Total FY 94 cost of Medicaid services for all new recipients: | |
| $\$1,073.1 + \$592.2 =$ | <u>\$1,665.3</u> |

Component Breakout:

| | |
|---|-----------|
| Medicaid Non-Facility (70 percent of total costs) | \$1,165.7 |
| Medicaid Facility (30 percent of total costs) | \$499.6 |

FY 95

| | |
|--|----------------|
| FY 95 Medicaid service costs per recipient needing hospital or nursing facility level of care: | \$111.1 |
| Number of new recipients, not on waivers, in FY 95 needing hospital or NF level of care: | 6 |
| Percent of time in FY 95 recipients are covered in FY 95 | 100% |
| Total FY 95 cost of Medicaid services for new recipients needing hospital or nursing facility level of care: | |
| $\$111.1 \times 6 \times 100\% =$ | <u>\$666.6</u> |

| | |
|--|----------------|
| FY 95 Medicaid service costs per recipient needing ICF/MR level of care: | \$35.8 |
| Number of new recipients, not on waivers, in FY 95 needing ICF/MR level of care: | 9 |
| Percent of time in FY 95 recipients are covered in FY 95 | 100% |
| Total FY 95 cost of Medicaid services for new recipients needing ICF/MR level of care: | |
| $\$35.8 \times 9 \times 100\% =$ | <u>\$322.2</u> |

| | |
|---|----------------|
| Total FY 95 cost of Medicaid services for all new recipients: | |
| $\$666.6 + \$322.2 =$ | <u>\$988.8</u> |

Component Breakout:

| | |
|---|---------|
| Medicaid Non-Facility (70 percent of total costs) | \$692.2 |
| Medicaid Facility (30 percent of total costs) | \$296.6 |

FY 96 — FY 99:

It is assumed that all new eligibles covered under this bill in FY 96 or after would receive coverage under waivers if this bill did not pass.

FISCAL NOTE

No. 7

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Bill Version: SCS HB 178 (HES)

(S) Publish Date: 4-18-93

Revision Date: 04/16/93 Dept. Affected: Health and Social Services
 Title: An Act adding children under the age of BRU: Medical Assistance Administration
21 who are eligible for adoption...ot the optional Medicaid Component: Claims Processing
 Sponsor: House Labor and Commerce
 Requestor: Senate HESS Committee COMPONENT SERIAL NO. 243

Expenditures/Revenues:

(Thousands of Dollars)

| OPERATING | FY94 | FY95 | FY96 | FY97 | FY98 | FY99 |
|------------------------|-------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | 25.1 | 9.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 25.1 | 9.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
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|---------------------|--|--|--|--|--|--|
| REVENUE FUND SOURCE | | | | | | |
|---------------------|--|--|--|--|--|--|

FUNDING:

(Thousands of Dollars)

| | | | | | | |
|--------------------------|-------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | 12.5 | 4.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1003 GF Match | 12.6 | 4.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1004 GF | | | | | | |
| 1005 GF/Program Recelpts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| Other | | | | | | |
| TOTAL | 25.1 | 9.0 | 0.0 | 0.0 | 0.0 | 0.0 |

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 (FY93) impact: 0.0

ANALYSIS: (Attach a separate page if necessary)

The fiscal impact of this bill results from an increase in claims processing charges due to increasing new recipients. Cost calculations are shown on the attached page. In addition, FY 94 impact include one-time changes to the Medicaid Management Information System to add a new category of eligibility.

The Department of Health and Social Services has submitted a budget amendment for Medicaid home and community-based service waivers. Failure to fully fund this amendment would increase the cost of this bill.

This fiscal note addresses the cost of the long term care eligibility provisions of the bill; the subsidized adoption provisions are addressed in another fiscal note.

Prepared by: Jon Sherwood
 Division: Division of Medical Assistance

Phone: 465-3355
 Date: 04/16/93

Approved by Commissioner: Theodore A. Mala, MD, MPH
 Agency: Department of Health & Social Services

Date: 4-16-93

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FISCAL NOTE

No. 8

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Bill Version: SCS HB 178 (HES)

(S) Publish Date: 4-18-93

Revision Date: April 16, 1993 Dept. Affected: Health and Social Services
 Title: "An Act adding children under the age of 21 who are eligible for adoption....to the optional Medicaid" BRU: Purchased Services
 Component: Foster Care
 Sponsor: HOUSE LABOR & COMMERCE
 Requestor: SENATE HES COMMITTEE COMPONENT SERIAL NO. 0252

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY94 | FY95 | FY96 | FY97 | FY98 | FY99 |
|----------------------------|---------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | -35.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | (35.4) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CAPITAL | | | | | | |
| REVENUE FUND SOURCE | | | | | | |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|--------------------------|---------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | (35.4) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| Other | | | | | | |
| TOTAL | (35.4) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

Estimate of current year (FY93) impact: \$0.0

ANALYSIS: (Attach a separate page if necessary)
 This fiscal note represents a one-time transfer of funding responsibility from DFYS component #0252 to DMA component #0225. This fiscal note addresses the "subsidized adoption" provisions of this bill and the long term care provisions are addressed in a separate fiscal note. See attached pages for additional analysis.

Prepared by: Deborah R. Wing, Director Phone: 465-3191
 Division: Family & Youth Services Date: 04/16/93
 Approved by Commissioner: Theodore A. Mala, MD, MPH Date: 4-16-93
 Agency: Department of Health and Social Services

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Fiscal Note Analysis continuation
Sen CSHB 178 (HES) -- Subsidized Adoption Provisions

"An Act adding children under the age of 21 who are eligible for adoption assistance because of special needs to the optional Medicaid coverage list and revising the order of priority in which groups eligible for optional Medicaid coverage are eliminated; and providing for an effective date."

The Division of Family and Youth Services currently pays a direct monthly subsidy to adoptive parents of hard-to-place children. A hard-to-place child is a child who is not likely to be adopted or to obtain a guardian by reason of physical or mental disability, emotional disturbance, recognized high risk of physical or mental disease, age, membership in a sibling group, racial or ethnic factors, or any combination of these.

The monthly subsidy is considered a reimbursement for costs of supporting hard-to-place children. AS 25.23.190 provides for continuation of the subsidy if necessary to assure placement of a hard-to-place child. The subsidy covers many ongoing maintenance costs including, food, shelter, clothing, school supplies, recreation and transportation costs, counseling or other types of therapy, as well as medical costs.

The bill would authorize Alaska to add the Medicaid option to provide medical coverage for state-subsidized adoptive children who are not otherwise eligible for Medicaid. Medicaid would then pay for these children's medical needs eliminating the need for the DFYS payments to cover those medical costs in their subsidies, and accessing federal Medicaid funding available to the state at a 50 percent match rate.

Future subsidy agreements for hard-to-place children will allow for the Medicaid coverage available under the bill. Subsidy agreements already in force, however, do not provide for an offset for the cost of medical care that may be paid under the bill. For this reason the fiscal note only considers the coverage available for future adoptions of hard-to-place children with special medical needs.

The experience under the program shows that the number of new subsidy agreements have begun to lessen. For FY91 new agreements for children with special medical needs totaled 46. After FY92 there have been 14 placements that have special medical needs. The projected number of special needs placements and the associated medical cost is anticipated to show only slight growth in future years.

A December 1992 review of DFYS files established a FY 93 base year average medical cost per child of \$2,400. The current medical inflation rate of 5.5% is assumed to continue. Medical costs for FY94 are calculated to be 35.4 (14 placements X \$2,400 X 1.055 medical inflation rate = \$35,448). There will be a one time transfer of funding for medical costs associated with subsidized adoptions.

Calculation of Medical Costs for New Placements under the Bill
and
Anticipated Federal Revenue to Offset General Fund Spending.

| | New Place- ments | X | Base Year Medical Cost | X | Medical Infla- tion Rate | = | Annual Medical Costs | ÷ 2 = | New Federal Revenue & GF Offset |
|-------|------------------------|---|---------------------------------|---|-----------------------------------|---|----------------------------|-------|--|
| FY 94 | 14 | X | \$2,400 | X | 1.055 | = | \$35,448 | ÷ 2 = | \$17,724 |
| FY 95 | 16 | X | \$2,400 | X | 1.055 | = | \$40,512 | ÷ 2 = | \$20,256 |
| FY 96 | 17 | X | \$2,400 | X | 1.055 | = | \$43,044 | ÷ 2 = | \$21,522 |
| FY 97 | 19 | X | \$2,400 | X | 1.055 | = | \$48,108 | ÷ 2 = | \$24,054 |
| FY 98 | 21 | X | \$2,400 | X | 1.055 | = | \$53,172 | ÷ 2 = | \$26,586 |
| FY 99 | 23 | X | \$2,400 | X | 1.055 | = | \$58,236 | ÷ 2 = | \$29,118 |

Cross ref: Fiscal note by the Div. of Family and Youth Services

Alaska State Legislature

Senator Steve Rieger, Chair
Senator Bert Sharp, Vice Chair
Senator Loren Leman
Senator Mike Miller
Senator Jim Duncan
Senator Johnny Ellis
Senator Judith Salo




State Capitol
Room 516
Juneau, Alaska 99801
(907) 465-3762

Senate Committee on Health, Education and Social Services

MEMORANDUM

April 24, 1993

TO: Senator Drue Pearce, Co-Chair
Senator Steve Frank, Co-Chair
Senate Finance Committee

FROM: Senator Steve Rieger, Chair 
Senate HESS Committee

RE: Scheduling of SCS HB 178(HES)

I respectfully request an early hearing for SCS HB 178(HES) which is in the Senate Finance Committee.

This bill originally addressed the addition of children under the age of 21 who are eligible for adoption assistance because of special needs to the optional Medicaid coverage list and made this group the last to be eliminated from Medicaid coverage if there are insufficient appropriations to cover all optional services and groups. The Senate HESS committee substitute still addresses these concerns and allows implementing an option available under federal law to extend Medicaid eligibility to certain persons who are eligible to be institutionalized but who are not in institutions.

Enclosed for Senate Finance members are: current fiscal notes; a current position paper/sponsor statement; and a complete bill history for this bill.

Representatives from the Department of Health and Social Services have been available for questions at legislative hearings on this bill. The department contact person is Elmer Lindstrom at 465-3030. He will have Dave Williams from the Division of Public Assistance and Randall Hines from the Division of Family and Youth Services available at the Senate Finance hearing to respond to any questions members may have.

Thank you for your assistance.