

HB

153

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 5/2/97

FURTHER: SFC

REPORTED OUT OF

5/6/97

DATE TURNED
IN TO OFFICE: 6 May 97

Finance Committee considered

CS FOR HOUSE BILL NO. 153(FIN)

"An Act relating to the eligibility of aliens for state public assistance and medical assistance programs affected by federal welfare reform legislation; and providing for an effective date."

and recommends:

be replaced with _____ CS _____ (_____)

adopt previous _____ CS _____ (_____)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referred to the _____ Committee

Senate Bill:

same title

new title

House Bill:

same title

technical change

new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>ROAD EC 100</i>	<input checked="" type="checkbox"/>				
<i>Scott Gardner</i>	<input checked="" type="checkbox"/>				
<i>Al Adams</i>	<input checked="" type="checkbox"/>				
<i>John Ingram</i>	<input checked="" type="checkbox"/>				
Co-Chair: <i>Peacock</i>	<input checked="" type="checkbox"/>	Co-Chair:			
Co-Chair: <i>Scott Gardner</i>	<input checked="" type="checkbox"/>	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
HSS/Med. Asst.	2/5/97	φ	
HSS/Medicaid	2/5/97	φ	
HSS/ATAP	2/5/97		(405.9)
HSS/Adult Asst.	2/5/97		(156.0)
HSS/PFD Harmless	2/5/97		(373)

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

ANALYSIS (cont.):**Assumptions:**

Legislation implemented July 1, 1997

PFD Hold Harmless costs for ATAP benefits will decrease in direct proportion to the decreases produced by this legislation.

Calculations:

FY 97	\$0.0
FY 98	(\$37.3)
FY99	(\$69.2)
FY00	(\$98.2)
FY01	(\$119.0)
FY02	(\$138.4)
FY03	(\$138.4)

STATE OF ALASKA
1997 LEGISLATIVE SESSION

FISCAL NOTE
REPORTED
5/6/97

No. 4
Bill Version: HB 153
(H) Publish Date: 2/24/97

Revision Date: _____
Title: An Act relating to the eligibility of aliens for state public assistance and medical assistance programs
Sponsor: Rules Committee
Requestor: Governor

Dept. Affected: Health and Social Services
BRU: Public Assistance
Component: Adult Public Assistance
COMPONENT SERIAL NO. 222
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(156.0)	(304.2)	(444.6)	(577.2)	(705.9)	(705.9)
MISCELLANEOUS						
TOTAL OPERATING	(156.0)	(304.2)	(444.6)	(577.2)	(705.9)	(705.9)

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

002 Federal Receipts						
003 GF Match						
004 GF	(156.0)	(304.2)	(444.6)	(577.2)	(705.9)	(705.9)
005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1007 I/A Receipts						
TOTAL	(156.0)	(304.2)	(444.6)	(577.2)	(705.9)	(705.9)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

This legislation provides that most legal immigrants who arrived in the U.S. before August 22, 1996 will remain eligible for Adult Public Assistance (APA) benefits. This legislation prohibits APA benefits to most legal immigrants who arrive on or after August 22, 1996 for five years from their date of arrival into the U.S. The program savings generated by this legislation represent caseload decreases due to attrition. These caseload decreases are not offset by newly eligible immigrants because most new immigrants are barred from program participation for five years after their date of entry.

Prepared by: Jim Nordlund, Director Phone: 465-2680
 Division: Public Assistance Date: 02/03/97
 Approved by Commissioner: Karen Perdue, Commissioner Date: 2/15/97
 Agency: Department of Health & Social Services

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):**Assumptions:**

Legislation implemented July 1, 1997

Caseload will decrease each year from FY98 to FY02 by 5 percent due to normal attrition.

Caseload remains constant after FY02 due to new immigrants becoming eligible after the five year bar.

Calculations:

Fiscal Year	# Persons Affected	Annual Savings
FY97	0	\$0.0
FY98	40	(\$156.0)
FY99	78	(\$304.2)
FY00	114	(\$444.6)
FY01	148	(\$577.2)
FY02	181	(\$705.9)
FY03	181	(\$705.9)

STATE OF ALASKA
1997 LEGISLATIVE SESSION

FISCAL NOTE
REPORTED COST
SFC 5/6/97

No. 3
Bill Version: HB 153
(H) Publish Date: 2/24/97

Revision Date: _____
Title: An Act relating to eligibility of aliens for state public assistance and medical assistance programs
Sponsor: Rules Committee
Requestor: Governor

Dept. Affected: Health and Social Services
BRU: Public Assistance
Component: ATAP
COMPONENT SERIAL NO. 220
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(405.9)	(752.4)	(1,046.1)	(1,293.6)	(1,504.8)	(1,504.8)
MISCELLANEOUS						
TOTAL OPERATING	(405.9)	(752.4)	(1,046.1)	(1,293.6)	(1,504.8)	(1,504.8)

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGES IN REVENUES						
---------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

	FY98	FY99	FY00	FY01	FY02	FY03
1002 Federal Receipts						
1003 GF Match						
1004 GF	(368.6)	(683.2)	(949.9)	(1,174.6)	(1,366.4)	(1,366.4)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1007 I/A Receipts	(37.3)	(69.2)	(96.2)	(119.0)	(138.4)	(138.4)
TOTAL	(405.9)	(752.4)	(1,046.1)	(1,293.6)	(1,504.8)	(1,504.8)

POSITIONS:

	FY98	FY99	FY00	FY01	FY02	FY03
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

This legislation provides that most legal immigrants who arrived in the U.S. before August 22, 1996 will remain eligible for Alaska Temporary Assistance (ATAP) benefits. This legislation prohibits ATAP benefits to most legal immigrants who arrive on or after August 22, 1996 for five years from their date of arrival into the U.S. The program savings generated by this legislation represent caseload decreases due to attrition. These caseload decreases are not offset by newly eligible immigrants because most new immigrants are barred from program participation for five years after their date of entry.

Prepared by: Jim Nordlund, Director Phone: 465-2680
 Division: Public Assistance Date: 02/03/97
 Approved by Commissioner: Karen Perdue, Commissioner Date: 2/5/97
 Agency: Department of Health & Social Services

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):**Assumptions:**

Legislation implemented July 1, 1997

Caseload will decrease each year from FY98 to FY02 by 15 percent due to normal attrition.

Caseload remains constant after FY02 due to new immigrants becoming eligible after the five-year bar.

Calculations:

Fiscal Year	# Persons Affected	Annual Savings
FY97	0	\$0.0
FY98	123	(\$405.9)
FY99	228	(\$752.4)
FY00	317	(\$1,046.1)
FY01	392	(\$1,293.6)
FY02	456	(\$1,504.8)
FY03	456	(\$1,504.8)

STATE OF ALASKA
1997 LEGISLATIVE SESSION

FISCAL NOTE

REPORTED DATE
SFC 5/6/97

No. 2
Bill Version: HB 153
(H) Publish Date: 2/24/97

Revision Date: _____
Title: An Act relating to the eligibility of aliens for state public assistance and medical assistance programs affected by federal welfare ...
Sponsor: Rules Committee
Requestor: Governor

Dept. Affected: Health and Social Services
BRU: Medical Assistance
Component: Medicaid Non-Facility
COMPONENT SERIAL NO. 729
See also (SN#): 230

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGES IN REVENUES						
---------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY98	FY99	FY00	FY01	FY02	FY03
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

POSITIONS	FY98	FY99	FY00	FY01	FY02	FY03
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

Historically, Medicaid covered legal resident aliens who met all other Medicaid eligibility criteria. As a result of federal welfare reform, Alaska Medicaid cannot continue to cover most aliens without this legislation. Even with legislation, most aliens who arrive in the country after August 22, 1996 are ineligible for Medicaid for their first five years in the U.S. This bill provides the Alaska program with the authority to continue Medicaid coverage for qualified legal aliens who are not subject to the five-year bar. Funding for the coverage of these aliens is already included in the Medicaid budget. Therefore, there is no new cost to continuing this coverage.

Failure to extend Medicaid coverage for aliens would result in a loss of Medicaid eligibility for some aliens. However, aliens who do not qualify for full Medicaid coverage are eligible for Medicaid coverage of emergency medical treatment. In addition, aliens needing non-emergency hospitalization, nursing home services, or prescription drugs for certain chronic conditions may be eligible for the General Relief Medical program. See the following page for additional information about the impacts of not passing this legislation.

Prepared by: Jon Sherwood
Division: Division of Medical Assistance
Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Phone: 465-3355
Date: 02/03/97
Date: 2/5/97

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

In FY 96, the Alaska Medicaid program spend almost \$5.2 million providing Medicaid services to aliens; one-half of that amount was state General Funds. The Division of Medical Assistance estimates that one-quarter of those aliens age 65 and over and 15 percent of aliens under age 65 fall into an immigration status that federal law requires states to cover.

In addition, the Division estimates that for the remaining aliens, one-half of all hospital and transportation services and 10 percent of all physician services received would still be provided under Medicaid coverage of emergency medical treatment for aliens.

Furthermore, some aliens would be eligible for coverage of inpatient hospital, nursing facility services, physician services, transportation services, and prescription drugs for certain chronic conditions under the General Relief Medical program. The Division estimates that one half of these services not covered under Medicaid emergency medical treatment would be covered under GRM. Hospital and nursing facility services are reimbursed at 28 percent of Medicaid rates. Other GRM services are reimbursed at 100 percent of Medicaid rates.

Eliminating Medicaid coverage of qualified aliens would result an annual change to the Medicaid and GRM program shown below. Because of the administrative timeframes in terminating Medicaid coverage, the Division estimates that the impact in FY 98 would be one-half the amount shown below.

Discontinuing Medicaid Coverage of Qualified Aliens
(thousands of dollars)

	<u>Total Funds</u>	<u>General Funds</u>
FY 96 Medicaid - Aliens	\$ 5,171.3	\$ 2,585.7
Mandatory Coverage - Aliens	\$ 972.6	\$ 486.3
Emergency Coverage - Aliens	<u>\$ 837.5</u>	<u>\$ 418.8</u>
Net Savings to Medicaid	\$ 3,361.2	\$ 1,680.8
Cost Shift to GRM	<u>\$ 921.9</u>	<u>\$ 921.9</u>
Annual Reduction in Spending	<u>\$ 2,439.3</u>	<u>\$ 758.7</u>
First Year Reduction (one-half year)	\$ 1,219.7	\$ 379.4

Note: Federal welfare reform legislation prevents most newly arrived immigrants from receiving Medicaid for their first five years in the country. As a result, Medicaid should experience a small caseload decline and, adjusting for a shift in expenditures to emergency medical services and GRM, some modest savings. This savings is not shown in this fiscal note as it will occur with or without this legislation.

STATE OF ALASKA
1997 LEGISLATIVE SESSION

FISCAL NOTE
REPORTED
SFC 5/6/97

No. 1
Bill Version HB 153
(H) Publish Date: 2/24/97

Revision Date: _____ Dept. Affected: Health and Social Services
Title: An Act relating to the eligibility of aliens for state public
assistance and medical assistance programs affected by federal welfare ... BRU: Medical Assistance
Sponsor: Rules Committee Component: Medicaid Facilities
Requestor: Governor COMPONENT SERIAL NO. 230
See also (SN#): 229

Expenditures/Revenue: (Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
CHANGES IN REVENUES						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

Historically, Medicaid covered legal resident aliens who met all other Medicaid eligibility criteria. As a result of federal welfare reform, Alaska Medicaid cannot continue to cover most aliens without this legislation. Even with legislation, most aliens who arrive in the country after August 22, 1996 are ineligible for Medicaid for their first five years in the U.S. This bill provides the Alaska program with the authority to continue Medicaid coverage for qualified legal aliens who are not subject to the five-year bar. Funding for the coverage of these aliens is already included in the Medicaid budget. Therefore, there is no new cost to continuing this coverage.

Failure to extend Medicaid coverage for aliens would result in a loss of Medicaid eligibility for some aliens. However, aliens who do not qualify for full Medicaid coverage are eligible for Medicaid coverage of emergency medical treatment. In addition, aliens needing non-emergency hospitalization, nursing home services, or prescription drugs for certain chronic conditions may be eligible for the General Relief Medical program. See the following page for additional information about the impacts of not passing this legislation.

Prepared by: Jon Sherwood *BSL*
 Division: Division of Medical Assistance
 Phone: 465-3355
 Date: 02/03/97

Approved by Commissioner: Karen Perdue, Commissioner
 Agency: Department of Health & Social Services
 Date: 2/5/97

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

In FY 98, the Alaska Medicaid program spend almost \$5.2 million providing Medicaid services to aliens; one-half of that amount was state General Funds. The Division of Medical Assistance estimates that one-quarter of those aliens age 65 and over and 15 percent of aliens under age 65 fall into an immigration status that federal law requires states to cover.

In addition, the Division estimates that for the remaining aliens, one-half of all hospital and transportation services and 10 percent of all physician services received would still be provided under Medicaid coverage of emergency medical treatment for aliens.

Furthermore, some aliens would be eligible for coverage of inpatient hospital, nursing facility services, physician services, transportation services, and prescription drugs for certain chronic conditions under the General Relief Medical program. The Division estimates that one half of these services not covered under Medicaid emergency medical treatment would be covered under GRM. Hospital and nursing facility services are reimbursed at 28 percent of Medicaid rates. Other GRM services are reimbursed at 100 percent of Medicaid rates.

Eliminating Medicaid coverage of qualified aliens would result an annual change to the Medicaid and GRM program shown below. Because of the administrative timeframes in terminating Medicaid coverage, the Division estimates that the impact in FY 98 would be one-half the amount shown below.

Discontinuing Medicaid Coverage of Qualified Aliens
(thousands of dollars)

	<u>Total Funds</u>	<u>General Funds</u>
FY 98 Medicaid - Aliens	\$ 5,171.3	\$ 2,585.7
Mandatory Coverage - Aliens	\$ 972.6	\$ 486.3
Emergency Coverage - Aliens	<u>\$ 837.5</u>	<u>\$ 418.8</u>
Net Savings to Medicaid	\$ 3,361.2	\$ 1,680.8
Cost Shift to GRM	<u>\$ 921.9</u>	<u>\$ 921.9</u>
Annual Reduction in Spending	<u>\$ 2,439.3</u>	<u>\$ 758.7</u>
First Year Reduction (one-half year)	\$ 1,219.7	\$ 379.4

Note: Federal welfare reform legislation prevents most newly arrived immigrants from receiving Medicaid for their first five years in the country. As a result, Medicaid should experience a small caseload decline and, adjusting for a shift in expenditures to emergency medical services and GRM, some modest savings. This savings is not shown in this fiscal note as it will occur with or without this legislation.