

**HB**

**459**

**SFIN**

**FILE**

# WORK ORDER REQUEST FORM

W.O. [20] LS-1796

KEYWORDS: UNIFORM RULES ASSIGNED: Lauterbach

\_\_\_\_\_  
\_\_\_\_\_

REQUEST FOR: Resolution TAKEN BY: Lauterbach

SUBJECT: Suspend UN RLS: Title Change for HB 459

REQUESTED FOR: SEN SHARP BY: Jerry Lee PHONE: 465-2618

DELIVER TO: Sen. Sharp, Attn: Jerry Lee, Cap. 520

INSTRUCTIONS: Draft SCR to authorize title change for HB 459.

Goes w/20-LS1504\L

|        |  |
|--------|--|
| OBTAIN | SPECIAL DRAFTING INSTRUCTIONS ATTACHED [ ]<br>AUTHORIZED TO CONFER WITH _____<br>_____<br>RETURN _____<br>_____ TO REQUESTOR<br>APPROVED: <input checked="" type="checkbox"/> DIRECTOR, LEGAL SERVICES |
|--------|--|

|  |  |
|--|--|
| REVIEWED _____<br>IN <u>05/08/98</u> DUE <u>ASAP</u><br>TYPED: Draft _____ Date _____<br>Final _____ Date _____<br>PROOFED _____ DELIVERED _____ | SPECIAL INSTRUCTIONS to TYPING/PROOFING<br>_____<br><u>Sponsor Blank</u><br>_____<br><br>Request for DRAFT |
|--|--|

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/17/98

FURTHER:

DATE TURNED  
IN TO OFFICE: 8 May 98

Finance Committee considered CS FOR HOUSE BILL NO. 459(FIN) am  
MEDICAID FOR LOW-INCOME DISABLED

and recommends:

- be replaced with 5 CS CS HB 459 (FIN)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**  
 same title  
 new title  
**House Bill:**  
 same title  
 technical title  
 new: SCR# \_\_\_\_\_

| SIGNING DO PASS        | DP                                  | OTHER RECOMMENDATIONS           | NR                                  | DNP | AM                                  |
|------------------------|-------------------------------------|---------------------------------|-------------------------------------|-----|-------------------------------------|
| <i>Keell S. Kelly</i>  | <input checked="" type="checkbox"/> | <i>Alan Russell</i>             |                                     |     | <input checked="" type="checkbox"/> |
| <i>Johnson</i>         | <input checked="" type="checkbox"/> | <i>Al Adams</i>                 | <input checked="" type="checkbox"/> |     |                                     |
| Co-Chair: <i>Peace</i> | <input checked="" type="checkbox"/> | Co-Chair:                       |                                     |     |                                     |
| Co-Chair:              |                                     | Co-Chair: <i>Scott Thompson</i> | <input checked="" type="checkbox"/> |     |                                     |

**NEW FISCAL NOTE(S):**

Department                      Date      Zero      Fiscal

|                          |        |  |       |
|--------------------------|--------|--|-------|
| HSS, Medicaid Facilities | 5/7/98 |  | -43.7 |
|                          |        |  |       |
|                          |        |  |       |
|                          |        |  |       |
|                          |        |  |       |

**PREVIOUS FISCAL NOTE(S):\***

Department                      Date      Zero      Fiscal

|                              |        |  |       |
|------------------------------|--------|--|-------|
| HSS, Medicaid Non-Facilities | 3/2/98 |  | 40.1  |
| HSS, Health Purchasing       | 3/2/98 |  | 4.0   |
| HSS, Adult Public Post       | 4/2/98 |  | -33.0 |
|                              |        |  |       |
|                              |        |  |       |

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

BILL NO. SCS HB 459 (HES)

SFC 5/8/98

Revision Date: \_\_\_\_\_  
Title: Medicaid for certain disabled persons  
Sponsor: House (HES)  
Requestor: Senate Finance

Dept. Affected: Health and Social Services  
BRU: Medical Assistance  
Component: Medicaid Facilities  
COMPONENT SERIAL NO. 230  
See also (SN#): 229, 243

**Expenditures/Revenues:**

(Thousands of Dollars)

| OPERATING              | FY99          | FY00           | FY01           | FY02           | FY03           | FY04           |
|------------------------|---------------|----------------|----------------|----------------|----------------|----------------|
| PERSONAL SERVICES      |               |                |                |                |                |                |
| TRAVEL                 |               |                |                |                |                |                |
| CONTRACTUAL            |               |                |                |                |                |                |
| SUPPLIES               |               |                |                |                |                |                |
| EQUIPMENT              |               |                |                |                |                |                |
| LAND & STRUCTURES      |               |                |                |                |                |                |
| GRANTS, CLAIMS         | (43.7)        | (103.3)        | (142.1)        | (161.2)        | (170.9)        | (192.3)        |
| MISCELLANEOUS          |               |                |                |                |                |                |
| <b>TOTAL OPERATING</b> | <b>(43.7)</b> | <b>(103.3)</b> | <b>(142.1)</b> | <b>(161.2)</b> | <b>(170.9)</b> | <b>(192.3)</b> |

|                      |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|

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

**FUND SOURCE**

(Thousands of Dollars)

|                          | FY99          | FY00           | FY01           | FY02           | FY03           | FY04           |
|--------------------------|---------------|----------------|----------------|----------------|----------------|----------------|
| 1002 Federal Receipts    | (26.1)        | (61.8)         | (85.0)         | (96.4)         | (102.2)        | (115.0)        |
| 1003 GF Match            | (19.2)        | (46.7)         | (61.5)         | (69.0)         | (72.8)         | (81.2)         |
| 1004 GF                  |               |                |                |                |                |                |
| 1005 GF/Program Receipts | 1.6           | 5.2            | 4.4            | 4.2            | 4.1            | 3.9            |
| 1037 GF/Mental Health    |               |                |                |                |                |                |
| Other (please specify)   |               |                |                |                |                |                |
| <b>TOTAL</b>             | <b>(43.7)</b> | <b>(103.3)</b> | <b>(142.1)</b> | <b>(161.2)</b> | <b>(170.9)</b> | <b>(192.3)</b> |

**POSITIONS:**

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

Estimate of any current year (FY98) cost: \$0.0

**ANALYSIS:** (Attach a separate page if necessary)

The Federal Balanced Budget Act of 1997 (P.L. 105-33) established a new optional Medicaid eligibility category for disabled persons who would be eligible for SSI and Medicaid, except that their earned income exceeds the limits for SSI and their family's earned income is below 250% of the federal poverty level for Alaska. States may impose a requirement that disabled workers pay a "buy-in" charge. This bill would elect this optional eligibility category for Alaska.

We believe that the only individuals who will take advantage of this new eligibility category will be existing SSI or APA applicants who would otherwise lose Medicaid because of their own increased earnings. We do not anticipate individuals using this new eligibility category to access Medicaid for the first time. Consequently, this option will not result in an increase in new Medicaid cases, but will only have the effect of extending the Medicaid eligibility of existing recipients for about one year.

Prepared by: Kevin Henderson *KH*  
Division: Medical Assistance

Phone: 465-3355  
Date: 05/07/98

Approved by Commissioner: Karen Perdue *JP*  
Agency: Department of Health & Social Services

Date: 5-7-98

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

**ANALYSIS (cont.):**

This new eligibility category will benefit current SSI and APA recipients who are ready to go to work or increase their hours of work. Once in the work force for one year, we estimate that all of these individuals will be able to take advantage of employer based health insurance or will have earnings that make them ineligible for this eligibility group. Based upon analysis by the Division of Vocational Rehabilitation, we estimate that only 33 of the current SSI/APA and Medicaid recipients would taken advantage of this category if it were available for the entire FY 99. However, since EIS and MMIS system changes will delay implementation, only about half of those (17) would be able to participate in FY 99. In subsequent years, we would expect to see a general APA case load growth of 6.5% per year, but this would be offset by a reduction (about 3 per year) in the number of disabled individuals able to work. In addition, we expect about 25% of those who do go to work to acquire employer based health insurance immediately. The Medicaid buy-in for this group would begin January 1, 1999, meaning only one-half of the annual expenditures and program receipts would be realized in FY 99.

A nominal buy-in charge, determined using a sliding scale based on income, will be collected annually. We estimate the average buy-in charge to be equivalent to \$360 per year (\$12/month). The actual sliding fee schedule would be established through regulations. due to lack of time, this revised fiscal note does not reflect the buy-in formula proposed in this version of the bill.

Both expenditures and program receipts are allocated 48% to the Medicaid Non-Facilities component and 52% to the Medicaid Facilities component.

We anticipate the current federal financial participation rate to continue beyond FY 04. Currently the match rate is 59.8% federal and 40.2% state general funds.

We estimate an inflation factor of about 3% per year on the annual cost of providing medical care.

**Direct Entry Midwives:** The Midwives Association of Alaska assume that they will cover the births of 100 Medicaid eligible pregnant women per year. Five percent of these women will end up delivering their child in a hospital because of complications of delivery; therefore, the division has assumed that 95 women per year will be delivered by a certified direct entry midwife. The average hospital claim for delivery of a mother for FY 96 was \$1,985, and \$480 for the infant, for a total cost of \$2,465 per delivery. Total facility savings related to home deliveries by certified direct entry midwives is assumed to be \$234,175, however, regulation development and systems work will probably delay implementation until the second half of FY99. Cost of implementing a new provider type within the division's claim processing system is \$30,000. Savings projected for FY 99, due to delayed implementation and systems costs will therefore be \$87,087. For this portion of the fiscal note, the division has assumed a 7% growth rate, a federal match rate of 59.8% for FY 99 and FY 00, and a federal match rate of 52.26% for other years.

|                                     | FY99              | FY00               | FY01               | FY02               | FY03               | FY04               |
|-------------------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Working Disabled                    |                   |                    |                    |                    |                    |                    |
| Avg. Med. Cost Per Disable Worker   | \$9,825           | \$10,120           | \$10,423           | \$10,736           | \$11,058           | \$11,390           |
| SSI/APA Recipients To work          | 17                | 32                 | 31                 | 30                 | 29                 | 28                 |
| Recipients into Health Insurance    | 0                 | 4                  | 8                  | 8                  | 7                  | 7                  |
| Recipients with extended Medicaid   | 17                | 28                 | 23                 | 23                 | 22                 | 21                 |
| Additional Medicaid Expenditures    | \$83,513          | \$283,354          | \$242,344          | \$241,562          | \$240,516          | \$239,188          |
| Disabled Worker (Facilities @ 52%)  | \$43,427          | \$147,344          | \$126,019          | \$125,612          | \$125,068          | \$124,378          |
| Midwife Coverage                    |                   |                    |                    |                    |                    |                    |
| Medicaid savings (Facilities @ 52%) | (\$87,087)        | (\$250,600)        | (\$268,100)        | (\$286,800)        | (\$296,000)        | (\$316,700)        |
| <b>TOTAL OPERATING EXPEN.</b>       | <b>(\$43,660)</b> | <b>(\$103,256)</b> | <b>(\$142,081)</b> | <b>(\$161,188)</b> | <b>(\$170,932)</b> | <b>(\$192,322)</b> |
| Program Receipts                    |                   |                    |                    |                    |                    |                    |
| Buy-In Revenue (Facilities @ 52%)   | \$1,591           | \$5,242            | \$4,352            | \$4,212            | \$4,072            | \$3,931            |

FISCAL NOTE

REPORTED COPY OF  
 SFC 5/8/98 No: 4  
 Bill Version: CSHB 459 (HES)  
 (H) Publish Date: 3/11/98

STATE OF ALASKA  
 1998 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: Medicaid for for certain disabled persons  
 Sponsor: House (HES)  
 Requestor: (H) HESS

Dept. Affected: Health and Social Services  
 BRU: Medical Assistance  
 Component: Medicaid Non-Facility  
 COMPONENT SERIAL NO. 229  
 See also (SN#): 230, 243

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING              | FY99        | FY00         | FY01         | FY02         | FY03         | FY04         |
|------------------------|-------------|--------------|--------------|--------------|--------------|--------------|
| PERSONAL SERVICES      |             |              |              |              |              |              |
| TRAVEL                 |             |              |              |              |              |              |
| CONTRACTUAL            |             |              |              |              |              |              |
| SUPPLIES               |             |              |              |              |              |              |
| EQUIPMENT              |             |              |              |              |              |              |
| LAND & STRUCTURES      |             |              |              |              |              |              |
| GRANTS, CLAIMS         | 40.1        | 136.0        | 116.3        | 116.0        | 115.4        | 114.8        |
| MISCELLANEOUS          |             |              |              |              |              |              |
| <b>TOTAL OPERATING</b> | <b>40.1</b> | <b>136.0</b> | <b>116.3</b> | <b>116.0</b> | <b>115.4</b> | <b>114.8</b> |

|                      |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|

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

FUND SOURCE (Thousands of Dollars)

|                          |             |              |              |              |              |              |
|--------------------------|-------------|--------------|--------------|--------------|--------------|--------------|
| 1002 Federal Receipts    | 24.0        | 81.3         | 69.5         | 69.4         | 69.0         | 68.7         |
| 1003 GF Match            | 14.6        | 49.9         | 42.8         | 42.7         | 42.6         | 42.5         |
| 1004 GF                  |             |              |              |              |              |              |
| 1005 GF/Program Receipts | 1.5         | 4.8          | 4.0          | 3.9          | 3.8          | 3.6          |
| 1037 GF/Mental Health    |             |              |              |              |              |              |
| Other (please specify)   |             |              |              |              |              |              |
| <b>TOTAL</b>             | <b>40.1</b> | <b>136.0</b> | <b>116.3</b> | <b>116.0</b> | <b>115.4</b> | <b>114.8</b> |

POSITIONS:

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

Estimate of any current year (FY98) cost: \$0.0

**ANALYSIS:** (Attach a separate page if necessary)

The Federal Balanced Budget Act of 1997 (P.L. 105-33) established a new optional Medicaid eligibility category for disabled persons who would be eligible for SSI and Medicaid, except that their earned income exceeds the limits for SSI and their family's earned income is below 250% of the federal poverty level for Alaska. States may impose a requirement that disabled workers pay a "buy-in" charge. This bill would elect this optional eligibility category for Alaska.

We believe that the only individuals who will take advantage of this new eligibility category will be existing SSI or APA applicants who would otherwise lose Medicaid because of their own increased earnings. We do not anticipate individuals using this new eligibility category to access Medicaid for the first time. Consequently, this option will not result in an increase in new Medicaid cases, but will only have the effect of extending the Medicaid eligibility of existing recipients for about one year.

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

Phone: 465-3355  
 Date: 02/25/98  
 Date: 3/2/98

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

**ANALYSIS (cont.):**

This new eligibility category will benefit current SSI and APA recipients who are ready to go to work or increase their hours of work. Once in the work force for one year, we estimate that all of these individuals will be able to take advantage of employer based health insurance or will have earnings that make them ineligible for this eligibility group. Based upon analysis by the Division of Vocational Rehabilitation, we estimate that only 33 of the current SSI/APA and Medicaid recipients would taken advantage of this category if it were available for the entire FY 99. However, since EIS and MMIS system changes will delay implementation, only about half of those (17) would be able to participate in FY 99. In subsequent years, we would expect to see a general APA case load growth of 6.5% per year, but this would be offset by a reduction (about 3 per year) in the number of disabled individuals able to work. In addition, we expect about 25% of those who do go to work to acquire employer based health insurance immediately. The Medicaid buy-in for this group would begin January 1, 1999, meaning only one-half of the annual expenditures and program receipts would be realized in FY 99.

A nominal buy-in charge, determined using a sliding scale based on income, will be collected annually. We estimate the average buy-in charge to be equivalent to \$360 per year (\$12/month). The actual sliding fee schedule would be established through regulations.

Both expenditures and program receipts are allocated 48% to the Medicaid Non-Facilities component and 52% to the Medicaid Facilities component.

We anticipate the current federal financial participation rate to continue beyond FY 04. Currently the match rate is 59.8% federal and 40.2% state general funds.

We estimate an inflation factor of about 3% per year on the annual cost of providing medical care.

|                                   |       | FY99     | FY00      | FY01      | FY02      | FY03      | FY04      |
|-----------------------------------|-------|----------|-----------|-----------|-----------|-----------|-----------|
| Avg. Med. Cost Per Disable Worker |       | \$9,825  | \$10,120  | \$10,423  | \$10,736  | \$11,058  | \$11,390  |
| SSI/APA Recipients To work        |       | 17       | 32        | 31        | 30        | 29        | 28        |
| Recipients into Health Insurance  |       | 0        | 4         | 8         | 8         | 7         | 7         |
| Recipients with extended Medicaid |       | 17       | 28        | 23        | 23        | 22        | 21        |
| Additional Medicaid Expenditures  |       | \$83,513 | \$283,354 | \$242,344 | \$241,562 | \$240,516 | \$239,188 |
| Non-Facilities                    | 48%   | \$40,086 | \$136,010 | \$116,325 | \$115,950 | \$115,448 | \$114,810 |
| Facilities                        | 52%   | \$43,427 | \$147,344 | \$126,019 | \$125,612 | \$125,068 | \$124,378 |
| <hr/>                             |       |          |           |           |           |           |           |
| Avg. Annual Buy-in Fee =          | \$360 |          |           |           |           |           |           |
| PROGRAM RECEIPTS                  |       | \$3,060  | \$10,080  | \$8,370   | \$8,100   | \$7,830   | \$7,560   |
| Non-Facilities                    | 48%   | \$1,469  | \$4,838   | \$4,018   | \$3,888   | \$3,758   | \$3,629   |
| Facilities                        | 52%   | \$1,591  | \$5,242   | \$4,352   | \$4,212   | \$4,072   | \$3,931   |

FISCAL NOTE

REPORTED OUT OF  
5/8/98  
Bill Version: CSHB 459 (HES)

No: 3

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

(H) Publish Date: 3/11/98

Revision Date: \_\_\_\_\_  
Title: Medicaid for certain disabled persons  
Sponsor: House (HES)  
Requestor: (H) HESS

Dept. Affected: Health and Social Services  
BRU: Medical Assistance Admin  
Component: Health Purchasing Group  
COMPONENT SERIAL NO. 243  
See also (SN#): 229, 230

Expenditures/Revenues:

(Thousands of Dollars)

| OPERATING              | FY99       | FY00       | FY01       | FY02       | FY03       | FY04       |
|------------------------|------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES      |            |            |            |            |            |            |
| TRAVEL                 |            |            |            |            |            |            |
| CONTRACTUAL            | 4.0        |            |            |            |            |            |
| SUPPLIES               |            |            |            |            |            |            |
| EQUIPMENT              |            |            |            |            |            |            |
| LAND & STRUCTURES      |            |            |            |            |            |            |
| GRANTS, CLAIMS         |            |            |            |            |            |            |
| MISCELLANEOUS          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>4.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                      |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|

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

FUND SOURCE

(Thousands of Dollars)

|                          |            |            |            |            |            |            |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts    | 2.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1003 GF Match            | 2.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1004 GF                  |            |            |            |            |            |            |
| 1005 GF/Program Receipts |            |            |            |            |            |            |
| 1037 GF/Mental Health    |            |            |            |            |            |            |
| Other (please specify)   |            |            |            |            |            |            |
| <b>TOTAL</b>             | <b>4.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

POSITIONS:

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

Estimate of any current year (FY98) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

The Federal Balanced Budget Act of 1997 (P.L. 105-33) established a new optional Medicaid eligibility category for disabled persons who would be eligible for SSI and Medicaid, except that their earned income exceeds the limits for SSI and their family's earned income is below 250% of the federal poverty level for Alaska. States may impose a requirement that disabled workers pay a "buy-in" charge. This bill would elect this optional eligibility category for Alaska.

We believe that the only individuals who will take advantage of this new eligibility category will be existing SSI or APA applicants who would otherwise lose Medicaid because of their own increased earnings. We do not anticipate individuals using this new eligibility category to access Medicaid for the first time. Consequently, this option will not result in an increase in new Medicaid cases, but will only have the effect of extending the Medicaid eligibility of existing recipients for about one year.

Establishing of this new eligibility group will require the addition of a new Medicaid subtype code to the Medicaid Management Information System (MMIS). A one time expenditure for MMIS programming is shown for FY 99.

2/27/98  
JH

Prepared by: Kevin Henderson  
Division: Medical Assistance

Phone: 465-3355  
Date: 02/25/98

Approved by Commissioner: Karen Perdue  
Agency: Department of Health & Social Services

Date: 3/2/98

COMMITTEE COPY

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

REPORTED OUT OF  
5/8/98

No: 2

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

Bill Version: CSHB 459 (HES)

(H) Publish Date: 3/11/98

Revision Date: \_\_\_\_\_  
Title: Medicaid for certain disabled persons

Dept. Affected: Health and Social Services

BRU: Public Assistance

Component: Adult Public Assistance

Sponsor: House (HES)

COMPONENT SERIAL NO. 222

Requestor: (H) HESS

See also (SN#): \_\_\_\_\_

Expenditures/Revenues:

(Thousands of Dollars)

| OPERATING         | FY99   | FY00    | FY01    | FY02    | FY03    | FY04    |
|-------------------|--------|---------|---------|---------|---------|---------|
| PERSONAL SERVICES |        |         |         |         |         |         |
| TRAVEL            |        |         |         |         |         |         |
| CONTRACTUAL       |        |         |         |         |         |         |
| SUPPLIES          |        |         |         |         |         |         |
| EQUIPMENT         |        |         |         |         |         |         |
| LAND & STRUCTURES |        |         |         |         |         |         |
| GRANTS, CLAIMS    | (33.0) | (190.5) | (311.0) | (427.7) | (540.4) | (649.3) |
| MISCELLANEOUS     |        |         |         |         |         |         |
| TOTAL OPERATING   | (33.0) | (190.5) | (311.0) | (427.7) | (540.4) | (649.3) |

|                      |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|

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

FUND SOURCE

(Thousands of Dollars)

|                          |        |         |         |         |         |         |
|--------------------------|--------|---------|---------|---------|---------|---------|
| 1002 Federal Receipts    |        |         |         |         |         |         |
| 1003 GF Match            |        |         |         |         |         |         |
| 1004 GF                  | (33.0) | (190.5) | (311.0) | (427.7) | (540.4) | (649.3) |
| 1005 GF/Program Receipts |        |         |         |         |         |         |
| 1037 GF/Mental Health    |        |         |         |         |         |         |
| Other (please specify)   |        |         |         |         |         |         |
| TOTAL                    | (33.0) | (190.5) | (311.0) | (427.7) | (540.4) | (649.3) |

POSITIONS:

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

Estimate of any current year (FY98) cost: 90.0

ANALYSIS: (Attach a separate page if necessary)

The federal Balanced Budget Act of 1997 (P.L. 105-33) established a new optional Medicaid eligibility category for disabled persons who would be eligible for SSI and Medicaid, except that their earned income exceeds the limits for SSI and their family's earned income is below 250 percent of the federal poverty level for Alaska. These disabled workers may be obligated to pay a "buy-in" charge. This bill would elect this optional eligibility category for Alaska.

We believe that some Adult Public Assistance (APA) recipients who do not pursue working because of the fear of losing their Medicaid coverage will either begin working or will work longer hours and become ineligible for APA. Based on an analysis by the Division of Vocational Rehabilitation, we estimate that 33 APA recipients could potentially lose eligibility because of increased earnings in FY99. We expect this number to decrease over time.

*[Signature]*

Prepared by: \_\_\_\_\_  
Division: Public Assistance

Phone: 465-3347  
Date: 02/25/98

Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Date: 3/2/98

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

Of the 33 persons potentially ineligible under this legislation, we expect that one-half will increase their earnings and become ineligible for APA in FY99.

In the start-up year of FY99, savings are calculated using 6 months.

The savings assume that persons who become ineligible for assistance because of this legislation will remain ineligible.

**Calculations:**

|                                   | FY99     | FY00      | FY01      | FY02      | FY03      | FY04      |
|-----------------------------------|----------|-----------|-----------|-----------|-----------|-----------|
| APA recipients affected each year | 17       | 32        | 31        | 30        | 29        | 28        |
| Cumulative # of APA recipients    | 17       | 49        | 80        | 110       | 139       | 167       |
| Average monthly APA benefit       | \$324    | \$324     | \$324     | \$324     | \$324     | \$324     |
| APA Program Savings               | (\$33.0) | (\$190.5) | (\$311.0) | (\$427.7) | (\$540.4) | (\$649.3) |

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

MEMORANDUM

May 8, 1998

**SUBJECT:** Title Change Needed for SCS CSHB 459(FIN) (Work Order No. 0-LS1504L)

**TO:** Senator Bert Sharp  
Attn: Jerry Lee

**FROM:** Terri Lauterbach *T. Lauterbach*  
Legislative Counsel

Enclosed is the SCS requested for HB 459.

At your staff's request, we have not changed the bill title to accommodate the amendment made by the Senate Finance Committee. Therefore, the bill title is defective. It violates the state constitution's requirement that the subject of the bill be expressed in the title.

Since midwife services have been moved to being the 7th service eliminated under Medicaid, "14th" needs to be changed to "7th" on page 1, line 6, or, in the alternative, the title needs to be more general.

I have enclosed a sponsor-blank resolution to authorize a title change in the second house, as requested by your staff. Please let me know if I can be of further assistance.

TML:pl  
98-102.plm

Enclosures

**SENATE CONCURRENT RESOLUTION NO.**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTIETH LEGISLATURE - SECOND SESSION**

**BY**

**Introduced:**

**Referred:**

**A RESOLUTION**

**1 Suspending Uniform Rules 24(c), 35, 41(b), and 42(e) of the Alaska State**  
**2 Legislature concerning House Bill No. 459, relating to the medical assistance**  
**3 program.**

**4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**5 That under Rule 54 of the Uniform Rules of the Alaska State Legislature, the**  
**6 provisions of Rules 24(c), 35, 41(b), and 42(e) of the Uniform Rules, regarding changes to the**  
**7 title of a bill, are suspended in consideration of House Bill No. 459, relating to the medical**  
**8 assistance program.**