

SJR

23

FISCAL NOTE

No. 1
 Bill Version: SJR 23
 (S) Publish Date: 2/18/97

STATE OF ALASKA
 1997 LEGISLATIVE SESSION

BILL NO. SJR 23

Revision Date: _____
 Title: Request Congress to change FMAP

 Sponsor: Senate HESS
 Requestor: Senate HESS

Dept. Affected: Health and Social Services
 BRU: Medical Assistance Admin
 Component: Medical Assistance Central Admin
 COMPONENT SERIAL NO. 242
 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						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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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)

This resolution requests Congress to amend the Social Security Act to reflect the higher cost of living in Alaska in the Federal Medical Assistance Percentage (FMAP) formula that determines the federal share of the cost of the Medicaid Program. Enactment of this resolution will support the efforts of the Alaska Congressional Delegation in seeking the FMAP change but will not affect costs in the Medicaid Program.

Prepared by: Nancy Weller *NW* *BS*
 Division: Medical Assistance
 Approved by Commissioner: Karen Perdue, Commissioner
 Agency: Department of Health & Social Services

Phone: 465-3355
 Date: 03/14/97
 Date: 3/14/97

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WHAT IS FMAP?

- The Federal Medical Assistance Percentage (FMAP) is the federal share of the cost of the Medicaid Program. The FMAP is also used to calculate the Title IV-E Foster Care and Adoption Assistance federal match, child support disbursements and certain funds under welfare reform.
- FMAP is calculated according to a formula based on per capita income in an individual state in relation to the per capita income of the United States.

WHY IS THE FMAP CALCULATION UNFAIR TO ALASKA?

- The Federal Poverty Level is a criteria used for determining the financial eligibility of individuals and families for the Medicaid, Foster Care and Adoption Assistance Programs.
- The Federal Poverty Level for Alaska is set at 125% of poverty in the lower 48 states, resulting in more people meeting the income qualifying standards.
- There is no corresponding adjustment for the higher cost of living in Alaska in the way that federal law calculates the FMAP.
- Program eligibility is mandated by federal law at the adjusted income levels, the federal government is not participating in the cost of operating the programs at similar adjusted levels.

HOW MUCH HIGHER IS THE COST OF LIVING IN ALASKA?

- Four Alaskan cities were in the 20 highest cost urban areas of the U.S. in 1995.
- For these cities, the overall cost of living, and the cost of health care, compared to the U.S. average for these items were: Kodiak at 50% and 68%, Juneau at 36% and 60%, Fairbanks at 26% and 71%, and Anchorage at 25% and 76%.

WHAT IS OUR CURRENT FMAP?

- Alaska's FMAP is at the lowest allowable percentage under federal law: 50 percent.
- Only eleven states have an FMAP of 50 percent; the highest FMAP is 77 percent (Mississippi).

WHAT WOULD THE FMAP CHANGE MEAN?

- If the FMAP had been adjusted to account for the higher cost of living during the current state fiscal year, the federal share would have changed from 50% to 62%.
- This FMAP adjustment would mean an increase in federal participation of \$39,249,300 for the Medicaid Program and \$646,000 for Foster Care and Adoption Assistance, and a loss of \$1.2 million in child support disbursements to the Division of Public Assistance.

SENT BY: STATE OF ALASKA-DC ; 3-13-87 ; 3:44PM ;
TO: SENATE CLERK ; FROM: SENATE CLERK ; TO: 90240801

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100TH CONGRESS
1ST SESSION

S. 424

IN THE SENATE OF THE UNITED STATES

Mr. MURKOWSKI introduced the following bill, which was read twice and referred to the Committee on _____

A BILL

To adjust the Federal medical assistance percentage determined for Alaska under the medicaid program to reflect Alaska's cost-of-living.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Alaska Medicaid Eq-
5 uity Act of 1997".

6 **SEC. 2. AMENDMENT TO THE SOCIAL SECURITY ACT.**

7 (a) IN GENERAL.—Section 1906(b) of the Social Se-
8 curi-ty Act (42 U.S.C. 1396d(b)) is amended by adding
9 at the end the following: "Notwithstanding the first sen-
10 tence of this subsection, in the case of Alaska, the Federal

SENT BY: STATE OF ALASKA-DC ; 3-13-97 ; 3:44PM ;
03-13-97 02:40PM FROM SENATOR MUKKOWSKI TO 96245857

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1 medical assistance percentage shall be 100 per centum less
2 that percentage which bears the same ratio to 45 per cen-
3 tum as the square of the adjusted per capita income of
4 Alaska bears to the square of the per capita income of
5 the 50 States. For purposes of the preceding sentence, the
6 adjusted per capita income of Alaska shall be determined
7 by dividing the 8-year average per capita income for Alas-
8 ka by 1.25."

9 (b) EFFECTIVE DATE.—The amendment made by
10 subsection (a) applies to fiscal year quarters beginning on
11 and after the date of enactment of this Act.