

SB

345

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FILE

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 345
(S) Publish Date: 3/18/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
Title: SCHOOL BASED MEDICAL ASSISTANCE FOR CHILDREN WITH DISABILITIES BR1# Medical Assistance Admin
Component: Health Purchasing Group
Sponsor: SENATE (HES)
Requestor: SENATE (HES) Component Number: 243

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	76.5	76.5	97.3	97.3	97.3	97.3
Travel	5.0	5.0	5.0	6.0	7.0	8.0
Contractual	56.5		6.5			
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	138.0	81.5	108.8	103.3	104.3	105.3

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
1002 Federal Receipts	85.9	40.7	54.4	51.6	52.1	52.6
1003 GF Match	52.1	40.8	54.4	51.7	52.2	52.7
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	138.0	81.5	108.8	103.3	104.3	105.3

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

POSITIONS	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Full-time	1	1	1	1	1	1
Part-time			1	1	1	
Temporary						1

ANALYSIS: (Attach a separate page if necessary)

Administrative costs associated with this legislation include \$50.0 to modify the MMIS to allow school districts to submit claims. This would be a one-time, FY03 contractual cost, and is eligible for 75% federal funding. One full time, range 20 position in the Health Policy and Programs unit would be required to develop policy and support school district claiming efforts, beginning in FY 03. The position would require \$76.5 in personal services and \$5.0 in travel annually and \$6.5 in start-up contractual costs. Eventually, in FY 05, the volume of claims would require one half-time, range 10 accounting clerk position to track expenditures and recover the state match from school districts, as provided for in legislation. This position would require \$20.8 in personal services annually.

Prepared by: Jon Sherwood Phone 465-3355
Division: Medical Assistance Date/Time 03/05/2002
Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 03/06/2002
Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 345
(S) Publish Date: 3/27/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
Title: SCHOOL BASED MEDICAL ASSISTANCE FOR CHILDREN WITH DISABILITIES BRU: Medical Assistance
Component: Medicaid Services
Sponsor: SENATE (HES)
Requestor: SENATE (HES) Component Number: 2077

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	787.5	3,937.5	7,875.0	7,875.0	7,875.0	7,875.0
Miscellaneous						
TOTAL OPERATING	787.5	3,937.5	7,875.0	7,875.0	7,875.0	7,875.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
1002 Federal Receipts	458.9	2,294.4	4,588.8	4,588.8	4,588.8	4,588.8
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1108 Stal Desig	328.6	1,643.1	3,286.2	3,286.2	3,286.2	3,286.2
TOTAL	787.5	3,937.5	7,875.0	7,875.0	7,875.0	7,875.0

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would enable school districts to bill Medicaid for services provided to Medicaid-eligible children in special education programs. Districts would reimburse the Department of Health and Social Services for the state match required. There would be no net increase in state general fund match for Medicaid (see related fiscal note for administrative costs).

See attached page for assumptions.

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FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. SB 345 #2

ANALYSIS CONTINUATION

Assumptions:

Alaska school districts provide approximately \$45 million in special education support services annually.

Approximately 35 percent of children receiving special education services are eligible for Medicaid.

At full implementation, approximately 50 percent of special education support services provided to Medicaid eligible children will qualify for Medicaid reimbursement; the remainder will fall outside of Medicaid service definitions or will be provided by smaller districts who choose not to bill Medicaid

Legislation will be fully implemented by FY 05. FY 03 Medicaid service expenditures will be 10 percent of FY 05 expenditures. FY 04 expenditures will be 50 percent of FY 05 expenditures.

Federal share of Medicaid Service expenditures will be 58.27 percent.

School districts will reimburse the Department for the state match (shown as statutory designated program receipts).

Cost of Services under full implementation:

FY 05 @ \$45,000.0 x 35% x 50% = \$7,875.0.

FY 06 @ \$45,000.0 x 35% x 50% = \$7,875.0.

FY 07 @ \$45,000.0 x 35% x 50% = \$7,875.0.

FY 08 @ \$45,000.0 x 35% x 50% = \$7,875.0.

Start-up years:

FY 03 @ 10% of FY 05 = \$ 787.5

FY 04 @ 50% of FY 05 = \$3,937.5

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SENATOR LYDA GREEN SENATE DISTRICT N

Sponsor Statement CS Senate Bill 345

Under the federal Individuals Disabilities Education Act (IDEA), school districts are required to provide rehabilitative services to qualifying students. Currently the federal government pays approximately 16% of the costs of services required by IDEA and the balance is paid out of the foundation formula with a mix of state and local funding. To the extent that these students qualify for Medicaid, federal law allows for schools to bill the state Medicaid program for many of these services. However, Alaska state law does not authorize school districts to be Medicaid providers. Senate Bill 345 authorizes the Alaska Department of Health and Social Services to promulgate the necessary regulations and to contract with school districts to reimburse the districts for rehabilitative services for students who qualify under the Medicaid program. Currently 42 other states fund school-based services through the Medicaid program.

Under the provisions of SB 345, the school district pays the state match for the Medicaid services it receives. The only state cost under this bill is the cost of promulgating the regulations and some small administrative costs. School districts benefit by receiving the federal matching dollars under the Medicaid program for services that they must provide, regardless of how they are funded. For each school district dollar expended for these covered services, the school district would receive approximately \$1.50 in additional federal dollars, which can help defray the costs of providing special education services.