

SB

27

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: CSSB 27(HES)
(S) Publish Date: 3/14/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Corrections
Title An Act expanding medical assistance coverage RDU Administration & Operations
eligible children and pregnant women and persons in medical . . . Component Office of the Commissioner
Sponsor Senator Davis
Requester Senate Health, Education, and Social Services Component No. 694

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
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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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Passage of this legislation will not have a fiscal impact on the Department of Corrections.

Prepared by: Sharleen Griffin, Director
Division: Administrative Services
Approved by: Dwayne Peoples, Deputy Commissioner
Agency: Department of Corrections

Phone (907) 465-3339
Date/Time 3/8/07 9:17 AM
Date 3/8/2007

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 6
 Bill Version: CSSB 27(FIN)
 (S) Publish Date: 5/9/07
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):
 Title RELATING TO ELIGIBILITY FOR MEDICAL ASSISTANCE

RDU Health Care Services

Sponsor DAVIS

Component Medicaid Services

Requester SENATE (FIN)

Component No. 2077

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	2,195.4	2,384.2	2,589.3	2,812.0	3,053.8	3,316.4
Miscellaneous						
TOTAL OPERATING	2,195.4	2,384.2	2,589.3	2,812.0	3,053.8	3,316.4

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

1002 Federal Receipts	1,577.6	1,667.8	1,801.5	1,956.4	2,124.6	2,307.4
1003 GF Match	617.8	716.4	787.8	855.6	929.2	1,009.0
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL.	2,195.4	2,384.2	2,589.3	2,812.0	3,053.8	3,316.4

Estimate of any current year (FY2007) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

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

CS SR 27 (FIN) partially reverses the September 2003 legislation that reduced and froze Medicaid income eligibility standards for children and pregnant women whose eligibility is managed through the Denali KidCare (DKC) office. Prior to implementation of the 2003 legislation, Medicaid was available to children and pregnant women with incomes up to 200% of the prevailing Federal Poverty Guideline (FPG) for Alaska. Effective September 2003, the income (continued)

Prepared by: Sherry Hill, Special Assistant
 Division: Office of the Commissioner
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone: 907-465-1618
 Date/Time: 05/08/2007
 Date: 05/08/2007

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

standard was set in statute at what was equivalent to 175% of the FPG for 2003. Currently, the effective income standard for women and children enrolled in these categories is about 154%, almost a 50 point drop from the income standard of August 2003. This bill restores the income eligibility standard for children and pregnant women to 175% of the prevailing FPG, effective June 30, 2007.

Between 2003 and 2006, the number of children enrolled in the affected income category dropped by 2,553 individuals and the number of pregnant women enrolled in the affected income category dropped by 436 individuals. This fiscal analysis assumes that the additional enrollment in SFY 2008 due to SB 27 will be equal to about half that number of people (218 pregnant women and 1277 children). We assume that most people eligible to enroll under the higher income standard will do so by the end of SFY 2008.

Costs projections incorporate 8.6% annual growth (Long Term Forecast of Medicaid Enrollment and Spending in Alaska: 2005-2025, DHSS, updated for 2006). That growth rate allows for 5% medical inflation (Anchorage CPI, medical care component) and annual growth in the FPG. The proportion of enrollees that use services (participation) is expected to remain the same throughout the projection period.

Fund source calculations for each component are based on the percentages of costs reimbursed as IHS, Title XIX, Family Planning, or SCHIP in 2006 for the affected groups, and the federal medical assistance percentages (FMAPs) anticipated for the year projected. Children affected by this legislation are included in the State Children's Health Insurance Program (SCHIP) and costs for their Medicaid services would normally be matched at an enhanced rate. Because SCHIP funding is no longer enough to cover all of that program's expenses, the formula for (continued)

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

federal reimbursement was adjusted to allow only one quarter of SCHIP matching per year, with the remaining three quarters defaulting to the lower Title XIX rate.

The 2008 projection was calculated as the projected cost to reinstate half the number of enrollees dropped between 2003 and 2006. Cost to reinstate was inflated by 5% per year between 2006 and 2008 so that the cost to reinstate was in 2008 dollars. The 2009-2013 projections are based on the 2008 projection after implementation of SB 27, plus 8.6% annual growth. The expenditure for each division was determined based on that division's share of expenses for the affected eligibility subtypes in 2006. Health Care Services paid for 99.9% of the costs for affected pregnant women and 76.6% of the costs for affected children.

For each component, the recipient count represents the number of enrolled persons using Medicaid services managed by that component during the period. If half the number of people that lost Medicaid eligibility due to the 2003 legislation regain eligibility in 2008, Health Care Services might expect to pay Medicaid expenses for an additional 1,132 recipients.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 7
 Bill Version: CSSB 27(FIN)
 (S) Publish Date: 5/9/07
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):

Title RELATING TO ELIGIBILITY FOR MEDICAL ASSISTANCE

RDU Public Assistance

Component Public Assistance Field Svcs

Sponsor DAVIS

Requester SENATE (FIN)

Component No. 236

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	33.6	67.2	67.2	67.2	67.2	67.2
Travel						
Contractual	4.4	8.8	8.8	8.8	8.8	8.8
Supplies	2.2					
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	40.2	76.0	76.0	76.0	76.0	76.0

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

1002 Federal Receipts	18.7	35.4	35.4	35.4	35.4	35.4
1003 GF Match	16.5	31.1	31.1	31.1	31.1	31.1
1004 GF	4.4	8.4	8.4	8.4	8.4	8.4
1037 GF/Mental Health						
Other(Inter-Agency Receipts)	0.6	1.1	1.1	1.1	1.1	1.1
Other(Specify Type-do not abbreviate)						
TOTAL	40.2	76.0	76.0	76.0	76.0	76.0

Estimate of any current year (FY2007) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CS SB 27 (FIN) changes AS 47.07.020(b) to reset the upper income limit for Denali KidCare (DKC) pregnant women and uninsured children under the Title XXI State Children's Health Insurance Program (SCHIP) to 175% of the prevailing federal poverty guideline (FPG) for Alaska. Currently, the qualifying income limit for these children and pregnant women is set in statute at 175% of the 2003 FPG (effectively, about 154% of the current FPG). This fiscal note represents the administrative costs for the eligibility determinations for medical assistance coverage for pregnant women and children.

The eligibility decision includes determining eligibility based on the household's size and monthly income at the time of application, acting on changes in a household's circumstances that are reported during the period of eligibility, and re-examining a household's eligibility every six months.

Prepared by: Sherry Hill, Special Assistant
 Division: Office of the Commissioner
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone 907-465-1618
 Date/Time 05/08/2007
 Date 05/08/2007

FISCAL NOTE
FIN # 7

BILL VERSION: CSSB 27(FIN)

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Assumptions:

We assume that 218 pregnant women and 1277 children will enroll in Medicaid if the qualifying income limit is revised to 175% FPG, and that implementation will begin January 1, 2008. We estimate one additional Eligibility Technician I (Range 14) position will be needed for six months to manage this additional work in FY 08. This position will be needed for 12 months in the following fiscal years.

Total FY08 Administrative Costs:

Personal Services: One Eligibility Technician I Range 14 at a cost of \$33.6, including benefits, for six months.

Contractual: for office space, phones, and supplies will be \$4,400 for six months.

Additional Equipment/Supply: A one time cost of \$2,200 for a desktop computer, software, printer, and work station will be needed for the new position.

Total Administrative Costs FY09 through FY13

Personal Services: One Eligibility Technician I Range 14 at a cost of \$67.2, including benefits, for 12 months.

Contractual: Annual costs for office space, phones, and supplies will be \$8,800.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 8
 Bill Version: CSSB 27(FIN)
 S) Publish Date: 5/9/07
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):
 Title RELATING TO ELIGIBILITY FOR MEDICAL ASSISTANCE

RDU Behavioral Health
 Component Behavioral Hlth Medicaid Svcs

Sponsor DAVIS

Requester SENATE (FIN)

Component No. 2660

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	455.9	495.1	537.6	583.9	634.1	688.6
Miscellaneous						
TOTAL OPERATING	455.9	495.1	537.6	583.9	634.1	688.6

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

1002 Federal Receipts	311.1	327.2	353.0	383.4	416.4	452.2
1003 GF Match	144.8	167.9	184.6	200.5	217.7	236.4
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	455.9	495.1	537.6	583.9	634.1	688.6

Estimate of any current year (FY2007) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CS SB 27 (FIN) partially reverses the September 2003 legislation that reduced and froze Medicaid income eligibility standards for children and pregnant women whose eligibility is managed through the Denali KidCare (DKC) office. Prior to implementation of the 2003 legislation, Medicaid was available to children and pregnant women with incomes up to 200% of the prevailing Federal Poverty Guideline (FPG) for Alaska. Effective September 2003, the income standard

Prepared by: Sherry Hill, Special Assistant
 Division: Office of the Commissioner
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone 907-465-1618
 Date/Time 05/08/2007
 Date 05/08/2007

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

was set in statute at what was equivalent to 175% of the FPG for 2003. Currently, the effective income standard for women and children enrolled in these categories is about 154%, almost a 50 point drop in the income standard of August 2003. This bill restores the income eligibility standard for children and pregnant women to 175% of the prevailing FPG, effective June 30, 2007.

Between 2003 and 2006, the number of children enrolled in the affected income category dropped by 2,553 individuals and the number of pregnant women enrolled in the affected income category dropped by 436 individuals. This fiscal analysis assumes that the additional enrollment in SFY 2008 due to SB 27 will be equal to about half that number of people (218 pregnant women and 1277 children). We assume that most people eligible to enroll under the higher income standard will do so by the end of SFY 2008.

Costs projections incorporate 8.6% annual growth (Long Term Forecast of Medicaid Enrollment and Spending in Alaska: 2005-2025, DHSS, updated for 2006). That growth rate allows for 5% medical inflation (Anchorage CPI, medical care component) and annual growth in the FPG. The proportion of enrollees that use services (participation) is expected to remain the same throughout the projection period.

Fund source calculations for each component are based on the percentages of costs reimbursed as IHS, Title XIX, Family Planning, or SCHIP in 2006 for the affected groups, and the federal medical assistance percentages (FMAPs) anticipated for the year projected. Children affected by this legislation are included in the State Children's Health Insurance Program (SCHIP) and costs for their Medicaid services would normally be matched at an enhanced rate. Because SCHIP funding is no longer enough to cover all of that program's expenses, the formula for

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

federal reimbursement was adjusted to allow only one quarter of SCHIP matching per year, with the remaining three quarters defaulting to the lower Title XIX rate.

The 2008 projection was calculated as the projected cost to reinstate half the number of enrollees dropped between 2003 and 2006. Cost to reinstate was inflated by 5% per year between 2006 and 2008 so that the cost to reinstate was in 2008 dollars. The 2009-2013 projections are based on the 2008 projection after implementation of SB 27, plus 8.6% annual growth. The expenditure for each division was determined based on that division's share of expenses for the affected eligibility subtypes in 2006. Behavioral Health Medicaid Services paid for 23.3% of the costs for affected children in SFY 2006. They paid for less than 0.1% of the costs for pregnant women affected by this legislation.

If half the number of people that lost Medicaid eligibility due to the 2003 legislation regain eligibility in 2008, Behavioral Health Medicaid Services might expect to pay Medicaid expenses for an additional 113 recipients.

*adopted
5-11-07*

25-LS0211\MA.4
Mischel
5/10/07

AMENDMENT ↓

OFFERED IN THE HOUSE

BY REPRESENTATIVE MEYER

TO: CSSB 27(FIN) am

- 1 Page 1, lines 2 - 3:
- 2 Delete "**disabled persons, and persons in medical or intermediate care facilities**"
- 3 Insert "**and disabled persons**"

*Withdrawn
5-11-07*

AMENDMENT 2

OFFERED IN THE HOUSE

BY: REPRESENTATIVE GARA

TO: CSSB 27(FIN)am

Page 3, Line 26, following "poverty":

DELETE: "line"
INSERT "guideline"

Page 4, Line 6, following "poverty":

DELETE: "line"
INSERT "guideline"

amended

Page 4, Line 29, following "poverty":

DELETE: "line"
INSERT "guideline"

Page 5, Line 25, following "poverty":

DELETE: "line"
INSERT "guideline"

25-LS 021NE

Passed FIN
 Eⁿ Version 5/8/07

CS SB 27	2008	2009	2010	2011	2012	2013
DENALI KID CARE at 175%						
Additional Children Served	1277	1302	1328	1355	1382	1410
Additional Pregnant Women Served	218	223	227	232	236	241
	1495	1525	1555	1587	1618	1651
Annual Medicaid program costs	\$2,651.3	\$2,879.3	\$3,126.9	\$3,395.9	\$3,687.9	\$4,005.0
Annual Administrative Costs	\$40.2	\$76.0	\$76.0	\$76.0	\$76.0	\$76.0
TOTAL COSTS CSSB 27 (Fin)	\$2,691.5	\$2,955.3	\$3,202.9	\$3,471.9	\$3,763.9	\$4,081.0
Federal Share	\$1,907.4	\$2,030.4	\$2,189.9	\$2,375.2	\$2,576.4	\$2,795.0
General Fund Share	\$783.5	\$923.8	\$1,011.9	\$1,095.6	\$1,186.4	\$1,284.9
Inter/Agency Funds	0.6	1.1	1.1	1.1	1.1	1.1

Alaska State Legislature

Interim: (May - Dec.)
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Anchorage, AK 99501
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Session: (Jan. - May)
State Capitol, Suite 30
Juneau, AK 99801-1182
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Fax: (907) 465-3756
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Senator Bettye Davis@legis.state.ak.us
<http://www.akdemocrats.org>

Senator Bettye Davis

May 9, 2007

Representatives Chenault and Meyer, Co-Chairs
House Finance Committee, Room 519
State Capitol Building
Juneau, Alaska 99801

RE: Request for Hearing -CS for Senate Bill No. 27 -25-LS0211AE
"An Act relating to eligibility requirements for medical assistance for certain children, pregnant women, disabled persons, and persons in medical or intermediate care facilities and providing for an effective date."

Dear Representatives Chenault and Meyer:

Please find attached CS for Senate Bill No. 27 -25-LS0211AE referred from Senate Finance and Rules committees. This bill restores the Denali KidCare Program at 175% Federal Poverty Level. This bill partially reverses the effect of legislation effective September, 2003, that reduced and froze the Medicaid income eligibility standard for certain children and pregnant women whose eligibility is managed through the Denali KidCare program. This bill will provide for an additional 1277 children and 218 pregnant women out of the 3000 who were dropped from the rolls since 2003 when the funding for Denali KidCare was reduced from 200% to 175% and currently is at 154% of the Federal Poverty Level. Without this legislation more than 1,000 children will immediately drop off the rolls of health insurance under the State Children Health Insurance Program (SCHIP) which is funded by the federal government at an enhanced level of 70%, and the state stands to lose millions in federal funding.

Revised fiscal notes and a fiscal summary are attached.

Sincerely,

Bettye Davis
Bettye Davis



May 11, 2007

The Honorable Mike Chenault, Co-Chair
House Finance Committee
Alaska State Capitol, Room 505
Juneau, AK 99801-1182

The Honorable Kevin Meyer, Co-Chair
House Finance Committee
Alaska State Capitol, Room 515
Juneau, AK 99801-1182

RE: SB 27 (Davis)--Support

Dear Co-Chairs Chenault and Meyer:

On behalf of the members of AARP in Alaska, we strongly encourage you and your colleagues on the House Finance Committee to support SB 27, authored by Senator Bettye Davis and co-sponsored by Senators Wielechowski, McGuire, Elton, Ellis, French and Kookesh.

AARP is the world's largest organization of grandparents. Our 90,000 AARP members in Alaska are concerned about the health of their grandchildren as well as everyone else's grandkids.

Many of our members enjoy the security of health insurance from Medicare and understand how important good coverage is to their wellness and pocketbooks.

AARP stands in strong support of this effort to take Denali KidCare to a higher eligibility level and allow more children and pregnant women to secure health coverage.

Ensuring that children have affordable health care coverage is a priority for all of us who care about our children, grandchildren, and our country's future.

Denali KidCare is an essential building block in efforts to reform our health care system. AARP believes that every American should have access to high quality, affordable health coverage no matter where they live. Health care reform is coming. But we cannot wait for Congress. We need to strengthen Denali KidCare now.

Thousands of children who would otherwise be uninsured are receiving needed health care because of this program. In fact, since Congress first authorized the states to begin the program, the percentage of uninsured children has fallen by a third over the past decade, while at the same time the number of uninsured adult Americans continued to grow.

Together, Denali KidCare and Medicaid have been an essential buffer as fewer employers offer coverage that families can afford.

Covering children's health care needs is a cost-effective use of taxpayer dollars, given the substantial long-term benefits that relatively low-cost children's health care coverage can provide. After all, productive working years and healthy aging both require an early start.

The success of Denali KidCare is far from complete, however. Many children remain uninsured – many lost coverage because of changes to Denali KidCare when the income eligibility level was lowered and, because of the flat eligibility level, more children are dropped from the program every year.

We can no longer allow so many children to go without access to proper health care. Our nation has a duty to give all children the best possible start in life. Failure to address children's health needs unwisely raises the risk of increasing health care costs and developing future generations who will be less healthy as they age.

By working together to improve Denali KidCare through adequate funding, effective enrollment, and appropriate pediatric preventive care, we can strengthen the bonds between generations and build a healthier future for all of us of every age.

AARP recommends an "AYE" vote on SB 27.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Bill Stoltze
Representative Richard Foster
Representative Mike Hawker
Representative Bill Thomas
Representative Harry Crawford
Representative Les Gara
Representative Reggie Joule
Representative Mike Kelly
Representative Mary Nelson
Senator Bettye Davis