

**SB 78**  
**BILL INFO**  
**&**  
**RESEARCH**  
**(FILE 1)**

<TARGET><BILL>SB 78</BILL><SUBJECT>SB 78 BILL  
INFORMATION and RESEARCH (FILE  
1)</SUBJECT><COMM>SHSS29</COMM></TARGET>

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Governor Bill Walker  
STATE OF ALASKA

March 17, 2015

The Honorable Kevin Meyer  
President of the Senate  
Alaska State Legislature  
State Capitol, Room 111  
Juneau, AK 99801-1182

Dear President Meyer:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to eligibility for medical assistance.

The bill would make technical amendments to AS 47.07.020 related to Medicaid eligibility and would authorize Medicaid expansion as permitted under the Patient Protection and Affordable Care Act.

The bill also would provide express authority for the Department of Health and Social Services to engage in various Medicaid cost containment and reform measures, including expanding the use of waivers, using demonstration projects to engage in innovative practices, and expanding telemedicine capability and reimbursement to incentivize innovative service delivery models.

Finally, the bill would amend a number of existing statutes that are designed to assist the Department of Health and Social Services in its oversight of Medicaid providers.

Medicaid expansion and Medicaid reform are in the best interest of the state, and I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in cursive script that reads "Bill Walker".

Bill Walker  
Governor

Enclosure

Prepared by the Department of Health and Social Services

SB 78, "An Act relating to medical assistance reform measures; relating to eligibility for medical assistance coverage; relating to medical assistance cost containment measures by the Department of Health and Social Services; and providing for an effective date."

Sectional Analysis:

Section 1

Adopts intent language and legislative findings related to Medicaid expansion and the need to reform the existing Medicaid program, including instructing the Department of Health and Social Services (DHSS) to propose legislation to implement a provider tax in January 2016, to help offset the cost of the Medicaid program .

Section 2

Amends AS 44.23.075 to exclude the expansion population from the current Permanent Fund Hold Harmless program.

Section 3

Amends AS 47.05.200(a) to clarify the minimum number of audits that DHSS should conduct each year, along with instructions that DHSS, should to the extent possible, minimize duplicative state and federal audits for Medicaid providers.

Section 4

Amends AS 47.05.200(b) to allow DHSS to impose interest penalties on identified overpayments using the post judgment statutory rate.

Section 5

Adopts AS 47.05.250 that authorizes DHSS to develop provider fines through regulation for violations of AS 47.05, AS 47.07 or regulations adopted under those chapters.

Section 6

Amends AS 47.07.020(b) including technical corrections related to eligibility for Medicaid authorized under the Affordable Care Act. This section also provides the authority for DHSS to expand Medicaid to adults aged 19-64 who are not caring for dependent children, are not disabled or pregnant, and who earn at or below 138 percent of the federal poverty guidelines for Alaska including the 5 percent income disregard.

Section 7 and 8

Amends AS 47.07.020(g) and (m) to clarify when DHSS may impose transfer of asset penalties when determining eligibility for Medicaid.

Section 9 and 10

Amends AS 47.07.036(b) and adds AS 47.07.036(d) to outline cost containment and reform measures that DHSS must undertake, including seeking demonstration waivers, applying for other options under the Medicaid Act and improving telemedicine for Medicaid recipients.

Section 11 and 12

Amends AS 47.07.900(4) and (17) to remove the requirement that behavioral health providers be a grantee of the state of Alaska in order to bill Medicaid.

Section 13

Instructs DHSS to amend any state plan it has with the federal government to be consistent with this Act.

Section 14

Authorizes DHSS to engage in emergency rule making under the Alaska Administrative Code to implement Medicaid reform measures and the provisions of this Act.

Section 15

Instruct the Revisor of Statutes to make technical amendments to the title of AS 47.07.036 to conform to amendments in this Act.

Section 16

Provides that Section 13 and 14 are effective immediately

Section 17

Provides that Section 1- 12 and 15 of the Act are effective on July 1, 2015.

Governor's Medicaid Overhaul Bill – Fiscal Note Overview, March 16, 2015

- This bill enables participation in the federal expansion of Medicaid while also providing realistic reforms with achievable deadlines for Alaska's Medicaid program.
- In FY2016 (the implementation year), the state will see a reduction in the general fund budget of \$6.5 million. The federal government, not the state, is going to pay \$146 million in health costs for Alaskans that year.
- Savings will pick up considerably in the years following FY2017 as reform efforts take effect and Alaskans see an increasing proportion of health care services paid for by the federal government.
- Ultimately, Alaskans will receive \$1.44 billion in federal funds and a savings of \$330 million in the general fund budget over the years FY2016 –FY2021.

Where, specifically, do these savings and revenues come from? They are described in detail in the fiscal notes accompanying the bill. Here is a summary of those fiscal notes:

OMB Number	Informal Title of Fiscal Note	What Fiscal Note does	Effect on Alaskans	Effect on the Budget
2077	Medicaid Services Expansion and Reform	Allows Medicaid expansion to provide coverage for a wide range of health care services for adults and establishes Medicaid reforms that improve partnerships with tribal providers and prevent waste, fraud, and abuse among all providers.	Provides coverage for a wide range of health services, encourage better health for Alaskans and reduce uncompensated care; and encourages development of a strong network of health care providers in Alaska, especially among tribal providers.	Expansion that results in \$132 million in federal funding to Alaskans in FY2016 and more in future years.

OMB Number	Informal Title of Fiscal Note	What Fiscal Note does	Effect on Alaskans	Effect on the Budget
2839	Adult Dental Care Medicaid Services	Allows Medicaid expansion coverage for non-emergency adult dental services in the newly eligible population	Provides coverage for preventive and primary dental care to help avoid emergency and uncompensated dental care	100% of the costs for these services are paid by federal Medicaid in 2016—bringing Alaska \$5.38 million for adult dental services
2660	Behavioral Health Medicaid Services	Allows Medicaid expansion and reform coverage for services to those with behavioral health issues – which are currently funded through state grants	More Alaskans with behavioral health needs (mental health, substance abuse disorders) gain coverage for their treatment needs.	Federal funding for behavioral health needs is increased thanks to expansion, bringing \$4.7 million in federal funds to Alaska in FY2016 and more in future years. The general fund increases are offset by reductions in behavioral grants (FN 3099).
2662	Senior and Disabilities Medicaid Services	Expands and reforms Medicaid coverage for those in need of personal care or other assistance due to disabilities and other conditions that don't yet meet current eligibility levels for disability under existing Medicaid.	Alaskans with disabling conditions gain coverage for personal care assistance and other services, encouraging independent living.	Medicaid expansion will bring \$2.9 million in federal funds to Alaska in FY2016 and more in future years. Thanks to reforms, services currently paid entirely or partly by general fund dollars will have a greater portion paid for by federal funds.

OMB Number	Informal Title of Fiscal Note	What Fiscal Note does:	Effect on Alaskans	Effect on the Budget
236	Public Assistance Field Services	Allows hire of 23 technicians to manage the increased number of Medicaid applications.	Applications from new eligible Alaskans processed in a timely manner.	The \$2.7 million cost for these additional employees in FY2016 will be 50% funded through federal Medicaid and 50 % funded by the AK Mental Health Trust in FY2016.
3099	Behavioral Health Treatment and Recovery Grants	Reduces grant funding for behavioral health services as Medicaid coverages pays more of these services.	More Alaskans gain coverage for mental health and substance abuse disorders.	The amount of general funds needed for behavioral health grants is reduced by \$1.6 million in FY2016 and significantly more in future years as Medicaid covers these services.
2330	Chronic and Acute Medical Assistance (CAMA)	Reduces amount of general fund dollars needed for this program.	Most Alaskans receiving coverage through CAMA will become eligible for Medicaid under expansion.	The amount of general fund dollars needed for this program is reduced by \$1 million in FY2016 and more in future years.

OMB Number	What Fiscal Note Does	What Fiscal Note Does:	Effect on Alaskans	Effect on the Budget
2665	DHSS/Division of Behavioral Health Administration	Allows hire of an administrator to develop the "1915(i) option" – a Medicaid reform.	Successful development of the 1915(i) option saves Alaskans money for services to those with Alzheimer's disease, traumatic brain injury, severe mental illness, and other conditions.	Successful development of this reform will allow Alaska to have 50% of services for these individuals to be paid by federal funds instead of 100% from the general fund. Half the funding for this position would be paid through the state general fund, half through federal funds.
309	Community Development Disabilities Grants	Allows the state to participate in the 1915(i) Medicaid reform option and reduce general funds for this program.	This program provides homes and community-based services to help Alaskans live independently. Successful development of the 1915(i) option saves Alaskans money for services to those with Alzheimer's disease, traumatic brain injury, severe mental illness, and other conditions	Successful development of this reform will allow Alaska to get 50% of services for these individuals to be paid by federal funds instead of 100% general fund dollars. Savings to begin in FY2018.
2875	General Relief/Temporary Assisted Living Grants	Allows the state to participate in the 1915(i) Medicaid reform option and reduce general funds for this program.	This program serves Alaskans in need of assistance but ineligible for other grant programs. Successful development of the 1915(i) option saves Alaskans money for services to those with Alzheimer's disease, traumatic brain injury, severe mental illness, and other conditions.	Successful development of this reform will allow Alaska to have 50% of services for these individuals to be paid by federal funds instead of 100% general funds. Savings to begin in FY2018.

OMB Number	Informal Title of Fiscal Note	What Fiscal Note Does	Effect on Alaskans	Effect on the Budget
242	Medical Assistance Administration	Allows hire of three administrators in FY2016 and an additional two by FY2020 to manage the increased number of claims brought by Medicaid expansion and reform.	Successful processing of Medicaid claims and development of the tribal "1115" waiver program ensures maximum use of federal Medicaid dollars.	Successful development of expansion and the "1115" reform will enable services either completely or only partially paid by Medicaid to have a greater portion funded by Medicaid in FY2016 and beyond. 50% of the funding for these positions will be paid for by federal Medicaid and 50% will be paid by the MH Trust in FY2016.
2696	Office of Rate Review Provider Tax Development	Provides funding for the Office of Rate Review to develop and propose a provider tax to help offset costs for Medicaid expansion.	Successful development of a provider tax will require significant stakeholder involvement and public input. This funding ensures all points of view are considered in development of this tax.	A provider tax will help offset the costs of Medicaid expansion to the state. This one-time cost of \$4,500 will be used for development.
2787	Senior and Community Based Grants	Reduces the amount of general grant funding needed for Adult Day and Senior In-Home Services, from 100% state general funds to 50% fed/50% state funds.	Successful development of this reform saves Alaskans money for services to those with significant disabilities, who do not meet a nursing level of care.	Successful development of this reform will allow Alaska to have 50% of services for these individuals to be paid by federal funds instead of 100% general funds. Savings to begin in FY2018.

OMB Number	Informal Title of Fiscal Note	What Fiscal Note Does	Effect on Alaskans	Effect on the Budget
2663	Senior and Disabilities Services Administration	Allows the hire of administrators to develop two Medicaid reform options, "1915(i)" and "1915(k)"	Services under these reforms reduce general fund expenditures by replacing 100% general fund services with 50% federal funds -- or to capture a higher federal match rate.	Successful development of these reforms will allow Alaskans to capture more or higher federal match rates. At least 50% of the costs for these positions will be paid by federal funds.
2952	Department of Corrections Health Care	Reduces the amount of general fund the state must pay for health care of inmates	Many inmates in Alaska prisons will be eligible for Medicaid under expansion. The state will be able to access Medicaid dollars to pay for their serves instead of funding their services 100% through general fund dollars.	The Department of Corrections expects to realize \$4.1 million in general fund savings in FY2016 and more in successive years.
2771	Department of Administration Office of Administrative Hearings	Increases the ability of the OAH to manage referred Medicaid claims	With increased Medicaid eligibility comes the likelihood that more claims for Medicaid coverage will be denied and, in turn, that more of these decisions will be appealed. This request helps the AOH deal with that workload.	This cost is expected to be \$16,800 in FY2016, then increase and stabilize to \$22,300 by FY20121.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	1
(S) Publish Date:	3/18/2015

Identifier: 0055-DHSS-APDMS-03-16-15  
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Health and Social Services  
 Appropriation: Medicaid Services  
 Allocation: Adult Preventative Dental Medicaid Services  
 OMB Component Number: 2839

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	5,381.2		6,454.2	7,598.6	7,871.6	8,156.0	8,307.0
Miscellaneous							
<b>Total Operating</b>	<b>5,381.2</b>	<b>0.0</b>	<b>6,454.2</b>	<b>7,598.6</b>	<b>7,871.6</b>	<b>8,156.0</b>	<b>8,307.0</b>

## Fund Source (Operating Only)

1002 Fed Rcpts	5,381.2		6,312.2	7,233.9	7,422.9	7,552.5	7,584.3
1003 G/F Match			142.0	364.7	448.7	603.5	722.7
<b>Total</b>	<b>5,381.2</b>	<b>0.0</b>	<b>6,454.2</b>	<b>7,598.6</b>	<b>7,871.6</b>	<b>8,156.0</b>	<b>8,307.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/15

## Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By:	Margaret Brodie, Director	Phone:	(907)334-2520
Division:	Health Care Services	Date:	03/14/2015 04:25 PM
Approved By:	Sarah Woods, Deputy Director Finance & Management Services	Date:	03/16/15
Agency:	Health & Social Services		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

**Analysis**

Section 6 of the bill expands Medicaid coverage to a new group: adults 19 through 64 years of age who are currently not eligible for Medicaid or Medicare who have income at or below 138% of the Federal Poverty Level (FPL) for Alaska. We estimate 20,066 enrollees in FY2016; 23,273 enrollees in FY2017; 26,492 in FY2018; 26,535 in FY2019; 26,580 in FY2020; and 26,623 in FY2021.

Alaska Medicaid will cover the newly eligible population for non-emergent adult dental services up to a limit of \$1,150 annually. These services include preventive and restorative care such as cleanings, exams, crowns, root canals, and dentures.

Note: The effective federal match rate for the expansion population is based on calendar year. To estimate savings based on state fiscal year we averaged the calendar rates to approximate the fiscal year federal medical assistance percentage (FMAP) rates; we also adjusted the rates to reflect enhanced federal match for tribal services provided to Indian Health Service beneficiaries. These rates are: 100% in FY2016, 97.8% in FY2017, 95.2% in FY2018, 94.3% in FY2019, 92.6% in FY2020, and 91.3% in FY2021.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	2
(S) Publish Date:	3/18/2015

Identifier: 0055-DHSS-BHA--03-15-15  
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Health and Social Services  
 Appropriation: Behavioral Health  
 Allocation: Behavioral Health Administration  
 OMB Component Number: 2665

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Personal Services	100.9		100.9	100.9	100.9	100.9	100.9
Travel	2.0		2.0	2.0	2.0	2.0	2.0
Services	9.4		9.4	9.4	9.4	9.4	9.4
Commodities	8.1		0.5	0.5	0.5	0.5	0.5
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>120.4</b>	<b>0.0</b>	<b>112.8</b>	<b>112.8</b>	<b>112.8</b>	<b>112.8</b>	<b>112.8</b>

**Fund Source (Operating Only)**

1002 Fed Rcpts	60.2		56.4	56.4	56.4	56.4	56.4
1003 G/F Match	60.2		56.4	56.4	56.4	56.4	56.4
<b>Total</b>	<b>120.4</b>	<b>0.0</b>	<b>112.8</b>	<b>112.8</b>	<b>112.8</b>	<b>112.8</b>	<b>112.8</b>

**Positions**

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

**Change in Revenues**

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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2016) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

**Why this fiscal note differs from previous version:**

Not applicable, initial version.
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Prepared By: Albert Wall, Director	Phone: (907)465-4841
Division: Behavioral Health	Date: 03/15/2015 02:45 PM
Approved By: Sarah Woods, Deputy Director Finance & Management Services	Date: 03/15/15
Agency: Health & Social Services	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

**Analysis**

Section 10 of the bill directs the department to apply for the 1915(i) option under Medicaid. The 1915(i) option provides a federal match of 50%%, reducing general fund needed by 50%.

A single FTE will be required for program development, coordination and oversight beginning in FY2016 (50% federal and 50% GF match).

**Staffing:**

Health Program Manger II (1 FTE, GP, Range 19, in Anchorage) at \$100.9 annually.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	3
(S) Publish Date:	3/18/2015

Identifier: 0055-DHSS-BHMS-03-16-15  
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Health and Social Services  
 Appropriation: Medicaid Services  
 Allocation: Behavioral Health Medicaid Services  
 OMB Component Number: 2660

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	FY2016 Governor's Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	4,799.5		5,323.5	16,728.5	21,227.5	26,534.9	26,605.2
Miscellaneous							
<b>Total Operating</b>	<b>4,799.5</b>	<b>0.0</b>	<b>5,323.5</b>	<b>16,728.5</b>	<b>21,227.5</b>	<b>26,534.9</b>	<b>26,605.2</b>

**Fund Source (Operating Only)**

1002 Fed Rcpts	4,799.5		5,206.4	12,846.0	16,984.6	21,354.2	21,162.9
1003 G/F Match			117.1	3,882.5	4,242.9	5,180.7	5,442.3
<b>Total</b>	<b>4,799.5</b>	<b>0.0</b>	<b>5,323.5</b>	<b>16,728.5</b>	<b>21,227.5</b>	<b>26,534.9</b>	<b>26,605.2</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2016) cost:** 0.0 (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

**Why this fiscal note differs from previous version:**

Not applicable, initial version.

Prepared By:	Albert Wall, Director	Phone:	(907)465-4841
Division:	Behavioral Health	Date:	03/15/2015 10:00 PM
Approved By:	Sarah Woods, Deputy Director Finance & Management Services	Date:	03/16/15
Agency:	Health & Social Services		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

## Analysis

**Section 6** of the bill expands Medicaid coverage to a new group: adults 19 through 64 years of age who are currently not eligible for Medicaid or Medicare who have income at or below 138% of the Federal Poverty Level (FPL) for Alaska. We estimate 20,066 enrollees in FY2016; 23,273 enrollees in FY2017; 26,492 in FY2018; 26,535 in FY2019; 26,580 in FY2020; and 26,623 in FY2021.

As Medicaid financing for the expansion group becomes available for behavioral health services, the Department will be able to reduce general fund grants. This will be accomplished through a phased process in order to stabilize services and avoid service reductions in communities.

**Section 10** directs the Department to apply for the section 1915(i) option. This option will serve Medicaid-eligible adults with behavioral health needs that result in multiple admissions to inpatient or residential care. The population includes homeless, those re-entering from incarceration, and others who intermittently use services.

Note: The effective federal match rate for the expansion population is based on calendar year. To estimate savings based on state fiscal year we averaged the calendar rates to approximate the fiscal year federal medical assistance percentage (FMAP) rates; we also adjusted the rates to reflect enhanced federal match for tribal services provided to Indian Health Service beneficiaries. These rates are: 100% in FY2016, 97.8% in FY2017, 95.2% in FY2018, 94.3% in FY2019, 92.6% in FY2020, and 91.3% in FY2021.

Plan and regulation changes are required to implement these changes. The estimated effective date of regulation changes is July 2017.

The federal match rate for the 1915(i) option is the regular match rate, usually 50% but 65% for the Children's Health Insurance Program (CHIP) and 100% for tribal services provided to Indian Health Service beneficiaries. Behavioral Health Medicaid Services average 56% federal match.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	4
(S) Publish Date:	3/18/2015

Identifier: 0055-DHSS-CCIA-03-16-15  
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Health and Social Services  
 Appropriation: Health Care Services  
 Allocation: Catastrophic and Chronic Illness Assistance (AS 47.08)  
 OMB Component Number: 2330

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates				
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	(1,000.0)		(1,300.0)	(1,400.0)	(1,471.0)	(1,471.0)	(1,471.0)
Miscellaneous							
<b>Total Operating</b>	<b>(1,000.0)</b>	<b>0.0</b>	<b>(1,300.0)</b>	<b>(1,400.0)</b>	<b>(1,471.0)</b>	<b>(1,471.0)</b>	<b>(1,471.0)</b>

**Fund Source (Operating Only)**

1004 Gen Fund	(1,000.0)		(1,300.0)	(1,400.0)	(1,471.0)	(1,471.0)	(1,471.0)
<b>Total</b>	<b>(1,000.0)</b>	<b>0.0</b>	<b>(1,300.0)</b>	<b>(1,400.0)</b>	<b>(1,471.0)</b>	<b>(1,471.0)</b>	<b>(1,471.0)</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2016) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/15

**Why this fiscal note differs from previous version:**

Not applicable, initial version.
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Prepared By: Margaret Brodie, Director	Phone: (907)334-2520
Division: Health Care Services	Date: 03/14/2015 12:00 PM
Approved By: Sarah Woods, Deputy Director Finance & Management Services	Date: 03/16/15
Agency: Health & Social Services	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

**Analysis**

Chronic and Acute Medical Assistance (CAMA) is a state-funded program serving just under 500 low-income Alaskans each month who have inadequate or no health insurance, but who do not qualify for Medicaid. CAMA provides limited services to eligible individuals only if diagnosed with one of the following conditions:

Terminal illness  
Cancer requiring chemotherapy  
Chronic diabetes or diabetes insipidus  
Chronic seizure disorder  
Chronic mental illness  
Chronic hypertension

Covered services for those who qualify for CAMA are limited and specific to the medical condition.

The services provided under this program will begin being absorbed by Medicaid expansion on July 1, 2015.

FY2016 will see a cost savings to the general fund by shifting expenses to federal funds for the newly eligible adult group, at 100% federal participation.

The department will continue to see an escalating cost savings in the Catastrophic and Chronic Illness Assistance component of \$1,300.0 in FY2017 and a savings of \$1,400.0 in FY2018. The department anticipates a savings of \$1,471.0 from FY2019 and beyond.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	5
(S) Publish Date:	3/18/2015

Identifier: 0055-DHSS-CDDG-03-14-15  
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Health and Social Services  
 Appropriation: Senior and Disabilities Services  
 Allocation: Community Developmental Disabilities Grants  
 OMB Component Number: 309

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits				(11,635.8)	(11,635.8)	(11,635.8)	(11,635.8)
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(11,635.8)</b>	<b>(11,635.8)</b>	<b>(11,635.8)</b>	<b>(11,635.8)</b>

**Fund Source (Operating Only)**

1004 Gen Fund				(11,635.8)	(11,635.8)	(11,635.8)	(11,635.8)
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(11,635.8)</b>	<b>(11,635.8)</b>	<b>(11,635.8)</b>	<b>(11,635.8)</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2016) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

**Why this fiscal note differs from previous version:**

Not applicable, initial version.

Prepared By: Duane Mayes, Director	Phone: (907)269-2083
Division: Senior and Disabilities Services	Date: 03/14/2015 05:50 PM
Approved By: Sarah Woods, Deputy Director Finance & Management Services	Date: 03/14/15
Agency: Health & Social Services	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

**Analysis**

Section 10 of the bill directs the Department to apply for the 1915(i) option under Medicaid.

Individuals receiving home and community based services through the Community Developmental Disabilities Grant (CDDG) program must meet the eligibility requirements in AS 47.80.900. The CDDG program provides home and community-based services to support individuals' desire to live as independently as they are able.

The department will use the 1915(i) funding option to refinance the Community Developmental Disabilities Grant program using the following assumptions:

953 individuals accessed CDDG services in FY2014 with an average cost per recipient of \$12.2 per individual per year.

Current program and funding (general fund) = \$11,635.8; Average cost per individual = \$12.2

Estimated general fund to be refinanced with Federal Funds = \$11,635.8

State Plan and regulation changes are required to implement the new option and would involve extensive public comment. The Department expects the 1915(i) option to be implemented by FY2018.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	6
(S) Publish Date:	3/18/2015

Identifier: 0055-DHSS-GRTAL-03-16-15  
Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: Governor

Department: Department of Health and Social Services  
Appropriation: Senior and Disabilities Services  
Allocation: General Relief/Temporary Assisted Living  
OMB Component Number: 2875

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits				(4,494.3)	(4,494.3)	(4,494.3)	(4,494.3)
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(4,494.3)</b>	<b>(4,494.3)</b>	<b>(4,494.3)</b>	<b>(4,494.3)</b>

## Fund Source (Operating Only)

1004 Gen Fund				(4,494.3)	(4,494.3)	(4,494.3)	(4,494.3)
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(4,494.3)</b>	<b>(4,494.3)</b>	<b>(4,494.3)</b>	<b>(4,494.3)</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

## Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By:	Duane Mayes, Director	Phone:	(907)269-2083
Division:	Senior and Disabilities Services	Date:	03/14/2015 05:30 PM
Approved By:	Sarah Woods, Deputy Director Finance & Management Services	Date:	03/16/15
Agency:	Health & Social Services		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

**Analysis**

Section 10 of the bill directs the department to apply for the 1915(i) option under Medicaid.

General Relief/Temporary Assistance (GR) provides temporary residential care for vulnerable adults who are ineligible for assistance from other programs. The department will use the 1915(i) funding option to refinance this 100% General Fund-funded program for Medicaid-eligible individuals.

Current funding for GR program: \$8,113.0

Total number served: 630

Average cost per individual: \$12,878.00

Estimated eligible for 1915(i): 349

General fund to be refinanced w/Medicaid: \$ 4,494.3

State Plan and regulation changes are required to implement the new option and would involve extensive public comment. The Department expects the 1915(i) option to be implemented by FY2018.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	7
(S) Publish Date:	3/18/2015

Identifier: 0055-DHSS-HCMS-03-16-15  
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Health and Social Services  
 Appropriation: Medicaid Services  
 Allocation: Health Care Medicaid Services  
 OMB Component Number: 2077

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	132,281.4		159,036.6	184,612.1	187,091.9	189,903.5	193,751.9
Miscellaneous							
<b>Total Operating</b>	<b>132,281.4</b>	<b>0.0</b>	<b>159,036.6</b>	<b>184,612.1</b>	<b>187,091.9</b>	<b>189,903.5</b>	<b>193,751.9</b>

**Fund Source (Operating Only)**

1002 Fed Rcpts	132,348.9		162,169.7	201,919.6	233,134.9	232,554.2	264,096.2
1003 G/F Match			(2,998.2)	(17,130.1)	(45,823.2)	(42,430.9)	(70,124.5)
1108 Stat Desig	(67.5)		(134.9)	(177.4)	(219.8)	(219.8)	(219.8)
<b>Total</b>	<b>132,281.4</b>	<b>0.0</b>	<b>159,036.6</b>	<b>184,612.1</b>	<b>187,091.9</b>	<b>189,903.5</b>	<b>193,751.9</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2016) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/16

**Why this fiscal note differs from previous version:**

Not applicable, initial version.

Prepared By:	Margaret Brodie, Director	Phone:	(907)334-2520
Division:	Health Care Services	Date:	03/15/2015 10:03 PM
Approved By:	Sarah Woods, Deputy Director Finance & Management Services	Date:	03/16/15
Agency:	Health & Social Services		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

## Analysis

**Expansion:**

Section 6 of the bill expands Medicaid coverage to a new group: adults 19 through 64 years of age who are currently not eligible for Medicaid or Medicare who have income at or below 138% of the Federal Poverty Level (FPL) for Alaska. We estimate 20,066 enrollees in FY2016; 23,273 enrollees in FY2017; 26,492 in FY2018; 26,535 in FY2019; 26,580 in FY2020; and 26,623 in FY2021. The effective federal match rate for the expansion population is based on calendar year. To estimate savings based on state fiscal year we averaged the calendar rates to approximate the fiscal year federal medical assistance percentage (FMAP) rates; we also adjusted the rates to reflect enhanced federal match for tribal services provided to Indian Health Service beneficiaries. These rates are: 100% in FY2016, 97.8% in FY2017, 95.2% in FY2018, 94.3% in FY2019, 92.6% in FY2020, and 91.3% in FY2021.

The Health Care Medicaid Services component covers a range of both direct and indirect health care services for eligible Alaskans.

Regulations will be required to implement several provisions of the bill, both for expansion and for reform, beginning with regulations effective July 1, 2015.

**1115 Waiver:**

Under Section 10 of the bill, the Department is directed to apply for an 1115 Demonstration Waiver to use innovative service delivery models to improve Medicaid use of tribal health providers. The Department anticipates that it will apply and be approved for a waiver, beginning in FY2017. Initially, the waiver would consolidate medical transportation management of travel of Medicaid eligible, Indian Health Service (IHS) beneficiaries through tribal facilities. A second phase of the waiver, estimated to begin in FY2019, would seek to transition the provision of most, if not all, tribal services to Medicaid eligible, IHS beneficiaries through the demonstration waiver, consolidating the management and delivery of medically necessary services provided directly through tribal facilities and those contracted or referred to non-tribal facilities.

Under federal rules, Medicaid services provided at or through tribal health facilities to Medicaid eligible, IHS beneficiaries are funded at a 100% federal match rate. The Department anticipates that this waiver will substantially increase the percentage of Medicaid services provided to Medicaid eligible, IHS beneficiaries at the 100% federal match rate. The Department recognizes that the degree of savings is directly contingent on the provisions of the waiver that CMS approves.

We assume that in FY2017, 25% of all travel for Medicaid eligible, IHS beneficiaries will be covered under the waiver, with a general fund savings of \$6,500.0. In FY2018, we assume 100% of all travel will be covered, with a general fund savings of \$26,000.0. In FY2019 and 2020, we anticipate an additional \$30,500.0 annually in general fund savings for increased coverage of other services through tribal facilities, for a combined general fund savings of \$56,500.0. For FY2021, we assume savings of \$26,000.0 in travel and \$61,000.0 for other services through tribal facilities, for a combined general fund savings of \$87,000.0.

**Fines:**

Section 5 of this legislation grants the Department of Health and Social Services the authority to assess civil fines against Medicaid providers, in the event they are found to have violated AS 47.05, AS 47.07, or regulations adopted under these chapters. Fines are to be assessed within a range of from \$100 to \$25,000 per occurrence or offense. There is no additional cost to the department to implement fines under this section.

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

BILL NO. 0 \_\_\_\_\_

### Analysis Continued

Recoveries based on implementing fines in this section are calculated by taking the estimated number of civil fines and applying an average fine amount. It is estimated the amount of fines imposed per recovery will increase over time, but the number of fines assessed will decrease over time. In addition there would be a phase-in for the first year. The estimated amount of the recoveries would be \$25.0 in FY2016 and \$50.0 in subsequent years.

#### Interest:

Section 4 of the bill allows the Department to assess interest on recoveries for audits performed under AS 47.05.200 as well as other audits and reviews conducted by the state and federal government.

There is no additional cost to the department to implement interest penalties on identified overpayments, but recoveries will increase.

The Department estimates it will take four years to reach the current volume of outstanding appeals subject to interest penalties. Interest penalty recoveries are calculated by taking the current amount of outstanding appeals and applying an estimated recovery percentage. The result is multiplied by the statutory rate for post judgment interest of 3.75% and phased in over a period of four years, as shown below.

Amount of Interest Penalty Recoveries FY2016	\$ 42,455
Amount of Interest Penalty Recoveries FY2017	\$ 84,910
Amount of Interest Penalty Recoveries FY2018	\$127,365
FY2019 and beyond	\$169,821

#### Audits:

Section 3 of the bill decreases the number of required audits of Medicaid providers, conducted by an independent contractor, from at least 75 annual to at least 50 annually. Audits are conducted on a representative sample of all Medicaid providers in order to identify both overpayments and violations of criminal statutes. The department is directed to attempt to minimize concurrent state or federal audits of specific providers.

This section of the bill will have no fiscal impact on the department. Any change in the cost of audits is estimated to be offset by a change in recoveries.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	8
(S) Publish Date:	3/18/2015

Identifier: 0055-DHSS-MAA-03-17-15  
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Health and Social Services  
 Appropriation: Health Care Services  
 Allocation: Medical Assistance Administration  
 OMB Component Number: 242

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Personal Services	463.6		463.6	576.2	576.2	688.8	688.8
Travel	2.0		2.0	2.0	2.0	2.0	2.0
Services	37.6		37.6	47.0	47.0	56.4	56.4
Commodities	38.4		8.0	17.6	10.0	19.6	12.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>541.6</b>	<b>0.0</b>	<b>511.2</b>	<b>642.8</b>	<b>635.2</b>	<b>766.8</b>	<b>759.2</b>

## Fund Source (Operating Only)

1002 Fed Rcpts	270.8		255.6	321.4	317.6	383.4	379.6
1003 G/F Match	65.8		255.6	321.4	317.6	383.4	379.6
1092 MHTAAR	205.0						
<b>Total</b>	<b>541.6</b>	<b>0.0</b>	<b>511.2</b>	<b>642.8</b>	<b>635.2</b>	<b>766.8</b>	<b>759.2</b>

## Positions

Full-time	4.0		4.0	5.0	5.0	6.0	6.0
Part-time							
Temporary							

## Change in Revenues

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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/16

## Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: Margaret Brodie, Director  
 Division: Health Care Services  
 Approved By: Sarah Woods, Deputy Director Finance & Management Services  
 Agency: Health & Social Services

Phone: (907)334-2520  
 Date: 03/15/2015 03:00 PM  
 Date: 03/17/15

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

## Analysis

**Medicaid Expansion:**

Health Care Services projects that it will need a total of five staff positions to fully implement Medicaid expansion. Beginning with FY2016, the division projects that it will need one full-time, range 20, Anchorage, Medical Assistance Administrator III (06-#103); and two full-time, range 21, Anchorage, Medical Assistance Administrator IV positions (06-#104 and 06-#105), along with associated administrative costs to support the positions.

The initial costs of the three positions are \$351.0 (\$112.6 for the Medical Assistant Administrator III, and \$119.2 for each Medical Assistant IV position). Each position assumes hiring at step C with a start date of July 1, 2015. These costs include benefits.

Administrative costs assume \$9.4 per full time equivalent (FTE) annually for office space, phones, and other contractual costs; \$2.6 *one-time* costs per FTE for computers and software; \$5.0 *one-time* costs per FTE for office equipment; \$2.0 per full time equivalent FTE annually for supplies; \$2.0 per year for total travel costs for all positions.

These costs have been projected out to include the hiring of a second Medical Assistant Administrator III position in FY2018 (\$112.6), and a third Medical Assistant Administrator III in FY2020 (\$112.6).

**1115 Waiver:**

The Department anticipates that the Division of Health Care Services will need to add one FTE (Medicaid Assistance Administrator III) to develop, design and begin implementation of the 115 waiver program and perform extensive data analytics to measure outcomes. The Department anticipates hiring the Medical Assistance Administrator III in FY2016 at a cost of \$131.6 GF.

2 Medical Asst Administrator III - range 20,  $\$112.6 \times 2 = \$225.2$

2 Medical Asst Administrator IV - range 21,  $\$119.2 \times 2 = \$238.4$

**FY2016 Personal services total \$463.6**

**Travel total \$2.0**

Lease costs, phone, etc -  $\$9.4 \times 4 = \$37.6$

**FY2016 Services total \$37.6**

Office supplies -  $\$2.0 \times 4 = \$8.0$

**FY2016 Commodities, ongoing total \$8.0**

Computer, software -  $\$2.6 \times 4 = \$10.4$

One-time office set-up -  $\$5.0 \times 4 = \$20.0$

**FY2016 Commodities, one-time total \$30.4**

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	9
(S) Publish Date:	3/18/2015

Identifier: 0055-DHSS-PAFS-03-16-15  
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Health and Social Services  
 Appropriation: Public Assistance  
 Allocation: Public Assistance Field Services  
 OMB Component Number: 236

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Personal Services	1,908.3		1,908.3	1,908.3	1,908.3	1,908.3	1,908.3
Travel							
Services	386.4		386.4	386.4	386.4	386.4	386.4
Commodities	476.6		46.5	46.5	46.5	46.5	46.5
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>2,771.3</b>	<b>0.0</b>	<b>2,341.2</b>	<b>2,341.2</b>	<b>2,341.2</b>	<b>2,341.2</b>	<b>2,341.2</b>

**Fund Source (Operating Only)**

1002 Fed Rcpts	1,385.6		1,170.6	1,170.6	1,170.6	1,170.6	1,170.6
1003 G/F Match			1,170.6	1,170.6	1,170.6	1,170.6	1,170.6
1092 MHTAAR	1,385.7						
<b>Total</b>	<b>2,771.3</b>	<b>0.0</b>	<b>2,341.2</b>	<b>2,341.2</b>	<b>2,341.2</b>	<b>2,341.2</b>	<b>2,341.2</b>

**Positions**

Full-time		23.0	23.0	23.0	23.0	23.0	23.0
Part-time							
Temporary							

**Change in Revenues**

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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2016) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/15

**Why this fiscal note differs from previous version:**

Not applicable, initial version.
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Prepared By:	Ron Kreher, Director	Phone:	(907)465-5847
Division:	Public Assistance	Date:	03/12/2015 12:56 PM
Approved By:	Sarah Woods, Deputy Director Finance & Management Services	Date:	03/16/15
Agency:	Health & Social Services		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

## Analysis

Section 6 of the bill expands Medicaid coverage to a new group: adults 19 through 64 years of age who are currently not eligible for Medicaid or Medicare who have income at or below 138% of the Federal Poverty Level (FPL) for Alaska.

In order for the division to absorb the additional applications submitted for eligibility determinations and to maintain the additional caseload of renewal and report of change information submitted by the new clients on an ongoing basis, additional permanent positions will be necessary. While the additional caseload resulting from this bill is projected to increase each year, the division will be able to find administrative efficiencies as the new staff become proficient at eligibility determinations.

The costs associated with this request are for 23 permanent positions, office space and equipment costs. To every degree possible, the division expects to fast-track the process of establishing the positions in the classification system, recruiting and hiring, and training the new staff. Additional challenges associated with this request will be locating space for the incumbents. Ongoing costs for lease space and general office supplies are included in the services lines for the out years. There will be a one-time cost for purchasing and setting up office furniture and equipment.

The division is requesting the following permanent positions to be located in offices throughout the state:

One Office Assistant II - range 10, \$63.3  
 One Office Assistant III - range 11, \$66.4  
 One Research Analyst II - range 16, \$88.8  
 Three Public Assistance Analyst I - range 16,  $\$88.8 \times 3 = \$266.3$   
 Two Public Assistance Analyst II - range 18,  $\$99.7 \times 2 = \$199.4$   
 Ten Eligibility Technician II - range 14,  $\$76.5 \times 10 = \$756.0$   
 Two Eligibility Technician III - range 16,  $\$85.3 \times 2 = \$170.7$   
 Two Eligibility Technician IV - range 17,  $\$92.3 \times 2 = \$184.6$   
 One Eligibility Office Manager II - range 19, \$103.8  
**Personal services total \$1,908.0**

Lease -  $\$16.0 \times 23 = \$368.0$   
Training - \$18.4  
**Services total \$386.4**

Office supplies -  $\$0.5 \times 23 = \$11.5$   
ID cards, forms and notices - \$35.0  
**Commodities, ongoing total \$46.5**

One-time furnishings and equipment -  $\$18.0 \times 23 = \$414.0$   
One-time multi-function printer - \$16.1  
**Commodities, one-time total \$430.1**

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	10
(S) Publish Date:	3/18/2015

Identifier: 0055-DHSS-RR-03-16-15  
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Health and Social Services  
 Appropriation: Health Care Services  
 Allocation: Rate Review  
 OMB Component Number: 2696

### Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>					
Personal Services							
Travel	4.5						
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>4.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### Fund Source (Operating Only)

1002 Fed Rcpts	2.3						
1003 G/F Match	2.2						
<b>Total</b>	<b>4.5</b>	<b>0.0</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							

### Change in Revenues

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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2016) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

### ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

### Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: Margaret Brodie, Director	Phone: (907)334-2520
Division: Health Care Services	Date: 03/14/2015 12:00 PM
Approved By: Sarah Woods, Deputy Director Finance & Management Services	Date: 03/16/15
Agency: Health & Social Services	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION**Analysis**

The Department's Office of Rate Review, which sets and reviews reimbursement rates for Alaska's Medicaid program, will lead the evaluation and proposal of a provider tax. The evaluation will involve significant stakeholder input that will be provided through at least three face-to-face public meetings (Juneau, Fairbanks, and Anchorage), one statewide public webinar, and numerous informal meetings with provider associations. The Office of Rate Review will develop findings that will be used to draft legislation for introduction in the 2016 session. The only fiscal impact comes from costs associated with the face-to-face meetings in Juneau and Fairbanks. This would be a one-time, estimated expenditure for staff to travel to meetings in Fairbanks and Juneau. No travel expense is necessary for the meeting in Anchorage.

Public Meeting Juneau	<u>\$2,590</u>
Flight for 5 Staff	\$1,715
1 Night Lodging	\$675
Meeting Room	\$200
Public Meeting Fairbanks	<u>\$1,920</u>
Flight for 5 Staff	\$1,000
1 Night Lodging	\$720
Meeting Room	\$200

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	11
(S) Publish Date:	3/18/2015

Identifier: 0055-DHSS-SCBG-03-16-15  
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Health and Social Services  
 Appropriation: Senior and Disabilities Services  
 Allocation: Senior Community Based Grants  
 OMB Component Number: 2787

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits				(716.3)	(716.3)	(716.3)	(716.3)
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(716.3)</b>	<b>(716.3)</b>	<b>(716.3)</b>	<b>(716.3)</b>

**Fund Source (Operating Only)**

1004 Gen Fund				(716.3)	(716.3)	(716.3)	(716.3)
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(716.3)</b>	<b>(716.3)</b>	<b>(716.3)</b>	<b>(716.3)</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

**Why this fiscal note differs from previous version:**

Not applicable, initial version.
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Prepared By:	Duane Mayes	Phone:	(907)269-2083
Division:	Senior and Disabilities Services	Date:	03/14/2015 05:45 PM
Approved By:	Sarah Woods, Deputy Director Finance & Management Services	Date:	03/16/15
Agency:	Health & Social Services		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION**Analysis**

Section 10 of the bill directs the department to apply for the 1915(i) option under Medicaid.

The department will use this option to refinance the Senior Community Based Grant component's Adult Day and Senior In-Home Services for those who are receiving the service and are also Medicaid eligible.

Adult Day Grant: Total general fund expenditures = \$1,757.0 serving 416 recipients. SDS anticipates serving 114 under the 1915(i) option with an average cost per individual of \$4,223.58. Estimated general fund to be reduced for the Adult Day Grant = \$481.5.

Senior In-Home Grant: Total general fund expenditures = \$2,917.3, serving 1,528 individuals. SDS anticipates serving 123 under the 1915(i) option with an average cost per individual of \$1,909.20. Estimated general fund to be reduced for the Senior In-Home Grant = \$234.8.

The combined estimated general fund to be reduced through the use of the 1915(i) option = \$716.3

State Plan and regulation changes are required to implement the new option and would involve extensive public comment. The Department expects the 1915(i) option to be implemented by FY2018.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	12
(S) Publish Date:	3/18/2015

Identifier: 0055-DHSS-SDMS-03-16-15  
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Health and Social Services  
 Appropriation: Medicaid Services  
 Allocation: Senior and Disabilities Medicaid Services  
 OMB Component Number: 2662

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	2,908.8		3,488.8	20,953.8	21,101.4	21,255.1	21,336.7
Miscellaneous							
<b>Total Operating</b>	<b>2,908.8</b>	<b>0.0</b>	<b>3,488.8</b>	<b>20,953.8</b>	<b>21,101.4</b>	<b>21,255.1</b>	<b>21,336.7</b>

**Fund Source (Operating Only)**

1002 Fed Rcpts	2,908.8		3,412.0	18,983.2	19,085.5	19,155.5	19,172.6
1003 G/F Match			76.8	1,970.6	2,015.9	2,099.6	2,164.1
<b>Total</b>	<b>2,908.8</b>	<b>0.0</b>	<b>3,488.8</b>	<b>20,953.8</b>	<b>21,101.4</b>	<b>21,255.1</b>	<b>21,336.7</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

**Why this fiscal note differs from previous version:**

Not applicable, initial version.

Prepared By: Duane Mayes, Director	Phone: (907)269-2083
Division: Senior and Disabilities Services	Date: 03/15/2015 03:00 PM
Approved By: Sarah Woods, Deputy Director Finance & Management Services	Date: 03/16/15
Agency: Health & Social Services	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

## Analysis

**Expansion**

Section 6 of the bill expands Medicaid coverage to a new group: adults 19 through 64 years of age who are currently not eligible for Medicaid or Medicare who have income at or below 138% of the Federal Poverty Level (PPL) for Alaska. We estimate 20,066 enrollees in FY2016; 23,273 enrollees in FY2017; 26,492 in FY 2018; 26,535 in FY2019; 26,580 in FY2020; and 26,623 in FY2021.

Note: The effective federal match rate for the expansion population is based on calendar year. To estimate savings based on state fiscal year we averaged the calendar rates to approximate the fiscal year federal medical assistance percentage (FMAP) rates; we also adjusted the rates to reflect enhanced federal match for tribal services provided to Indian Health Service beneficiaries. These rates are: 100% in FY2016, 97.8% in FY2017, 95.2% in FY2018, 94.3% in FY2019, 92.6% in FY2020, and 91.3% in FY2021.

Senior and Disabilities Medicaid Services covers Personal Care Assistance (PCA) services, which provide support related to an individual's activities of daily living (i.e. bathing, dressing, eating) as well as instrumental activities of daily living (i.e. shopping, laundry, light housework). This new group of eligible individuals could potentially access PCA services. Three percent of the currently eligible Medicaid enrollees receive Personal Care Assistance (PCA) services. The expansion group is thought to be healthier than current Medicaid population groups. The Department assumes that 1% would require and be found eligible for PCA services with an estimated annual cost increase as enrollment among the newly expanded eligible group increases.

FY2016 new enrollees: 20,066  
1% of new enrollees: 139 recipients  
PCA expenditures: per person: \$21.0

**1915(k) option**

Section 10 of the bill directs the department to apply for the 1915(k) option under Medicaid.

The "Community First Choice Option" (CFC), also known as 1915(k), will be used for people who meet an institutional level of care (LOC). The 1915(k) option authorities will replace all current 1915(c) waivers, as all 1915(c) recipients do meet the LOC. The 1915(k) option offers a 56% federal match, an increase of 6%, thus lowering the general fund match to 44%.

The 1915(c) waivers are:

- Children with Complex Medical Conditions (CCMC)
- Adults with Physical and Developmental Disabilities (APDD)
- Alaskans Living Independently (ALI)
- Intellectual and Developmental Disabilities (IDD)

All four of the waivers would transition to the 1915(k) option authority.

Estimated 1915(c) recipients transitioning to the 1915(k) option = 5,200  
Federal funding under current 1915(c) waiver at FMAP (50%) = \$ 110,827.7  
Federal funding under proposed 1915(k) option at FMAP (56%) = \$ 117,477.4

The program transition results in an increase of \$6,649.7 in federal receipts, and a corresponding GF decrease.

Implementation of the new funding option will require substantial changes to the current Home and Community Based Services (HCBS) operational infrastructure. The estimated effective date for this refinancing proposal from (c) to (k) is FY2018.

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

BILL NO. 0

### Analysis Continued

#### 1915(i) State Plan option

Section 10 of the bill directs the department to apply for the 1915(i) option under Medicaid. The 1915(i) option includes a federal match of 50%, reducing to 50% what is currently a 100% general fund contribution for certain services.

The Department will use this option to refinance the following 100% GF-funded grant programs: General Relief/Temporary Assistance (GR), certain Senior Community Based Grant components, and Community Developmental Disabilities Grant (CDDG).

General Relief/Temporary Assistance (GR) provides temporary residential care for vulnerable adults who are ineligible for assistance from other programs.

Current funding for GR program: \$8,113.0

Total number served: 630

Average cost per individual: \$12,878.00

Estimated eligible for 1915(i): 349

General fund to be reduced: \$ 4,494.3

Senior Community Based Grant component's Adult Day and Senior In-Home Services serve some individuals who are Medicaid eligible.

#### Adult Day Grant:

Total general fund expenditures: \$1,757.0

Total number served: 416

Average cost per individual: \$4,223.58.

Estimated eligible for 1915(i): 114

General fund to be reduced for the Adult Day Grant: \$481.5.

#### Senior In-Home Grant:

Total general fund expenditures: \$2,917.3

Total number served: 1,528

Average cost per individual: \$1,909.20.

Estimated eligible for 1915(i): 123

Estimated general fund to be reduced for the Senior In-Home Grant: \$234.8.

The combined estimated general fund to be reduced through the use of the 1915(i) option = \$716.3

Community Developmental Disabilities Grant (CDDG) program provides home and community-based services to support individuals to live as independently as they are able.

Total general fund expenditures: \$11,635.8

Total number served: 953

Average cost per recipient: \$12.2

Estimated eligible for 1915(i): 953

Estimated general fund to be reduced: \$11,635.8

State Plan and regulation changes are required to implement the new option and would involve extensive public comment.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	13
(S) Publish Date:	3/18/2015

Identifier: 0055-DHSS-SDSA-03-15-15  
Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: Governor

Department: Department of Health and Social Services  
Appropriation: Senior and Disabilities Services  
Allocation: Senior and Disabilities Services Administration  
OMB Component Number: 2663

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Personal Services	108.0		324.0	324.0	324.0	324.0	324.0
Travel	2.3		6.8	6.8	6.8	6.8	6.8
Services	186.8		193.9	540.8	10.6	10.6	10.6
Commodities	2.5		7.6	7.6	7.6	7.6	7.6
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>299.6</b>	<b>0.0</b>	<b>532.3</b>	<b>879.2</b>	<b>349.0</b>	<b>349.0</b>	<b>349.0</b>

## Fund Source (Operating Only)

1002 Fed Rcpts	189.9		306.2	479.7	174.5	174.5	174.5
1003 G/F Match	109.7		226.1	399.5	174.5	174.5	174.5
<b>Total</b>	<b>299.6</b>	<b>0.0</b>	<b>532.3</b>	<b>879.2</b>	<b>349.0</b>	<b>349.0</b>	<b>349.0</b>

## Positions

Full-time	1.0		2.0	3.0	3.0	3.0	3.0
Part-time							
Temporary							

## Change in Revenues

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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

## Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By:	Duane Mayes, Director	Phone:	(907)269-2083
Division:	Senior and Disabilities Services	Date:	03/15/2015 01:45 PM
Approved By:	Sarah Woods, Deputy Director Finance & Management Services	Date:	03/15/15
Agency:	Health & Social Services		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

## Analysis

The bill requires the State to apply to the Centers for Medicare and Medicaid Services (CMS) to develop two new Medicaid funding authorities, the 1915(i) and 1915(k) State Plan options. Under these new authorities the state will realize savings in the provision of home and community-based services (HCBS).

Services under these new funding authorities will reduce general fund expenditures by replacing 100% general fund services (1915(i) option) or capturing a higher federal match rate (1915(k)).

In FY2018 the Department anticipates new costs associated with initial eligibility assessments of individuals previously served through the general fund grant programs or services. The estimated number of new assessments = 1,539. Cost per assessment = \$225.41 (not including travel). Estimated cost to manage the 1,539 initial eligibility assessments = \$346.9 in FY2018.

In FY2016, FY2017, and FY2018 the Department anticipates additional expenditures related to the "Automated Service Plan" management information system. State staff, providers, and consumers will have access to the system and a public web resource center. The Department will plan and configure substantial, necessary software changes to this system for new assessments, additional programmatic elements, and interfaces with other department data management systems. Additional user accounts and licenses, and training and support for all users, will need to be developed and supported.

Estimated costs for system changes and development = \$550.0, of which \$300.0 is eligible for enhanced federal funding at a 90% federal match, and the remaining \$250.0 is eligible for the standard 50% federal match. Much of these costs will be realized in the development years (one-third each in FY2016-FY2018), while the savings will continue and grow as overall expenditures grow.

To plan, develop, and manage the new program, beginning in FY2016 Senior and Disabilities Services will require 3 additional full-time staff: one staff person beginning in FY2016 and two more staff beginning in FY2017. These will be Health Program Manager II positions (step C) each = \$108.0; Travel = \$2.3; Services = \$3.5; Commodities = \$2.5.

Regulation changes are required to implement the new options and would involve extensive public comment. The estimated effective date of regulation changes is July 2017.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	14
(S) Publish Date:	3/18/2015

Identifier: 0055-DHSS-TRG-03-16-15  
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Health and Social Services  
 Appropriation: Behavioral Health  
 Allocation: Behavioral Health Treatment and Recovery Grants  
 OMB Component Number: 3099

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	(1,558.7)		(5,000.0)	(12,501.0)	(16,528.7)	(19,556.6)	(19,584.7)
Miscellaneous							
<b>Total Operating</b>	<b>(1,558.7)</b>	<b>0.0</b>	<b>(5,000.0)</b>	<b>(12,501.0)</b>	<b>(16,528.7)</b>	<b>(19,556.6)</b>	<b>(19,584.7)</b>

**Fund Source (Operating Only)**

1037 GF/MH	(1,558.7)		(5,000.0)	(12,501.0)	(16,528.7)	(19,556.6)	(19,584.7)
<b>Total</b>	<b>(1,558.7)</b>	<b>0.0</b>	<b>(5,000.0)</b>	<b>(12,501.0)</b>	<b>(16,528.7)</b>	<b>(19,556.6)</b>	<b>(19,584.7)</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2016) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

**Why this fiscal note differs from previous version:**

Not applicable, initial version.

Prepared By:	Albert E. Wall, Director	Phone:	(907)465-3600
Division:	Behavioral Health	Date:	03/14/2015 10:00 PM
Approved By:	Sarah Woods, Deputy Director Finance & Management Services	Date:	03/16/15
Agency:	Health & Social Services		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

## Analysis

**Section 6** of the bill expands Medicaid coverage to a new group: adults 19 through 64 years of age who are currently not eligible for Medicaid or Medicare who have income at or below 138% of the Federal Poverty Level (FPL) for Alaska.

As Medicaid financing becomes available for behavioral health services, reductions in general fund grant funding will become feasible. Behavioral health grant reductions will be accomplished through a phased, strategic process in order to stabilize services and avoid service reductions in communities. While this is a reduction in State expenditures, DBH expects no loss of services available to Alaskans in need. Primarily federal Medicaid funds, rather than GF/MH grant funds, will cover the cost of services provided to the expansion population. The Department anticipates that behavioral health grants will be reduced through Medicaid expansion by the following amounts: \$1,558.7 in FY2016, \$5,000.0 in FY2017, \$9,000.0 in FY2018, \$13,000.0 in FY2019, \$16,000.0 in FY2020, and \$16,000.0 in FY2021.

**Section 10** directs the Department to apply for the section 1915(i) option. This option will serve Medicaid-eligible adults with behavioral health needs that result in multiple admissions to inpatient or residential care. The population includes homeless, those re-entering from incarceration, and others who intermittently use services. These services are currently provided through behavioral health grants with 100% general funds. The Department anticipates that behavioral health grants will be reduced through the 1915(i) option beginning in FY2018 by the following amounts: \$3,501.0 in FY2018, \$3,528.7 in FY2019, \$3,556.6 in FY2020, and \$3,584.7 in FY2021.

Specific services that are currently offered through grant (GF) dollars that will be transitioned to Medicaid reimbursement include services for those adults with Serious Mental Illness (SMI grants) and those adults with Substance Use Disorders (SUD grants). Grants will not be completely eliminated as some services provided through grants are not reimbursable through Medicaid.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	15
(S) Publish Date:	3/18/2015

Identifier: 0055-DOC-PHC-03-14-15  
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: GOVERNOR

Department: Department of Corrections  
 Appropriation: Health and Rehabilitation Services  
 Allocation: Physical Health Care  
 OMB Component Number: 2952

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>					
Personal Services							
Travel							
Services		(4,108.2)	(7,000.0)	(7,000.0)	(7,000.0)	(7,000.0)	(7,000.0)
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>(4,108.2)</b>	<b>(7,000.0)</b>	<b>(7,000.0)</b>	<b>(7,000.0)</b>	<b>(7,000.0)</b>	<b>(7,000.0)</b>

**Fund Source (Operating Only)**

1004 Gen Fund		(4,108.2)	(7,000.0)	(7,000.0)	(7,000.0)	(7,000.0)	(7,000.0)
<b>Total</b>	<b>0.0</b>	<b>(4,108.2)</b>	<b>(7,000.0)</b>	<b>(7,000.0)</b>	<b>(7,000.0)</b>	<b>(7,000.0)</b>	<b>(7,000.0)</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2016) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?  
 If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Prepared By:	April Wilkerson, Director	Phone:	(907)465-3460
Division:	Administrative Services - Department of Corrections	Date:	03/14/2015 02:00 PM
Approved By:	Remond Henderson, Deputy Commissioner	Date:	03/15/2015
Agency:	Department of Corrections		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

**Analysis**

Section 6 of the bill expands Medicaid coverage to a new group: adults 19 through 64 years of age who are currently not eligible for Medicaid or Medicare who have income at or below 138% of the Federal Poverty Level (FPL) for Alaska. This revision will allow vendors who provide inpatient inmate medical care to bill Medicaid directly for payment rather than the Department of Corrections for those offenders that meet the eligibility criteria of the expanded Medicaid program.

Federal law prohibits states from obtaining federal Medicaid matching funds for health care services provided to inmates with the exception of when they are patients in medical facilities for at least 24 hours.

In September 2014 the US Governmental Accountability Office reported that New York and Colorado, where Medicaid has expanded, estimated that 80-90% of the inmate population hospitalized outside of a correctional facility for more than 24 hours would meet the income eligibility criteria for Medicaid.

In FY2014 Department of Corrections processed approximately \$8.5 million in expenditures for 170 inmates that incurred in-patient stays that lasted more than 24 hours. Under Medicaid expansion, it is estimated that \$6.8-\$7.65 million could have been paid for by Medicaid rather than State fund if 80%-90% of the inmate population in a medical care facility more than 24 hours had been eligible.

Based on this, the department is projecting a conservative reduction in general funds of \$7 million with a reduction of \$4.1 in the first year and an **additional** \$2.9 in the second year based on the estimated amounts from FY2014.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 78
Fiscal Note Number:	16
(S) Publish Date:	3/18/2015

Identifier: LL055-DOA-OAH-03-15-15  
 Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Rules by Request of the Governor

Department: Department of Administration  
 Appropriation: Centralized Administrative Services  
 Allocation: Office of Administrative Hearings  
 OMB Component Number: 2771

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates				
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>					
Personal Services							
Travel							
Services	16.8		19.5	22.2	22.2	22.3	22.3
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>16.8</b>	<b>0.0</b>	<b>19.5</b>	<b>22.2</b>	<b>22.2</b>	<b>22.3</b>	<b>22.3</b>

## Fund Source (Operating Only)

1007 I/A Rcpts	16.8		19.5	22.2	22.2	22.3	22.3
<b>Total</b>	<b>16.8</b>	<b>0.0</b>	<b>19.5</b>	<b>22.2</b>	<b>22.2</b>	<b>22.3</b>	<b>22.3</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

--	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: Chris Kennedy, Deputy Chief Administrative Law Judge  
 Division: Office of Administrative Hearings  
 Approved By: Sheldon Fisher, Commissioner  
 Agency: Department of Administration

Phone: (907)269-8170  
 Date: 03/14/2015 01:00 PM  
 Date: 03/15/15

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION**Analysis**

This bill would alter the income eligibility criteria for certain categories of Medicaid eligibility and would add an eligibility category for persons under 65 who are not pregnant and whose income does not exceed 138 percent of the federal poverty line. The bill also makes changes to the provider audit process and addresses certain cost control measures.

Section 3 of the bill alters the minimum number of provider audits that the Department of Health and Social Services is required to perform. The Office of Administrative Hearings (OAH) hears appeals from provider audits. The current cost of handling these appeals is approximately \$60.0 per year (thousand). A significant change in the number of audits performed could affect the number of appeals and the cost of hearing them. Based on information from the Department of Health and Social Services, OAH has determined that the number of audits that generate appeals is expected to remain approximately the same if this provision is enacted, and therefore no fiscal impact has been projected.

Section 6 of the bill expands the number of Alaskans eligible for Medicaid, and would result in a larger overall enrollment in the program. OAH hears appeals from decisions to deny or limit Medicaid coverage. Based on data supplied by the Department of Health and Social Services, OAH anticipates that the number of administrative law judge hours required to hear Medicaid appeals from the Division of Public Assistance and the Division of Health Care Services would increase by approximately 16.1% in the first year of expanded eligibility and by slightly higher percentages in succeeding years. OAH has determined that appeals from the Division of Senior and Disabilities Services would not increase appreciably. Costs have been projected above using OAH's approved cost allocation rate of \$165 per hour.

OAH is presently operating at or beyond capacity. The additional hearing load of this work alone would not support the creation of a new full-time administrative law judge position. In the absence of a new PCN, OAH will instead contract out hearing responsibilities to contractors as appropriate.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version: SB 78  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB078-DOA-OAH-03-27-15  
Title: MEDICAL ASSISTANCE COVERAGE; REFORM  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: Senate Health and Social Services

Department: Department of Administration  
Appropriation: Centralized Administrative Services  
Allocation: Office of Administrative Hearings  
OMB Component Number: 2771

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
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Part-time							
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**Change in Revenues**

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*(discuss reasons and fund source(s) in analysis section)*

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If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

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Prepared By: Chris Kennedy, Deputy Chief Administrative Law Judge  
Division: Office of Administrative Hearings  
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Phone: (907)269-8170  
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FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

BILL NO. SB 78

**Analysis**

This bill would alter the income eligibility criteria for certain categories of Medicaid eligibility and would add an eligibility category for persons under 65 who are not pregnant and whose income does not exceed 138 percent of the federal poverty line. The bill also makes changes to the provider audit process and addresses certain cost control measures.

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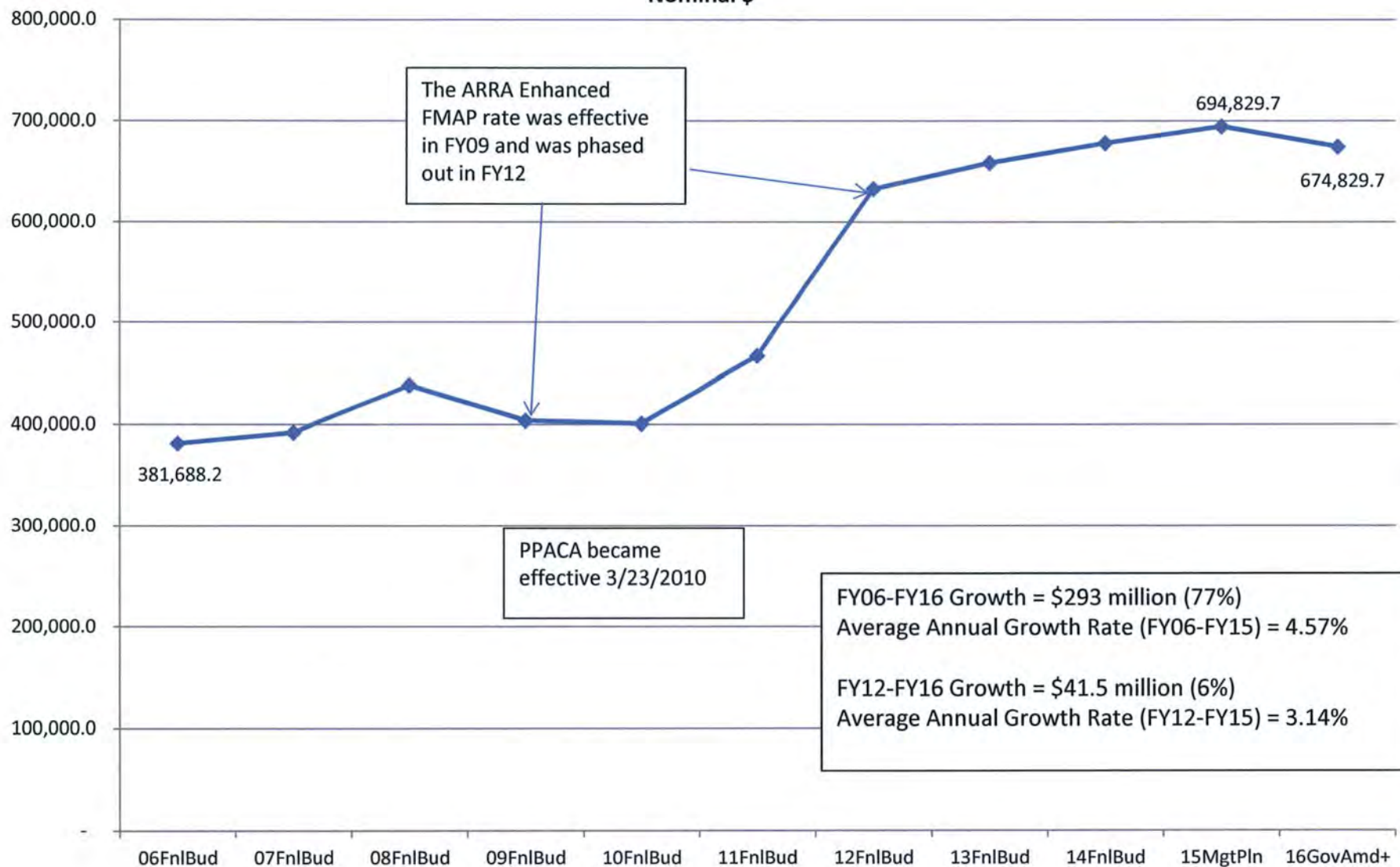
# Medicaid Budget History and Projections

Senate Health and Social Services  
Committee

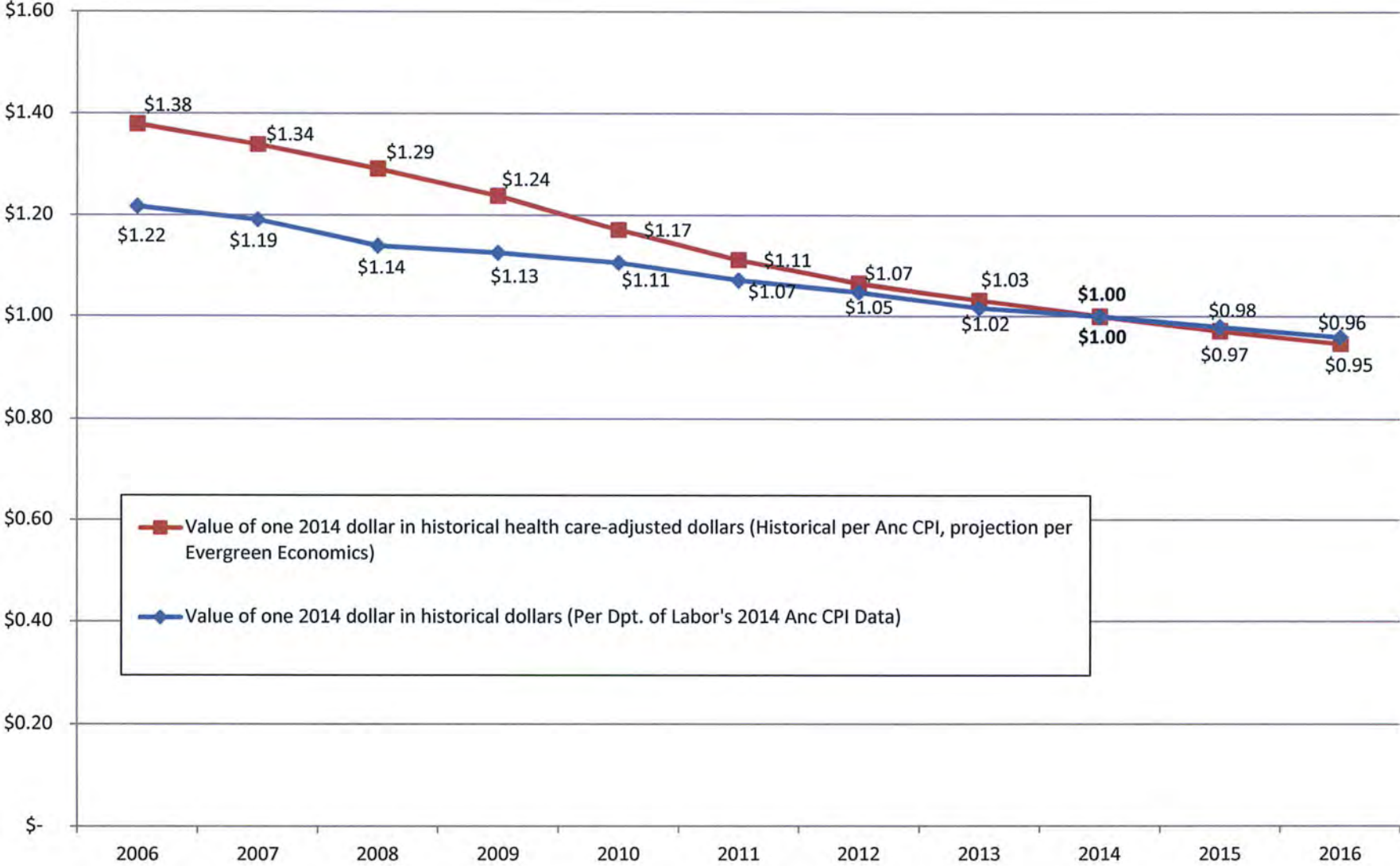
Monday, March 30, 2015

Amanda Ryder, Senior Fiscal Analyst  
Legislative Finance Division

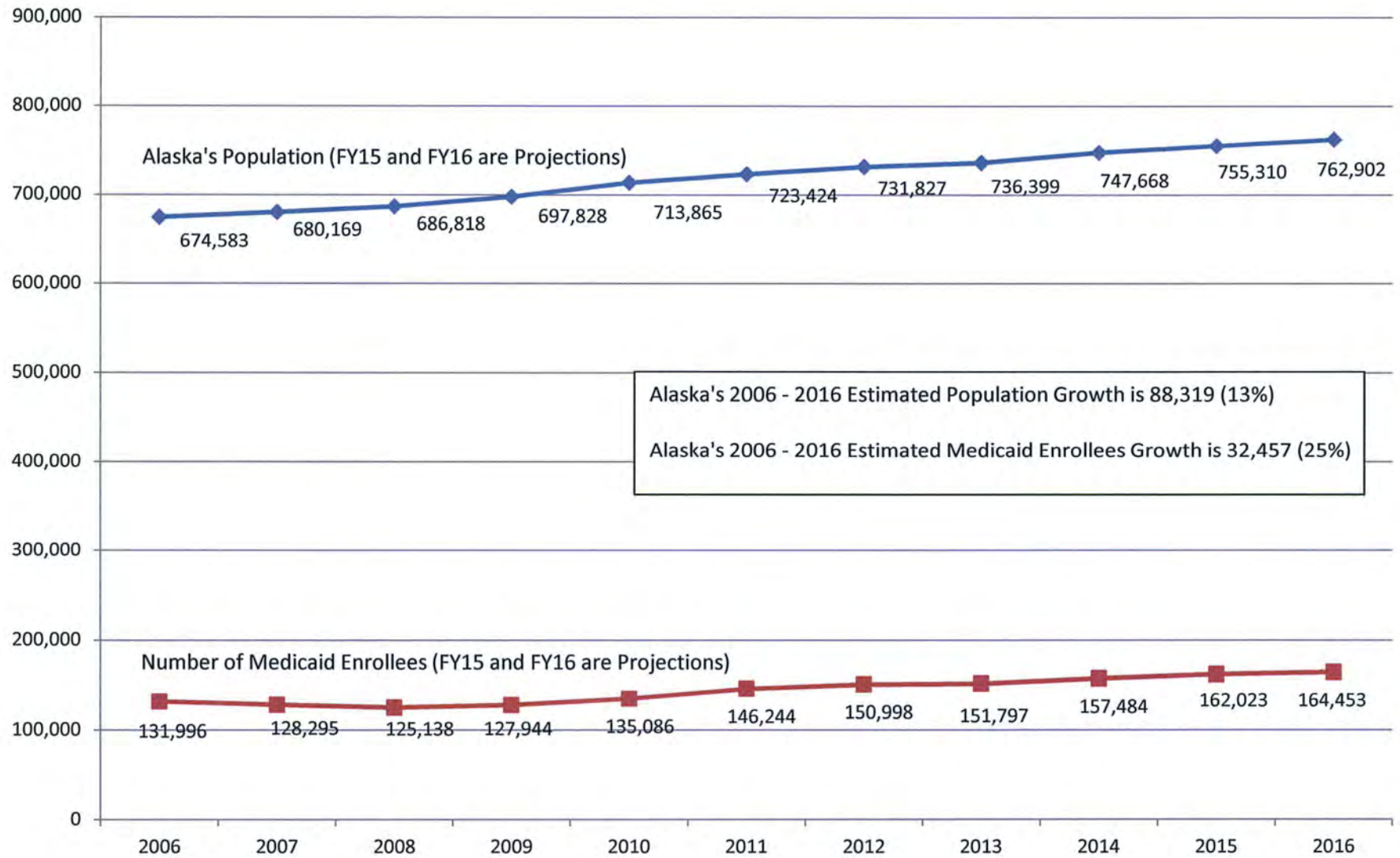
# MEDICAID APPROPRIATIONS (GF Only) (\$ Thousands) Nominal \$



### Anchorage CPI vs. Anchorage Health Care CPI

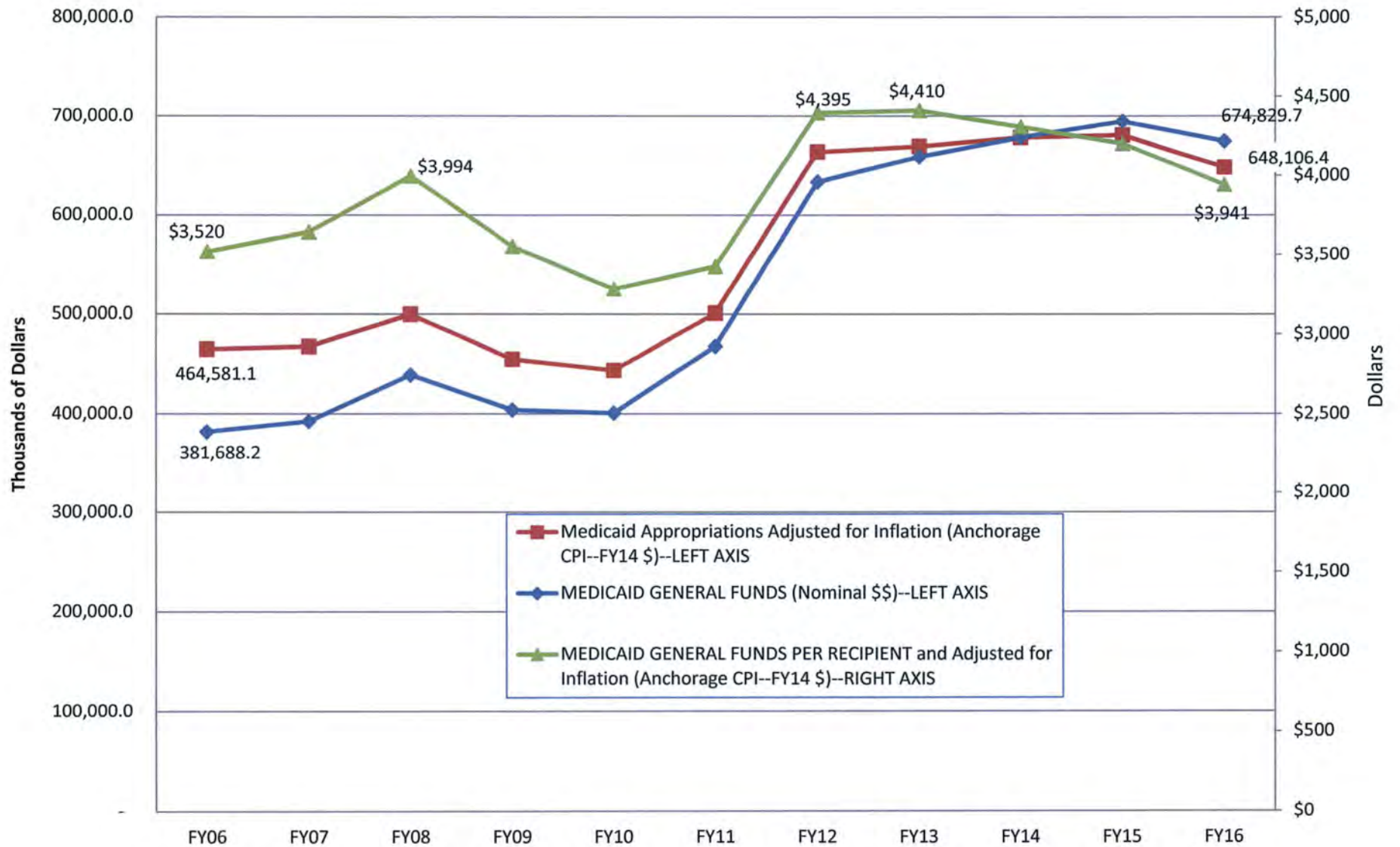


## Alaska's Population Growth and Medicaid Enrollee Growth



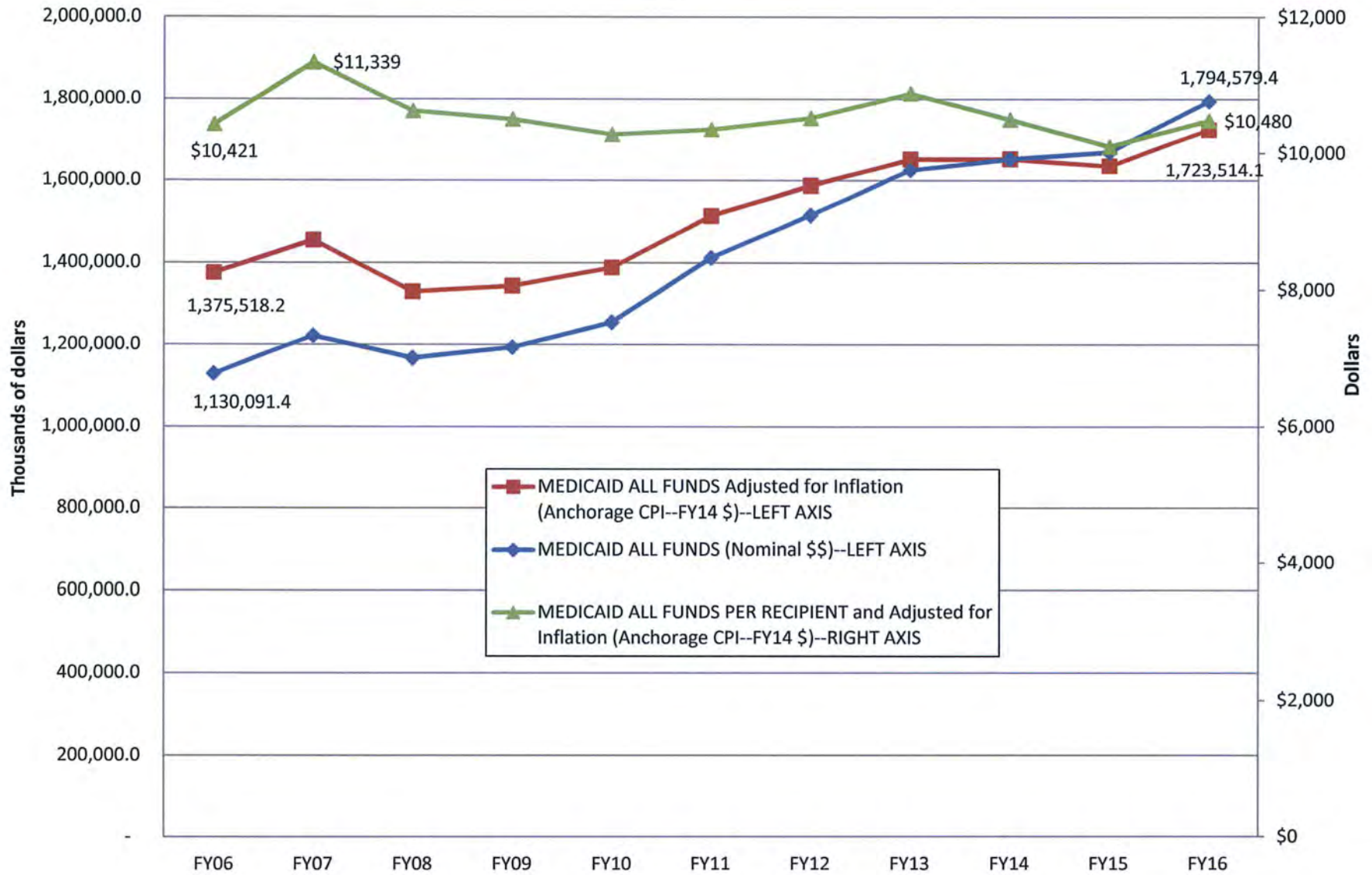
# Historical Medicaid Growth

Anchorage CPI Inflation Adjusted FY14 \$  
(GF Only)



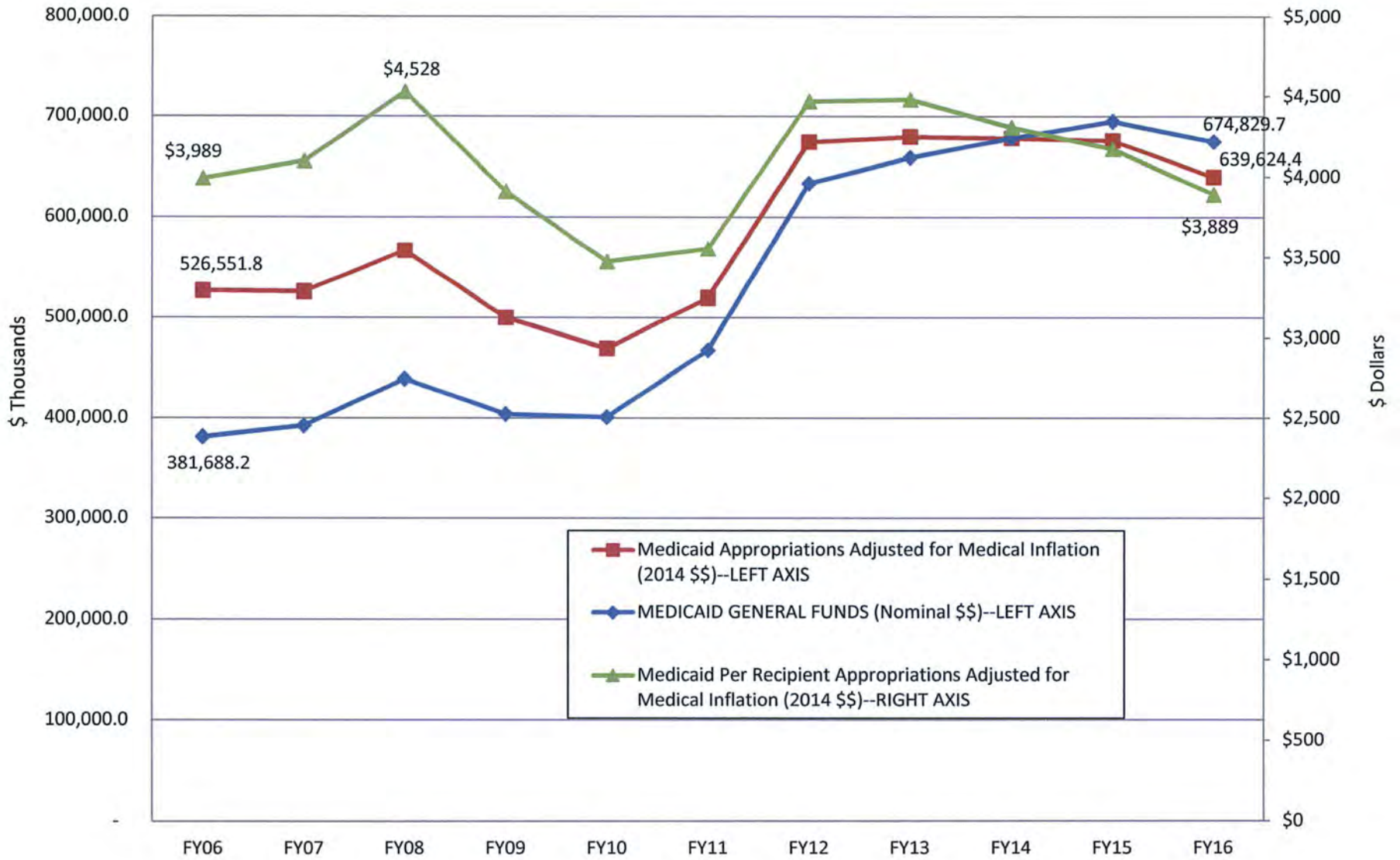
# Historical Medicaid Growth

Anchorage CPI Inflation Adjusted FY14 \$  
(All Funds)



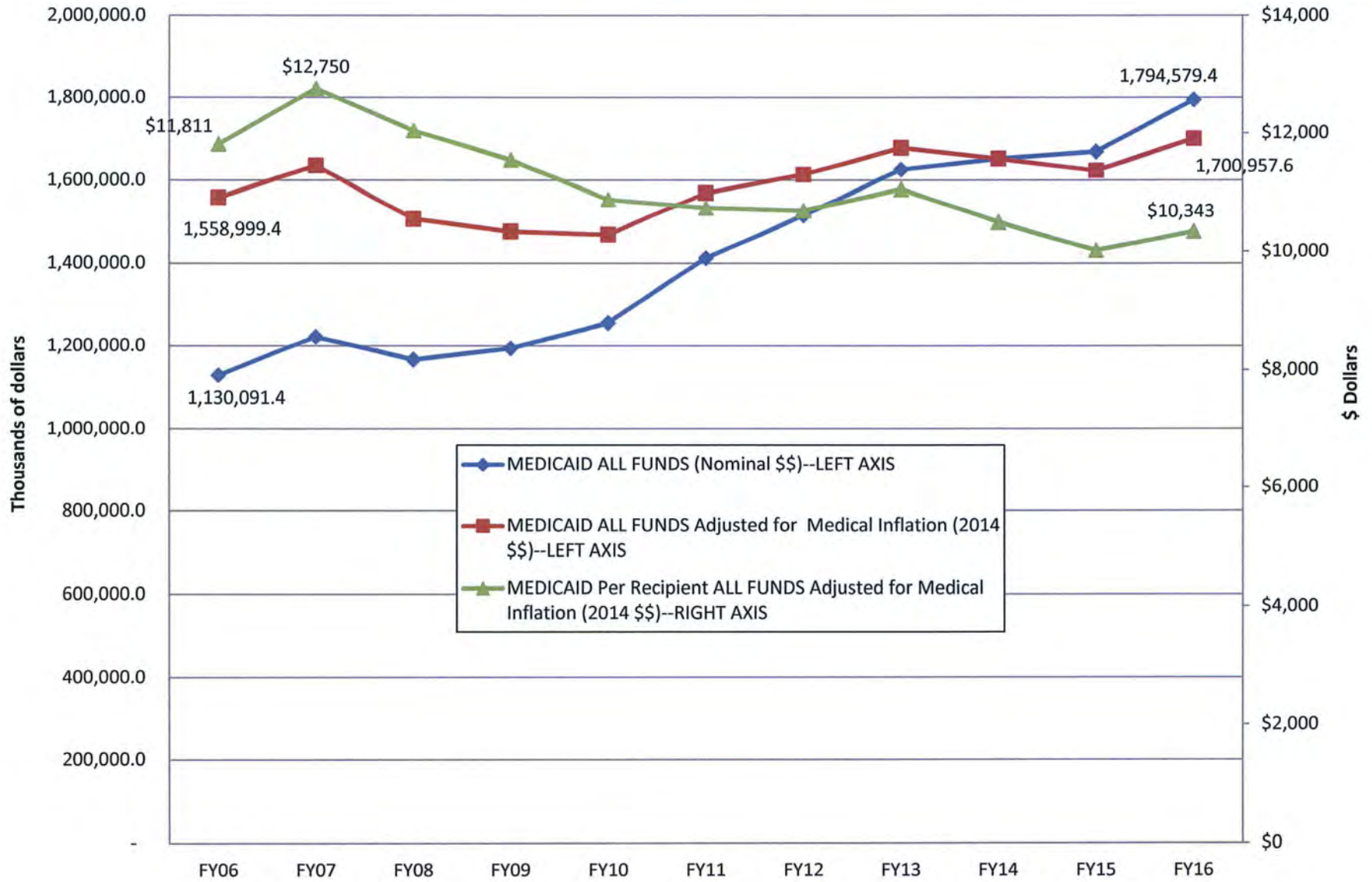
# Historical and Projected Medicaid Growth

Anchorage Health Care CPI Inflation Adjusted 2014 \$  
(GF Only)



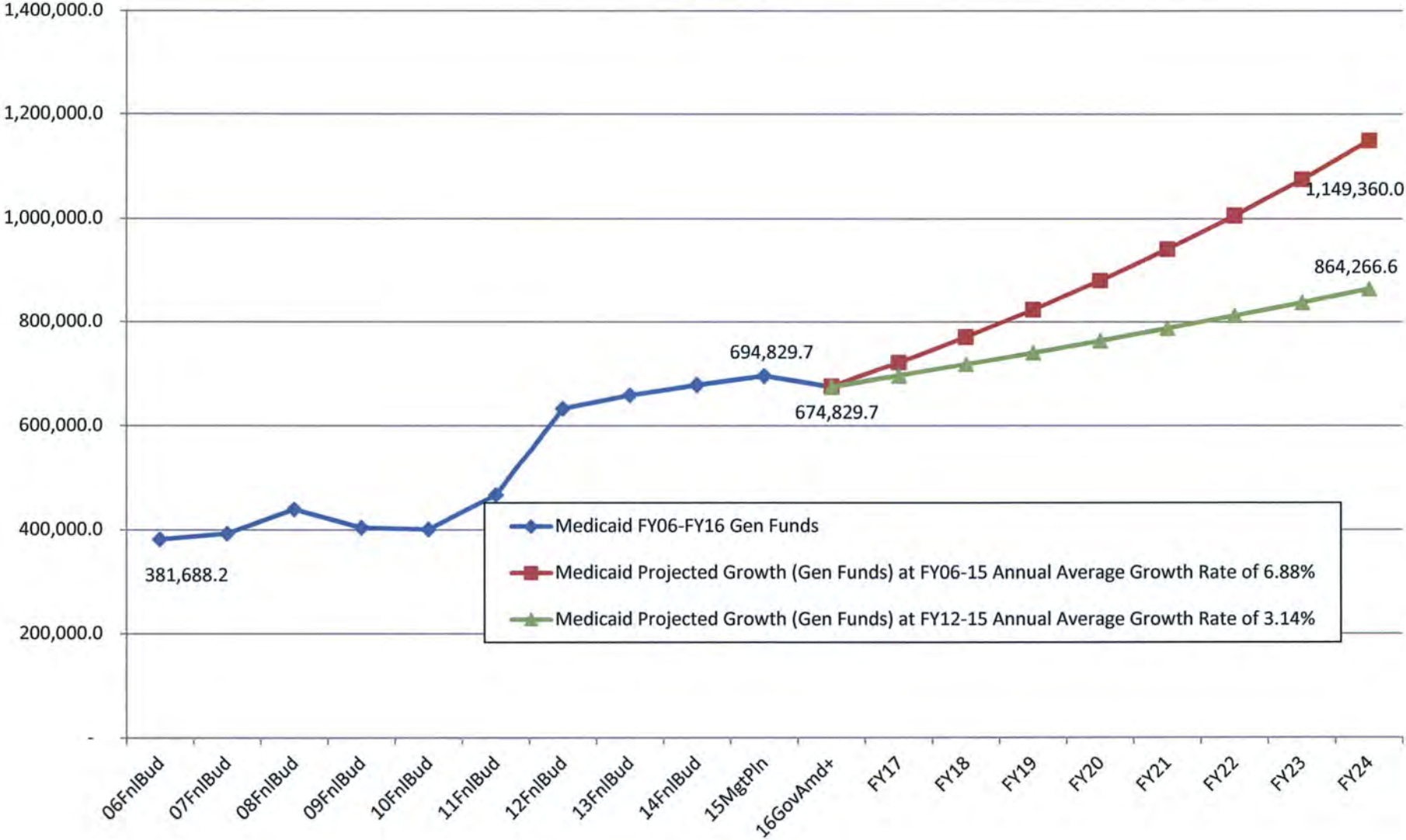
# Historical and Projected Medicaid Growth

Anchorage Health Care CPI Inflation Adjusted (2014 \$)  
(GF Only)



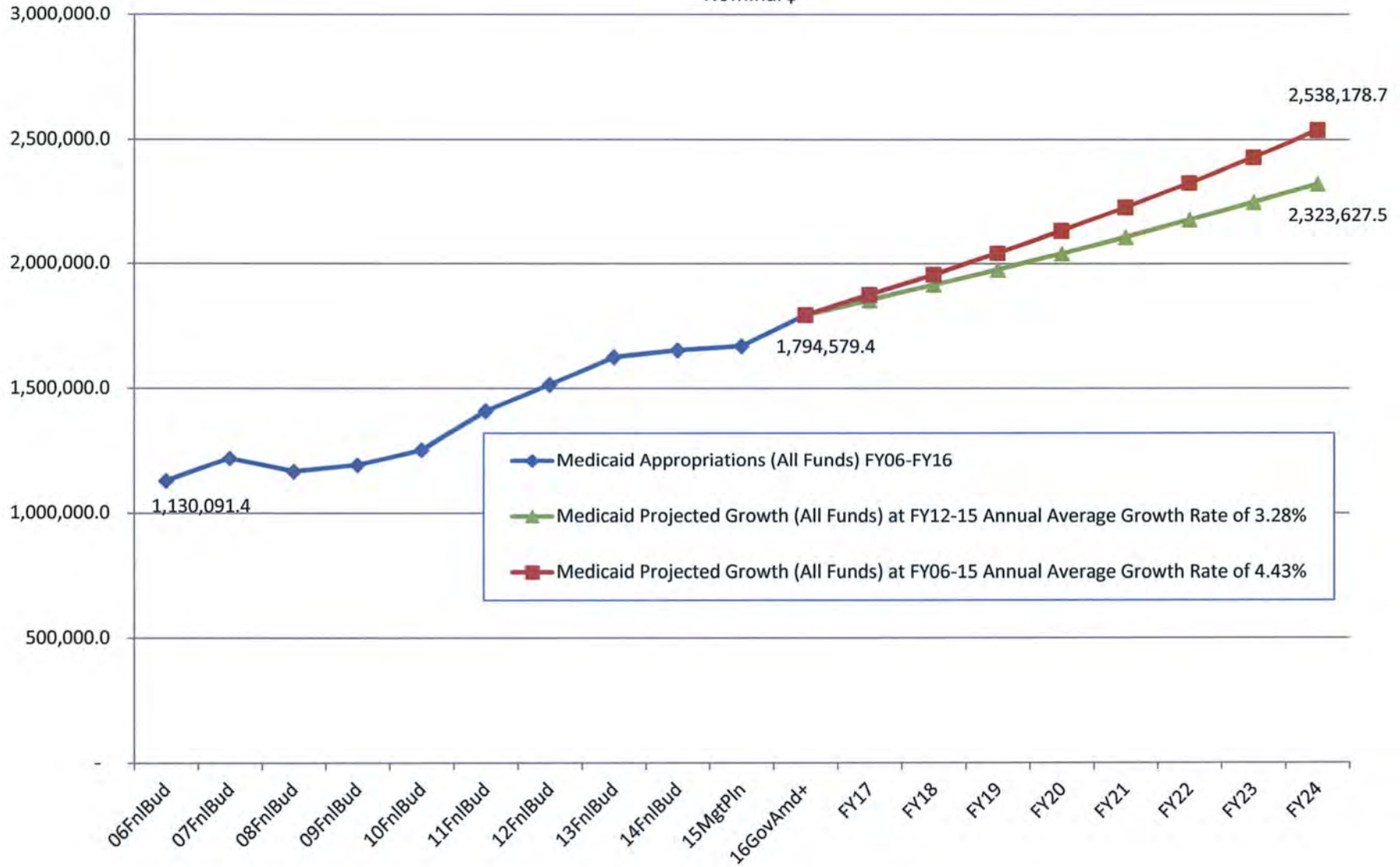
# Historical and Projected Medicaid Growth

(GF Only)  
(\$Thousands)  
Nominal \$



# Historical and Projected Medicaid Growth Rates

(All Funds)  
\$ Thousands  
Nominal \$





THE STATE  
of **ALASKA**

GOVERNOR BILL WALKER

**Department of  
Health and Social Services**

OFFICE OF THE COMMISSIONER

Anchorage  
3601 C Street, Suite 902  
Anchorage, Alaska 99503-5923  
Main: 907.269.7800  
Fax: 907.269.0060

Juneau  
350 Main Street, Suite 404  
Juneau, Alaska 99801-1149  
Main: 907.465.3030  
Fax: 907.465.3068

March 18, 2015

Honorable Bert Stedman  
Senate Health & Social Services Committee  
State Capitol, Room 30  
Juneau, AK 99801-1182

Dear Senator Stedman:

The Department of Health and Social Services respectfully requests a hearing in the Senate Health & Social Services Committee on Senate Bill 78, "An Act relating to medical assistance reform measures; relating to eligibility for medical assistance coverage; relating to medical assistance cost containment measures by the Department of Health and Social Services; and providing for an effective date."

The bill would make technical amendments to AS 47.07.020, related to Medicaid eligibility, and also includes authorizing Medicaid expansion as authorized under the Patient Protection and Affordable Care Act.

Medicaid expansion and reform are in the best interest of the state, and I appreciate your favorable consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Valerie".

Valerie Davidson  
Commissioner

cc: Darwin Peterson, Legislative Director, Office of the Governor



THE SECRETARY OF HEALTH AND HUMAN SERVICES  
WASHINGTON, D.C. 20201

MAR - 6 2015

The Honorable Bill Walker  
Governor of Alaska  
Juneau, AK 99811

Dear Governor Walker:

Thank you for your efforts regarding Medicaid expansion in Alaska. In follow up to our staffs' discussions, I wanted to provide you with the following information on the Medicaid coverage expansion provision of the Affordable Care Act.

As you know, the law provides that the federal government will pay 100 percent of the amounts expended by the state for medical assistance for such newly-eligible adult beneficiaries through 2016. The federal contribution gradually declines beginning in 2017, but it is never less than 90 percent of the cost of care. In previous guidance, we notified states of the opportunity to extend coverage, and the absence of federal financial penalties if a state does not do so, or if it does so and later drops such coverage. See question and answer 25 of the Frequently Asked Questions on Exchanges, Market Reforms and Medicaid, issued on December 10, 2012, and available at: <http://www.cms.gov/CCIIO/Resources/Files/Downloads/exchanges-faqs-12-10-2012.pdf>.

Consistent with that guidance, Alaska may take up the Medicaid coverage expansion, and then later drop it at state option. There is no requirement for a state to maintain coverage for the new adult group. We generally encourage states that eliminate any coverage category elected at state option to plan for a smooth transition process for phasing out that coverage. For that reason, states' 1115 demonstrations include a standard phase out term and condition. This includes requiring that any individuals who may continue to be eligible for Medicaid in other eligibility categories are notified and given the opportunity to continue coverage through that alternative category. We also note that if Alaska expands Medicaid coverage and then drops such coverage at a later point, there would be no resulting financial penalty and no reduction to the federal matching dollar rates otherwise available to Alaska for its Medicaid program.

I hope this information is useful in your efforts to help low-income Alaska residents gain coverage and to reduce uncompensated care for Alaska health care providers. Please do not hesitate to contact me if you have any further thoughts or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "SMB".

Sylvia M. Burwell

**Estimated Counts of Newly Eligible Population, Enrollees, and Federal Matching Funds By House District, Fiscal Year 2016**

House/Senate District Rep/Sen	Expansion Population	Enrollees	Federal Matching Funds
HD 1/SD A Kawasaki/Kelly	945	452	\$3,279,391
HD 2/SD A Thompson/Kelly	956	458	\$3,317,563
HD 3/SD B Wilson/Coghill	919	440	\$3,189,164
HD 4/SD B Guttenberg/Coghill	1,008	483	\$3,498,017
HD 5/SD C Wool/Bishop	1,045	500	\$3,626,416
HD 6/SD C Talerico/Bishop	914	438	\$3,171,813
HD 7/SD D Gattis/Huggins	932	446	\$3,234,277
HD 8/SD D Neuman/Huggins	1,035	496	\$3,591,713
HD 9/SD E Colver/Dunleavy	981	470	\$3,404,320
HD 10/SD E Keller/Dunleavy	974	466	\$3,380,028
HD 11/SD F Hughes/Stoltze	923	442	\$3,203,045
HD 12/SD F Tilton/Stoltze	950	455	\$3,296,742
HD 13/SD G Saddler/MacKinnon	950	455	\$3,296,742
HD 14/SD G Reinbold/MacKinnon	974	466	\$3,380,028
HD 15/SD H LeDoux/Wielechowski	912	437	\$3,164,872
HD 16/SD H Gruenberg/Wielechowski	968	463	\$3,359,206
HD 17/SD I Josephson/Gardner	1,021	489	\$3,543,130
HD 18/SD I Drummond/Gardner	1,041	498	\$3,612,535
HD 19/SD J Tarr/Ellis	889	426	\$3,085,056
HD 20/SD J Gara/Ellis	1,066	510	\$3,699,291
HD 21/SD K Claman/Costello	988	473	\$3,428,611
HD 22/SD K Vazquez/Costello	986	472	\$3,421,671
HD 23/SD L Tuck/McGuire	993	475	\$3,445,963
HD 24/SD L Johnson/McGuire	951	455	\$3,300,212
HD 25/SD M Millet/Meyer	999	478	\$3,466,784
HD 26/SD M Lynn/Meyer	989	474	\$3,432,082
HD 27/SD N Pruitt/Giessel	939	450	\$3,258,569
HD 28/SD N Hawker/Giessel	982	470	\$3,407,790
HD 29/SD O Chenault/Micliche	1,425	682	\$4,945,113
HD 30/SD O Olson/Miccheche	1,337	640	\$4,639,730
HD 31/SD P Seaton/Stevens	1,373	657	\$4,764,659
HD 32/SD P Stutes/Stevens	1,376	659	\$4,775,070
HD 33/SD Q Kito/Egan	1,377	659	\$4,778,541
HD 34/SD Q Munoz/Egan	1,300	622	\$4,511,331
HD 35/SD R Kreiss-Tomkins/Stedman	1,248	598	\$4,330,878
HD 36/SD R Ortiz/Stedman	1,259	603	\$4,369,050
HD 37/SD S Edgmon/Hoffman	1,451	695	\$5,035,339
HD 38/SD S Herron/Hoffman	1,187	568	\$4,119,192
HD 39/SD T Foster/Olson	633	303	\$2,196,671
HD 40/SD T Nageak/Olson	714	342	\$2,477,762

# Medicaid Expansion: questions and choices

Becky Hultberg, President/CEO  
Alaska State Hospital and Nursing Home Association

March 19, 2015

ASHNHA

ALASKA STATE HOSPITAL &  
NURSING HOME ASSOCIATION

## Alice's choice....

"Alice: Would you tell me, please, which way I ought to go from here?"

The Cheshire Cat: That depends a good deal on where you want to get to.

Alice: I don't much care where.

The Cheshire Cat: Then it doesn't much matter which way you go.

Alice: ...So long as I get somewhere.

The Cheshire Cat: Oh, you're sure to do that, if only you walk long enough."

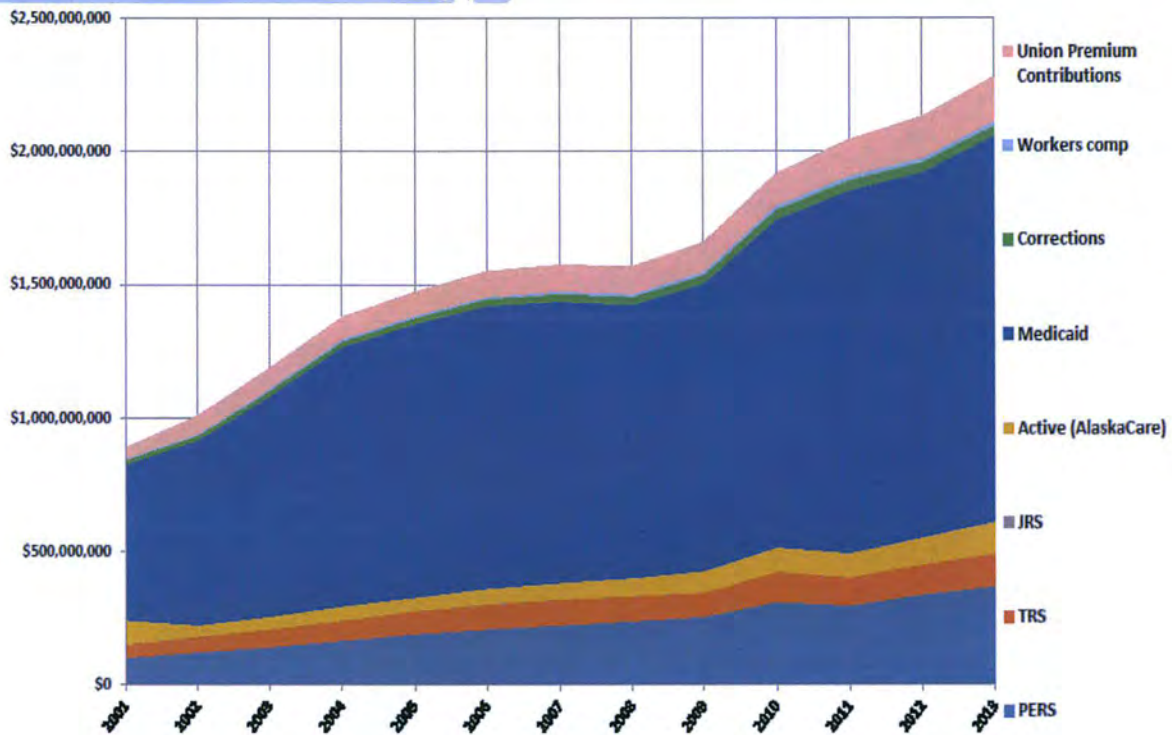
- Lewis Carroll, *Alice in Wonderland*



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# State health care costs



## Hate “Obamacare?”

### Repeal is unlikely:

- Requires Republican majorities in both the House of Representatives and the Senate, a Republican President *and an alternative*.
- Insurance market today has been profoundly changed by the ACA. Not a simple rollback.
- Some of the elements that drive cost (pre-existing condition limitation) are among the most popular with the public.
- *We must move forward based on the reality of the current landscape.*



# Addressing the questions

- Deficit driver?
- Able-bodied adults?
- Crowd-out?
- The Arkansas experience?
  - Impact on uncompensated care
  - ER utilization
- Can't opt out?

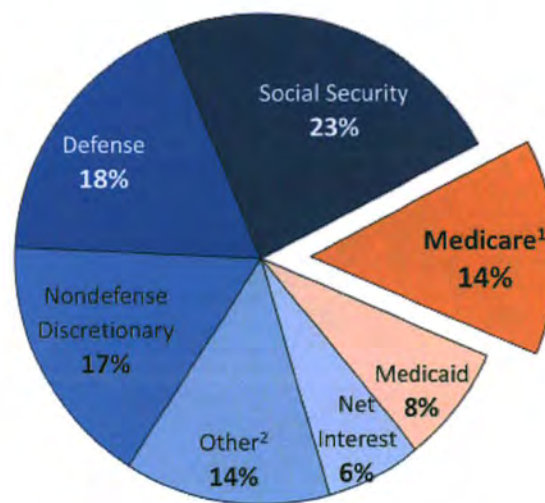
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## Deficit-driver?

Exhibit 1

### Medicare as a Share of the Federal Budget, 2013



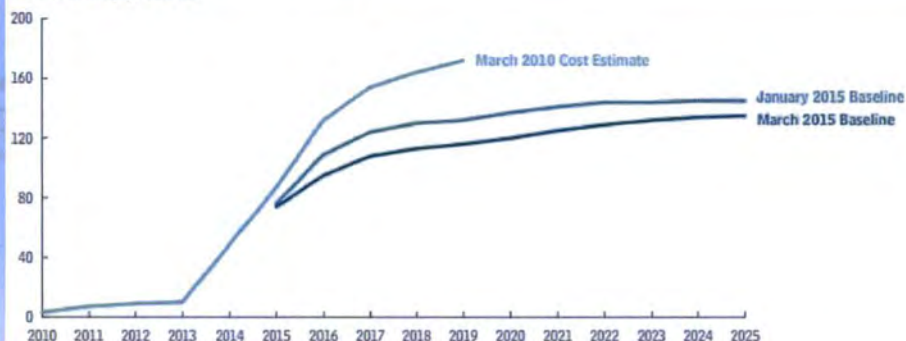
**Total Federal Outlays, 2013 = \$3.5 Trillion**  
**Net Federal Medicare Outlays, 2013 = \$492 Billion**

NOTE: All amounts are for federal fiscal year 2013. <sup>1</sup>Consists of Medicare spending minus income from premiums and other offsetting receipts. <sup>2</sup>Other category includes spending on other mandatory outlays minus income from offsetting receipts).  
SOURCE: Congressional Budget Office, Updated Budget Projections: 2014 to 2024 (April 2014).

# Deficit driver?

## CBO and JCT's Estimates of the Net Budgetary Effects of the Insurance Coverage Provisions of the Affordable Care Act

Billions of Dollars, by Fiscal Year



Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

Note: Effects on the deficit of provisions of the Affordable Care Act that are not related to insurance coverage and effects on discretionary spending of the coverage provisions are not shown.



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# Able-bodied adults?

## Medicare

- We subsidize health care for other groups of able-bodied (and more affluent) adults
- People become Medicare-eligible at 65
- Medicare payroll taxes cover only a third of the cost of the program

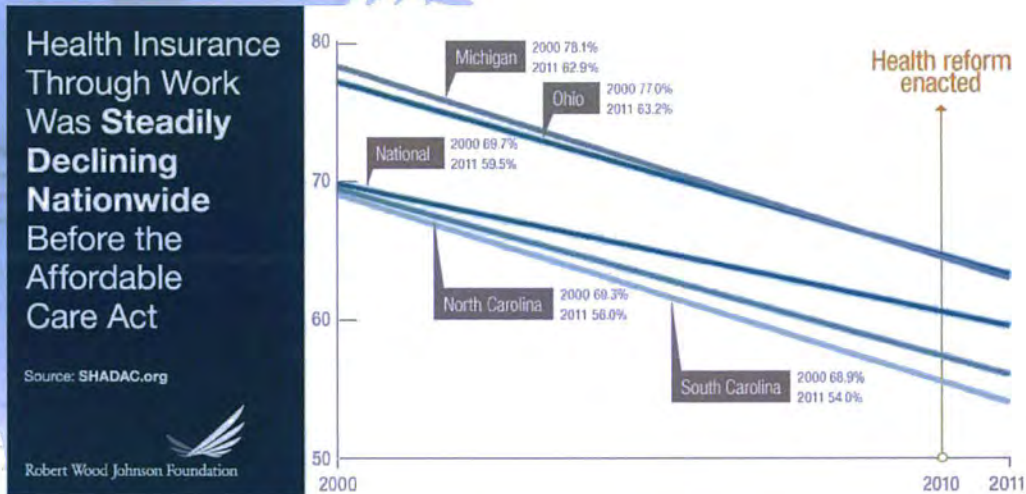
## Working – but low income

- 73.6% of the newly-eligible are either working or looking for work but can't afford health insurance.
- If individuals go over the Medicaid threshold, they are eligible for subsidized insurance in the exchange – they do not lose coverage.



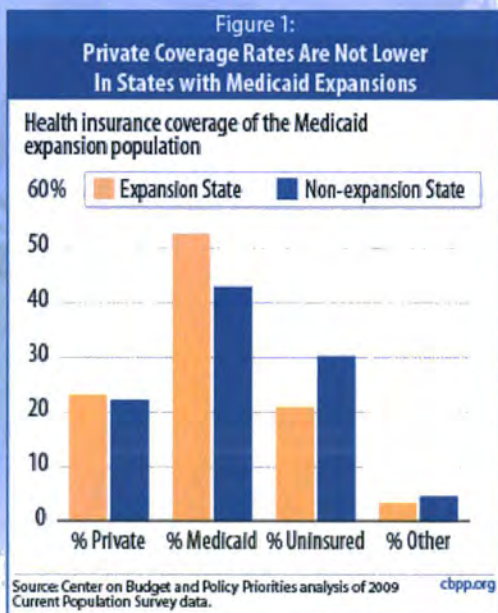
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# Crowd-out: private insurance?



ALASKA STATE HOSPITAL & NURSING HOME ASSOCIATION

# Crowd-out: private insurance?



## Center on Budget and Policy Priorities:

“The existing body of research and the results of new analysis show that claims that the new law’s Medicaid expansions will lead to extensive crowd-out are highly exaggerated. Crowd-out rates among the low-income population are best estimated at between 10 percent and 20 percent, significantly less than the analyses touted by critics assume.”



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# Crowd-out: Medicare beneficiaries & kids?

## Medicare beneficiaries

- Evidence that this has happened elsewhere?
- When private physicians have not taken Medicare patients, hospitals have met this need

## Kids

- The Medicaid population is comprised of childless adults. There would be no “crowding out” based on availability of pediatricians.



20 mins

Alaska Regional Hospital to Acquire Alaska Medicare Clinic



Alaska

Providence Medical Group Senior Care

Providence Medical Group Senior Care is located on the Providence Alaska Medical Center Campus in Building II, Suite D-314. The Center is a primary care medical office to patients 50 years old and above.

Central Peninsula Hospital

Central Peninsula Family Practice

Primary care with a family friendly focus

PeaceHealth

PeaceHealth Medical Group - Ketchikan/Craig, Alaska

For Patients & Families | Medical/Surgical Services & Treatment | Meet a Doctor | Community, Health & Wellness

Banner Health

Care when you need it.

Seven days a week. No appointment needed.

Tanana Valley Clinic

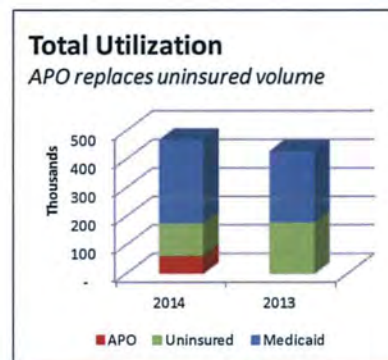
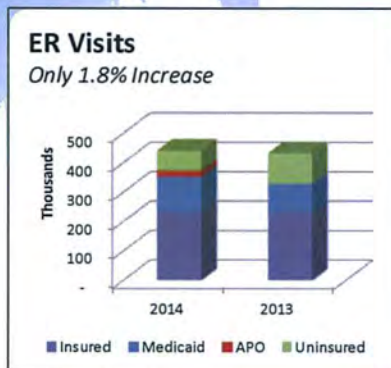
# The Arkansas experience?

## Impact on utilization

- Total visits to emergency rooms increased less than 2%
- Hospitals recorded 36,400 fewer ER visits by uninsured patients, a 35.5% decline
- Non-urgent visits to hospital outpatient clinics increased 5.8%

## Impact on the uninsured

- Number of people hospitalized without insurance fell 46.5%
- Overall hospital admissions remained relatively stable

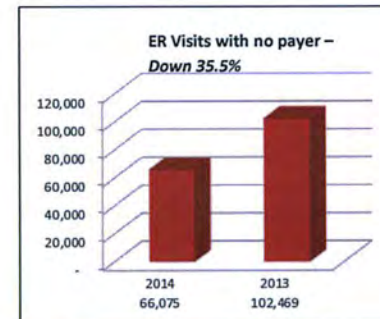
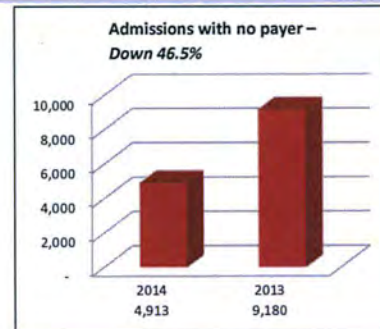
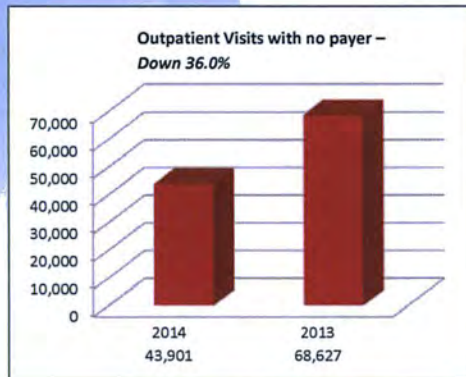


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# The Arkansas experience?

## Impact on uncompensated care

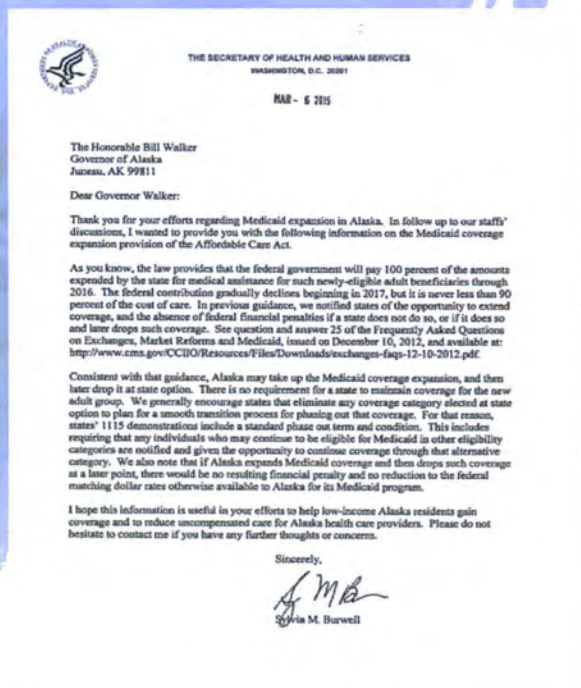
- Losses responding hospitals incurred caring for low-income Arkansans decreased by \$69 million



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# Can't opt out?



## March 6 letter to Gov. Walker from Secretary Burwell:

“There is no requirement for a state to maintain coverage for the new adult group.”

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# The choices at the fork in the road

- Economic choices
- Moral choices
- Fiscal choices
- Health care service choices
- The “Alice choice”



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## Economic choices

### Tim Bradner, Alaska Economic Report

- “There are growing signs of a flattening state economy. The state Dept. of Labor and Workforce Development reported March 3 that employment in the third quarter of 2014 dipped marginally below employment in the same period of 2013, mainly because of public sector job cuts and slower private-sector growth.” – Alaska Economic Report, March 10

### Jonathan King, Northern Economics

- The economy is headed toward a recession, and Medicaid expansion is one of the few bright spots on the horizon. – Governor’s transition conference, November 2014



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# Moral choices

- Our views on what is a moral choice can be different.
- Health care organizations often view access to health care as a basic human right.
- Many of our not-for-profit hospital systems were established because of this commitment.
- From the Catholic Health Association:

*"We are inspired by the wisdom of the social doctrine of the Church, which teaches that each person is created in the image of God; that each human life is sacred and possesses inalienable worth; and that health care is essential to promoting and protecting the inherent dignity of every individual...."*

*The Catholic Health Association supports the expansion of the Medicaid program to everyone under 138 percent of the Federal poverty level. Access to Medicaid can mean the difference between life and death."*



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# Fiscal choices

- State expenditures for Medicaid would increase by only 2% to support Medicaid expansion.
- Net positive fiscal impact even when federal matching percentage (FMAP) goes to 90%.
  - 2016: (\$6.1) million
  - 2017: (\$8.1) million
  - 2018: (\$6.0) million
  - 2019: (\$7.9) million
  - 2020: (\$6.5) million
  - 2021: (\$3.2) million



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# Health care service choices

Enacted Cuts as a Percent of Total FFS Medicare Revenue  
15 year summary value **-10.0%**

Cuts Enacted (2010-2024): Legislative	
ACA Marketbasket Cuts	(\$266,013,300)
Sequestration	(93,961,800)
Medicare DSH Cuts	(79,844,200)
Quality	(6,743,300)
ATRA Coding	(9,932,500)
Bad Debt at 65%	(2,180,700)
<b>Total Legislative Cuts</b>	<b>(\$458,675,800)</b>

Cuts Enacted (2010-2024): Regulatory	
Coding Cuts	(\$127,744,400)
2-Midnight Offset	(4,769,600)
<b>Total Regulatory Cuts</b>	<b>(\$132,514,000)</b>
<b>Total Cuts Enacted</b>	<b>(\$591,189,800)</b>

Cuts Under Consideration (2015-2024)	
Rural Cuts	(\$228,923,000)
OPD Cuts	(46,733,800)
IME/DGME Cuts	(14,218,200)
Bad Debt Elimination	(10,567,500)
CMS Coding Cut	(9,821,600)
Post Acute Cuts	(9,500,700)
<b>Total Cuts Under Consideration</b>	<b>(\$319,764,800)</b>



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# The Alice choice

Alice's question: "Would you tell me please, which way I ought to go from here?"

Our question: What is our vision for health care?

- We have to understand our destination.
- Which path we takes matters.
- If we don't understand our destination, we will end up somewhere, but it might not be where we want to be.



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# Health care of the future

Old way of doing things	New way of doing things
Pay for volume (fee for service)	Pay for outcomes (value = quality + cost)
Fragmented care delivery	Integrated, aligned care delivery
Decisions made on training and experience	Evidence-based best practice
"Sick care"	Population health management
Paper charts, fragmented IT systems	Integrated information systems
No data transparency	Transparency in quality and cost
Cost-cutting	Process improvement and efficiency
Unmanaged care	Care coordination



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## It works: PeaceHealth Ketchikan

- CMS innovation grant for care coordination: \$750,000/year
- All payers were included, even though grant came from CMS (Medicaid program benefited)
- Results:
  - 15% reduction in payments
  - 27% reduction in all-cause readmissions
  - Improvement in select clinical outcome areas
- Under the current payment model, had PeaceHealth Ketchikan implemented this project without the grant, *the organization would have spent money, to lose money, to improve care.*
- *Our model must change.*



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# How do we get there?

- Payers drive behavior
- In Alaska, we have few large non-governmental payers.
  - In other markets, large payers are driving change (e.g. Boeing Seattle).
- What does that mean:
  - Health care transformation must be a partnership between the industry, private sector payers and the State of Alaska, through Medicaid and its commercial plans.
- How does Medicaid expansion fit into this vision?
  - Risk capital through reduction in uncompensated care.
  - Changing how Medicaid pays and what it pays for.
  - Medicaid expansion can be the engine of health care system transformation.

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# Our choices.....



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# THE HEALTHY ALASKA PLAN

*Medicaid expansion — Saves Alaska money. Saves Alaska lives.*

healthy for Alaskans;

healthy for the economy;

healthy for the state's budget;

a catalyst for reform.



*Medicaid expansion provides thousands of Alaskans the opportunity to get the health care they need. Federal Medicaid dollars will generate jobs and economic activity in our state, save the state money, and provide a catalyst for Medicaid reform for Alaska.*

## GOOD FOR ALASKANS

Nearly 42,000 Alaskans between ages 19 and 64 will be eligible for health coverage under Medicaid expansion. An expected 20,000 will sign up the first year.

Here's who would be eligible:

- Single adults earning up to \$20,314 a year or less — that's \$9.76 an hour based on a 40-hour work week
- Married couples earning up to a combined income of \$27,490 a year or less.

Expanding Medicaid coverage

- Cuts the number of uninsured Alaskans by half,
- Improves access to preventive and primary care,
- Improves access to substance abuse treatment and mental health counseling, and
- Saves lives.

## GOOD FOR ALASKA'S ECONOMY

Studies project that Medicaid expansion will bring more than \$1 billion in new federal money to Alaska over the first five years. That means Alaska would gain:


- 4,000 new jobs,
- \$1.2 billion in wages and salaries paid to Alaskans,
- \$2.5 billion in increased economic activity throughout the state, and
- Fewer lost work days and less employee turnover.

Expanding Medicaid will bring Alaska tax dollars back to Alaska. It could help stabilize rising insurance premiums and medical prices by reducing uncompensated care that health providers currently provide to Alaskans with no insurance coverage.

Learn more about the Healthy Alaska Plan at:  
[dhss.alaska.gov/healthyalaska](http://dhss.alaska.gov/healthyalaska)

# THE HEALTHY ALASKA PLAN

Medicaid expansion — Saves Alaska money. Saves Alaska lives.



nearly **42,000**  
uninsured  
**ALASKANS**  
eligible for basic health  
care coverage\*



**\$1.1**  
**BILLION**  
in new federal  
revenue for Alaska\*



**4,000**  
new  
**JOBSS**\*\*



**\$1.2**  
**BILLION**  
more in wages  
and salaries  
paid to Alaskans\*\*

## GOOD FOR ALASKA'S BUDGET

Expanding Medicaid reduces the state's budget. Federal funds will pay for some health services currently paid for with state funds. State savings are estimated at \$6.1 million the first year.

Federal funds pay for 100 percent of expansion costs through 2016 and transition to 90 percent in 2020. Savings to the state will offset its share of the costs.

### Federal financing of Medicaid expansion:

Calendar year	Federal match rate
2014-2016	100%
2017	95%
2018	94%
2019	93%
2020 and beyond	90%

The state's continued participation is contingent upon maintaining the 90 percent match.

The state currently pays virtually 100 percent of the health costs for Alaskans in our corrections system. Through Medicaid expansion, we will be able to bill some inmate health care costs to federal Medicaid, saving the state an estimated \$4 to \$7 million annually.

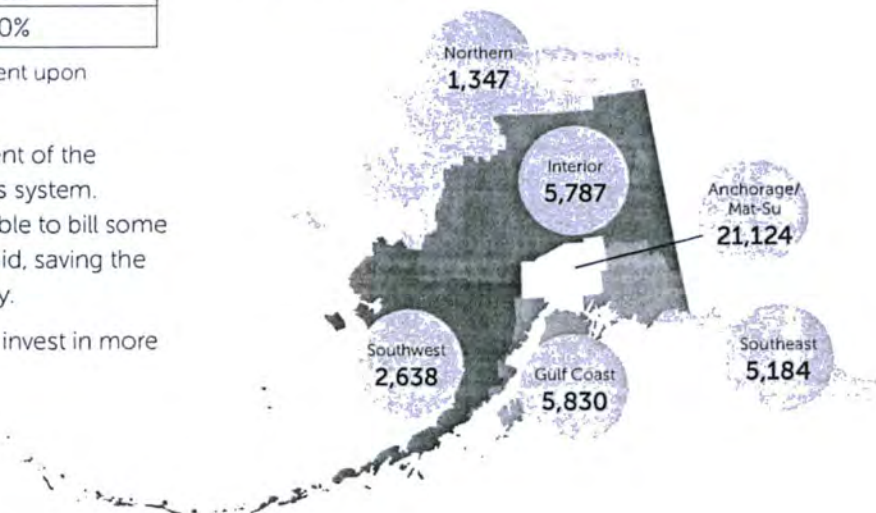
The state can invest in healthy Alaskans or invest in more prisons. Alaska's *2015 Recidivism Reduction Plan* states that Medicaid expansion provides substance abuse treatment and other critical health care services that help keep ex-prisoners out of jail.

## A CATALYST FOR REFORM

Some Medicaid reforms are already underway. Leveraging the federal resources that come with expansion is our biggest opportunity to finance our reform efforts. The state will redesign Medicaid through a plan that makes sense for Alaska by evaluating options like:

- Payment reform
- Strengthened primary care
- Care management
- Workforce innovation
- Maximizing federal matching fund opportunities
- Improved telehealth capability

Nearly 42,000 Alaskans would be eligible for Medicaid after expansion:



\* Projected Population, Enrollment, Service Cost and Demographics of Medicaid Expansion Beginning in FY2016. A memorandum prepared by Evergreen Economics for the Alaska Department of Health and Social Services

\*\* Fiscal and Economic Impacts of Medicaid Expansion in Alaska, A report prepared by Northern Economics for the Alaska Native Tribal Health Consortium

**SB 78 - MEDICAL ASSISTANCE COVERAGE; REFORM**

**Sponsor: Governor**

**Committee: Senate Health and Social Services**

	OMB Component	Bill Sectional	FY16 Appropriation Requested	Bill Sectional	FY17 New	FY17 Total	Bill Sectional	FY18 New	FY18 Total	Bill Sectional	FY19 New	FY19 Total	Bill Sectional	FY20 New	FY20 Total	Bill Sectional	FY21 New	FY21 Total
<b>Department of Health and Social Services</b>																		
Adult Prevent Dental Medicaid Svcs	2839	Sec 6(b)(16)	\$ 5,381.2	Sec 6(b)(16)	\$ 1,073.0	\$ 6,454.2	Sec 6(b)(16)	\$ 1,144.4	\$ 7,598.6	Sec 6(b)(16)	\$ 273.0	\$ 7,871.6	Sec 6(b)(16)	\$ 284.4	\$ 8,156.0	Sec 6(b)(16)	\$ 151.0	\$ 8,307.0
Behavioral Health Admin	2665	Sec 10(d)(2)	\$ 120.4	Sec 10(d)(2)	\$ (7.6)	\$ 112.8	Sec 10(d)(2)	\$ -	\$ 112.8	Sec 10(d)(2)	\$ -	\$ 112.8	Sec 10(d)(2)	\$ -	\$ 112.8	Sec 10(d)(2)	\$ -	\$ 112.8
* Behavioral Health Medicaid Svcs	2660	Sec 6(b)(16)	\$ 4,799.5	Sec 6(b)(16)	\$ 524.0	\$ 5,323.5	Sec 6(b)(16), Sec 10(d)(2)	\$ 11,405.0	\$ 16,728.5	Sec 6(b)(16), Sec 10(d)(2)	\$ 4,499.0	\$ 21,227.5	Sec 6(b)(16), Sec 10(d)(2)	\$ 5,307.4	\$ 26,534.9	Sec 6(b)(16), Sec 10(d)(2)	\$ 70.3	\$ 26,605.2
Catastrophic & Chronic Ill Assist.	2330	Sec 6(b)(16)	\$ (1,000.0)	Sec 6(b)(16)	\$ (300.0)	\$ (1,300.0)	Sec 6(b)(16)	\$ (100.0)	\$ (1,400.0)	Sec 6(b)(16)	\$ (71.0)	\$ (1,471.0)	Sec 6(b)(16)	\$ -	\$ (1,471.0)	Sec 6(b)(16)	\$ -	\$ (1,471.0)
* Comm Dvlpmt Disabilities Grants	309		\$ -		\$ -	\$ -	Sec 10(d)(2)	\$ (11,635.8)	\$ (11,635.8)	Sec 10(d)(2)	\$ -	\$ (11,635.8)	Sec 10(d)(2)	\$ -	\$ (11,635.8)	Sec 10(d)(2)	\$ -	\$ (11,635.8)
* Gen Relief/Temp Assisted Living	2875		\$ -		\$ -	\$ -	Sec 10(d)(2)	\$ (4,494.3)	\$ (4,494.3)	Sec 10(d)(2)	\$ -	\$ (4,494.3)	Sec 10(d)(2)	\$ -	\$ (4,494.3)	Sec 10(d)(2)	\$ -	\$ (4,494.3)
* Health Care Medicaid Services	2077	Sec 4, Sec 5, Sec 6(b)(16)	\$ 132,281.4	Sec 4, Sec 5, Sec 6(b)(16), Sec 10(d)(1)	\$ 26,755.2	\$ 159,036.6	Sec 4, Sec 5, Sec 6(b)(16), Sec 10(d)(1)	\$ 25,575.5	\$ 184,612.1	Sec 4, Sec 5, Sec 6(b)(16), Sec 10(d)(1)	\$ 2,479.8	\$ 187,091.9	Sec 4, Sec 5, Sec 6(b)(16), Sec 10(d)(1)	\$ 2,811.6	\$ 189,903.5	Sec 4, Sec 5, Sec 6(b)(16), Sec 10(d)(1)	\$ 3,848.4	\$ 193,751.9
* Medical Assistance Administration	242	Sec 6(b)(16), Sec 10(d)(1)	\$ 541.6	Sec 6(b)(16), Sec 10(d)(1)	\$ (30.4)	\$ 511.2	Sec 6(b)(16), Sec 10(d)(1)	\$ 131.6	\$ 642.8	Sec 6(b)(16), Sec 10(d)(1)	\$ (7.6)	\$ 635.2	Sec 6(b)(16), Sec 10(d)(1)	\$ 131.6	\$ 766.8	Sec 6(b)(16), Sec 10(d)(1)	\$ (7.6)	\$ 759.2
Public Assistance Field Services	236	Sec 6(b)(16)	\$ 2,771.3	Sec 6(b)(16)	\$ (430.1)	\$ 2,341.2	Sec 6(b)(16)	\$ -	\$ 2,341.2	Sec 6(b)(16)	\$ -	\$ 2,341.2	Sec 6(b)(16)	\$ -	\$ 2,341.2	Sec 6(b)(16)	\$ -	\$ 2,341.2
* Rate Review	2696	Sec 1(3)	\$ 4.5		\$ (4.5)	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -
* Senior Community Based Grants	2787		\$ -		\$ -	\$ -	Sec 10(d)(2)	\$ (716.3)	\$ (716.3)	Sec 10(d)(2)	\$ -	\$ (716.3)	Sec 10(d)(2)	\$ -	\$ (716.3)	Sec 10(d)(2)	\$ -	\$ (716.3)
* Sen. Dis Medicaid Services	2662	Sec 6(b)(16)	\$ 2,908.8	Sec 6(b)(16)	\$ 580.0	\$ 3,488.8	Sec 6(b)(16), Sec 10(d)(2), Sec 10(d)(3)	\$ 17,465.0	\$ 20,953.8	Sec 6(b)(16), Sec 10(d)(2), Sec 10(d)(3)	\$ 147.6	\$ 21,101.4	Sec 6(b)(16), Sec 10(d)(2), Sec 10(d)(3)	\$ 153.7	\$ 21,255.1	Sec 6(b)(16), Sec 10(d)(2), Sec 10(d)(3)	\$ 81.6	\$ 21,336.7
* SDS Administration	2663	Sec 10(d)(2), Sec 10(d)(3)	\$ 299.6	Sec 10(d)(2), Sec 10(d)(3)	\$ 232.7	\$ 532.3	Sec 10(d)(2), Sec 10(d)(3)	\$ 346.9	\$ 879.2	Sec 10(d)(2), Sec 10(d)(3)	\$ (530.2)	\$ 349.0	Sec 10(d)(2), Sec 10(d)(3)	\$ -	\$ 349.0	Sec 10(d)(2), Sec 10(d)(3)	\$ -	\$ 349.0
* Treatment & Recovery Grants	3099	Sec 6(b)(16)	\$ (1,558.7)	Sec 6(b)(16)	\$ (3,441.3)	\$ (5,000.0)	Sec 6(b)(16), Sec 10(d)(2)	\$ (7,501.0)	\$ (12,501.0)	Sec 6(b)(16), Sec 10(d)(2)	\$ (4,027.7)	\$ (16,528.7)	Sec 6(b)(16), Sec 10(d)(2)	\$ (3,027.9)	\$ (19,556.6)	Sec 6(b)(16), Sec 10(d)(2)	\$ (28.1)	\$ (19,584.7)
<b>Health &amp; Social Services Total:</b>			<b>\$ 146,549.6</b>		<b>\$ 24,951.0</b>	<b>\$ 171,500.6</b>		<b>\$ 31,621.0</b>	<b>\$ 203,121.6</b>		<b>\$ 2,762.9</b>	<b>\$ 205,884.5</b>		<b>\$ 5,660.8</b>	<b>\$ 211,545.3</b>		<b>\$ 4,115.6</b>	<b>\$ 215,660.9</b>
<b>Postions:</b>			<b>29</b>		<b>2</b>	<b>31</b>		<b>2</b>	<b>33</b>		<b>0</b>	<b>33</b>		<b>1</b>	<b>34</b>		<b>0</b>	<b>34</b>

<b>Department of Corrections</b>																		
Physical Health Care	2952	Sec 6(b)(16)	\$ (4,108.2)		\$ (2,891.8)	\$ (7,000.0)		\$ -	\$ (7,000.0)		\$ -	\$ (7,000.0)		\$ -	\$ (7,000.0)		\$ -	\$ (7,000.0)
<b>Corrections Total:</b>			<b>\$ (4,108.2)</b>		<b>\$ (2,891.8)</b>	<b>\$ (7,000.0)</b>		<b>\$ -</b>	<b>\$ (7,000.0)</b>		<b>\$ -</b>	<b>\$ (7,000.0)</b>		<b>\$ -</b>	<b>\$ (7,000.0)</b>		<b>\$ -</b>	<b>\$ (7,000.0)</b>

<b>Department of Administration</b>																		
Office of Admin Hearings (IA)	2771		\$ 16.8		\$ 2.7	\$ 19.5		\$ 2.7	\$ 22.2		\$ -	\$ 22.2		\$ 0.1	\$ 22.3		\$ -	\$ 22.3
<b>Administration Total:</b>			<b>\$ 16.8</b>		<b>\$ 2.7</b>	<b>\$ 19.5</b>		<b>\$ 2.7</b>	<b>\$ 22.2</b>		<b>\$ -</b>	<b>\$ 22.2</b>		<b>\$ 0.1</b>	<b>\$ 22.3</b>		<b>\$ -</b>	<b>\$ 22.3</b>

<b>Grand Total:</b>			<b>\$ 142,458.2</b>		<b>\$ 22,061.9</b>	<b>\$ 164,520.1</b>		<b>\$ 31,623.7</b>	<b>\$ 196,143.8</b>		<b>\$ 2,762.9</b>	<b>\$ 198,906.7</b>		<b>\$ 5,660.9</b>	<b>\$ 204,567.6</b>		<b>\$ 4,115.6</b>	<b>\$ 208,683.2</b>
<b>Position Totals:</b>			<b>29</b>		<b>2</b>	<b>31</b>		<b>2</b>	<b>33</b>		<b>0</b>	<b>33</b>		<b>1</b>	<b>34</b>		<b>0</b>	<b>34</b>

Cumulative by Fund Source (FY16-FY21)		FY16 Appropriation Requested	FY17 New	FY17 Total	FY18 New	FY18 Total	FY19 New	FY19 Total	FY20 New	FY20 Total	FY21 New	FY21 Total
\$1,443,792.5	Fed	\$ 147,347.2	\$ 31,541.9	\$ 178,889.1	\$ 64,121.7	\$ 243,010.8	\$ 35,336.2	\$ 278,347.0	\$ 4,054.3	\$ 282,401.3	\$ 31,395.8	\$ 313,797.1
(\$139,853.2)	GF Match	\$ 237.9	\$ (1,191.5)	\$ (953.6)	\$ (8,010.8)	\$ (8,964.4)	\$ (28,432.2)	\$ (37,396.6)	\$ 4,634.4	\$ (32,762.2)	\$ (27,252.1)	\$ (60,014.3)
(\$88,063.6)	UGF	\$ (5,108.2)	\$ (3,191.8)	\$ (8,300.0)	\$ (10,310.6)	\$ (18,610.6)	\$ (71.0)	\$ (18,681.6)	\$ -	\$ (18,681.6)	\$ -	\$ (18,681.6)
(\$101,272.9)	GF/MH	\$ (1,558.7)	\$ (3,441.3)	\$ (5,000.0)	\$ (14,136.8)	\$ (19,136.8)	\$ (4,027.7)	\$ (23,164.5)	\$ (3,027.9)	\$ (26,192.4)	\$ (28.1)	\$ (26,220.5)
\$1,590.7	AMHTAAR	\$ 1,590.7	\$ (1,590.7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$125.3	IA	\$ 16.8	\$ 2.7	\$ 19.5	\$ 2.7	\$ 22.2	\$ -	\$ 22.2	\$ 0.1	\$ 22.3	\$ -	\$ 22.3
(\$1,039.2)	SDPR	\$ (67.5)	\$ (67.4)	\$ (134.9)	\$ (42.5)	\$ (177.4)	\$ (42.4)	\$ (219.8)	\$ -	\$ (219.8)	\$ -	\$ (219.8)
<b>** \$1,115,154.3</b>		<b>\$ 142,458.2</b>	<b>\$ 22,061.9</b>	<b>\$ 164,520.1</b>	<b>\$ 31,623.7</b>	<b>\$ 196,143.8</b>	<b>\$ 2,762.9</b>	<b>\$ 198,906.7</b>	<b>\$ 5,660.9</b>	<b>\$ 204,567.6</b>	<b>\$ 4,115.6</b>	<b>\$ 208,683.2</b>

\* Component appears in both SB 74 and SB 78  
 \*\* Total Does Not Include IA

*(10/19/20)*  
*Living*

**SB 78 - MEDICAL ASSISTANCE COVERAGE; REFORM**

**Sponsor: Governor**

**Committee: Senate Health and Social Services**

Fiscal Note Number	OMB Component	Bill Sectional	FY16 Appropriation Requested	Bill Sectional	FY17 New	FY17 Total	Bill Sectional	FY18 New	FY18 Total	Bill Sectional	FY19 New	FY19 Total	Bill Sectional	FY20 New	FY20 Total	Bill Sectional	FY21 New	FY21 Total
<b>Department of Health and Social Services</b>																		
1	Adult Prevent Dental Medicaid Svcs	2839	Sec 6(b)(16) \$ 5,381.2	Sec 6(b)(16)	\$ 1,073.0	\$ 6,454.2	Sec 6(b)(16)	\$ 1,144.4	\$ 7,598.6	Sec 6(b)(16)	\$ 273.0	\$ 7,871.6	Sec 6(b)(16)	\$ 284.4	\$ 8,156.0	Sec 6(b)(16)	\$ 151.0	\$ 8,307.0
2	Behavioral Health Admin	2665	Sec 10(d)(2) \$ 120.4	Sec 10(d)(2)	\$ (7.6)	\$ 112.8	Sec 10(d)(2)	\$ -	\$ 112.8	Sec 10(d)(2)	\$ -	\$ 112.8	Sec 10(d)(2)	\$ -	\$ 112.8	Sec 10(d)(2)	\$ -	\$ 112.8
3	* Behavioral Health Medicaid Svcs	2660	Sec 6(b)(16) \$ 4,799.5	Sec 6(b)(16)	\$ 524.0	\$ 5,323.5	Sec 6(b)(16), Sec 10(d)(2)	\$ 11,405.0	\$ 16,728.5	Sec 6(b)(16), Sec 10(d)(2)	\$ 4,499.0	\$ 21,227.5	Sec 6(b)(16), Sec 10(d)(2)	\$ 5,307.4	\$ 26,534.9	Sec 6(b)(16), Sec 10(d)(2)	\$ 70.3	\$ 26,605.2
4	Catastrophic & Chronic Ill Assist.	2330	Sec 6(b)(16) \$ (1,000.0)	Sec 6(b)(16)	\$ (300.0)	\$ (1,300.0)	Sec 6(b)(16)	\$ (100.0)	\$ (1,400.0)	Sec 6(b)(16)	\$ (71.0)	\$ (1,471.0)	Sec 6(b)(16)	\$ -	\$ (1,471.0)	Sec 6(b)(16)	\$ -	\$ (1,471.0)
5	* Comm Dvlpmt Disabilities Grants	309	\$ -		\$ -	\$ -	Sec 10(d)(2)	\$ (11,635.8)	\$ (11,635.8)	Sec 10(d)(2)	\$ -	\$ (11,635.8)	Sec 10(d)(2)	\$ -	\$ (11,635.8)	Sec 10(d)(2)	\$ -	\$ (11,635.8)
6	* Gen Relief/Temp Assisted Living	2875	\$ -		\$ -	\$ -	Sec 10(d)(2)	\$ (4,494.3)	\$ (4,494.3)	Sec 10(d)(2)	\$ -	\$ (4,494.3)	Sec 10(d)(2)	\$ -	\$ (4,494.3)	Sec 10(d)(2)	\$ -	\$ (4,494.3)
7	* Health Care Medicaid Services	2077	Sec 4, Sec 5, Sec 6(b)(16) \$ 132,281.4	Sec 4, Sec 5, Sec 6(b)(16), Sec 10(d)(1)	\$ 26,755.2	\$ 159,036.6	Sec 4, Sec 5, Sec 6(b)(16), Sec 10(d)(1)	\$ 25,575.5	\$ 184,612.1	Sec 4, Sec 5, Sec 6(b)(16), Sec 10(d)(1)	\$ 2,479.8	\$ 187,091.9	Sec 4, Sec 5, Sec 6(b)(16), Sec 10(d)(1)	\$ 2,811.6	\$ 189,903.5	Sec 4, Sec 5, Sec 6(b)(16), Sec 10(d)(1)	\$ 3,848.4	\$ 193,751.9
8	* Medical Assistance Administration	242	Sec 6(b)(16), Sec 10(d)(1) \$ 541.6	Sec 6(b)(16), Sec 10(d)(1)	\$ (30.4)	\$ 511.2	Sec 6(b)(16), Sec 10(d)(1)	\$ 131.6	\$ 642.8	Sec 6(b)(16), Sec 10(d)(1)	\$ (7.6)	\$ 635.2	Sec 6(b)(16), Sec 10(d)(1)	\$ 131.6	\$ 766.8	Sec 6(b)(16), Sec 10(d)(1)	\$ (7.6)	\$ 759.2
9	Public Assistance Field Services	236	Sec 6(b)(16) \$ 2,771.3	Sec 6(b)(16)	\$ (430.1)	\$ 2,341.2	Sec 6(b)(16)	\$ -	\$ 2,341.2	Sec 6(b)(16)	\$ -	\$ 2,341.2	Sec 6(b)(16)	\$ -	\$ 2,341.2	Sec 6(b)(16)	\$ -	\$ 2,341.2
10	* Rate Review	2696	Sec 1(3) \$ 4.5		\$ (4.5)	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -
11	* Senior Community Based Grants	2787	\$ -		\$ -	\$ -	Sec 10(d)(2)	\$ (716.3)	\$ (716.3)	Sec 10(d)(2)	\$ -	\$ (716.3)	Sec 10(d)(2)	\$ -	\$ (716.3)	Sec 10(d)(2)	\$ -	\$ (716.3)
12	* Sen. Dis Medicaid Services	2662	Sec 6(b)(16) \$ 2,908.8	Sec 6(b)(16)	\$ 580.0	\$ 3,488.8	Sec 6(b)(16), Sec 10(d)(2), Sec 10(d)(3)	\$ 17,465.0	\$ 20,953.8	Sec 6(b)(16), Sec 10(d)(2), Sec 10(d)(3)	\$ 147.6	\$ 21,101.4	Sec 6(b)(16), Sec 10(d)(2), Sec 10(d)(3)	\$ 153.7	\$ 21,255.1	Sec 6(b)(16), Sec 10(d)(2), Sec 10(d)(3)	\$ 81.6	\$ 21,336.7
13	* SDS Administration	2663	Sec 10(d)(2), Sec 10(d)(3) \$ 299.6	Sec 10(d)(2), Sec 10(d)(3)	\$ 232.7	\$ 532.3	Sec 10(d)(2), Sec 10(d)(3)	\$ 346.9	\$ 879.2	Sec 10(d)(2), Sec 10(d)(3)	\$ (530.2)	\$ 349.0	Sec 10(d)(2), Sec 10(d)(3)	\$ -	\$ 349.0	Sec 10(d)(2), Sec 10(d)(3)	\$ -	\$ 349.0
14	* Treatment & Recovery Grants	3099	Sec 6(b)(16) \$ (1,558.7)	Sec 6(b)(16)	\$ (3,441.3)	\$ (5,000.0)	Sec 6(b)(16), Sec 10(d)(2)	\$ (7,501.0)	\$ (12,501.0)	Sec 6(b)(16), Sec 10(d)(2)	\$ (4,027.7)	\$ (16,528.7)	Sec 6(b)(16), Sec 10(d)(2)	\$ (3,027.9)	\$ (19,556.6)	Sec 6(b)(16), Sec 10(d)(2)	\$ (28.1)	\$ (19,584.7)
<b>Health &amp; Social Services Total:</b>			<b>\$ 146,549.6</b>		<b>\$ 24,951.0</b>	<b>\$ 171,500.6</b>		<b>\$ 31,621.0</b>	<b>\$ 203,121.6</b>		<b>\$ 2,762.9</b>	<b>\$ 205,884.5</b>		<b>\$ 5,660.8</b>	<b>\$ 211,545.3</b>		<b>\$ 4,115.6</b>	<b>\$ 215,660.9</b>
<b>Postions:</b>			<b>29</b>		<b>2</b>	<b>31</b>		<b>2</b>	<b>33</b>		<b>0</b>	<b>33</b>		<b>1</b>	<b>34</b>		<b>0</b>	<b>34</b>

<b>Department of Corrections</b>																		
15	Physical Health Care	2952	Sec 6(b)(16) \$ (4,108.2)		\$ (2,891.8)	\$ (7,000.0)		\$ -	\$ (7,000.0)		\$ -	\$ (7,000.0)		\$ -	\$ (7,000.0)		\$ -	\$ (7,000.0)
<b>Corrections Total:</b>			<b>\$ (4,108.2)</b>		<b>\$ (2,891.8)</b>	<b>\$ (7,000.0)</b>		<b>\$ -</b>	<b>\$ (7,000.0)</b>		<b>\$ -</b>	<b>\$ (7,000.0)</b>		<b>\$ -</b>	<b>\$ (7,000.0)</b>		<b>\$ -</b>	<b>\$ (7,000.0)</b>

<b>Department of Administration</b>																		
	Office of Admin Hearings (IA)	2771	\$ 16.8		\$ 2.7	\$ 19.5		\$ 2.7	\$ 22.2		\$ -	\$ 22.2		\$ 0.1	\$ 22.3		\$ -	\$ 22.3
<b>Administration Total:</b>			<b>\$ 16.8</b>		<b>\$ 2.7</b>	<b>\$ 19.5</b>		<b>\$ 2.7</b>	<b>\$ 22.2</b>		<b>\$ -</b>	<b>\$ 22.2</b>		<b>\$ 0.1</b>	<b>\$ 22.3</b>		<b>\$ -</b>	<b>\$ 22.3</b>

<b>Grand Total:</b>			<b>\$ 142,458.2</b>		<b>\$ 22,061.9</b>	<b>\$ 164,520.1</b>		<b>\$ 31,623.7</b>	<b>\$ 196,143.8</b>		<b>\$ 2,762.9</b>	<b>\$ 198,906.7</b>		<b>\$ 5,660.9</b>	<b>\$ 204,567.6</b>		<b>\$ 4,115.6</b>	<b>\$ 208,683.2</b>
<b>Position Totals:</b>			<b>29</b>		<b>2</b>	<b>31</b>		<b>2</b>	<b>33</b>		<b>0</b>	<b>33</b>		<b>1</b>	<b>34</b>		<b>0</b>	<b>34</b>

Cumulative by Fund Source (FY16-FY21)		FY16 Appropriation Requested	FY17 New	FY17 Total	FY18 New	FY18 Total	FY19 New	FY19 Total	FY20 New	FY20 Total	FY21 New	FY21 Total
\$1,443,792.5	Fed	\$ 147,347.2	\$ 31,541.9	\$ 178,889.1	\$ 64,121.7	\$ 243,010.8	\$ 35,336.2	\$ 278,347.0	\$ 4,054.3	\$ 282,401.3	\$ 31,395.8	\$ 313,797.1
(\$139,853.2)	GF Match	\$ 237.9	\$ (1,191.5)	\$ (953.6)	\$ (8,010.8)	\$ (8,964.4)	\$ (28,432.2)	\$ (37,396.6)	\$ 4,634.4	\$ (32,762.2)	\$ (27,252.1)	\$ (60,014.3)
(\$88,063.6)	UGF	\$ (5,108.2)	\$ (3,191.8)	\$ (8,300.0)	\$ (10,310.6)	\$ (18,610.6)	\$ (71.0)	\$ (18,681.6)	\$ -	\$ (18,681.6)	\$ -	\$ (18,681.6)
(\$101,272.9)	GF/MH	\$ (1,558.7)	\$ (3,441.3)	\$ (5,000.0)	\$ (14,136.8)	\$ (19,136.8)	\$ (4,027.7)	\$ (23,164.5)	\$ (3,027.9)	\$ (26,192.4)	\$ (28.1)	\$ (26,220.5)
\$1,590.7	AMHTAAR	\$ 1,590.7	\$ (1,590.7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$125.3	IA	\$ 16.8	\$ 2.7	\$ 19.5	\$ 2.7	\$ 22.2	\$ -	\$ 22.2	\$ 0.1	\$ 22.3	\$ -	\$ 22.3
(\$1,039.2)	SDPR	\$ (67.5)	\$ (67.4)	\$ (134.9)	\$ (42.5)	\$ (177.4)	\$ (42.4)	\$ (219.8)	\$ -	\$ (219.8)	\$ -	\$ (219.8)
** \$1,115,154.3		\$ 142,458.2	\$ 22,061.9	\$ 164,520.1	\$ 31,623.7	\$ 196,143.8	\$ 2,762.9	\$ 198,906.7	\$ 5,660.9	\$ 204,567.6	\$ 4,115.6	\$ 208,683.2

\$ (329,189.7)	← GF Reduction →	\$ (6,429.0)	\$ (7,824.6)	\$ (14,253.6)	\$ (32,458.2)	\$ (46,711.8)	\$ (32,530.9)	\$ (79,242.7)	\$ 1,606.5	\$ (77,636.2)	\$ (27,280.2)	\$ (104,916.4)
\$ 1,443,792.5	← Federal Increase →	\$ 147,347.2	\$ 31,541.9	\$ 178,889.1	\$ 64,121.7	\$ 243,010.8	\$ 35,336.2	\$ 278,347.0	\$ 4,054.3	\$ 282,401.3	\$ 31,395.8	\$ 313,797.1
\$ 1,114,602.8		\$ 140,918.2	\$ 23,717.3	\$ 164,635.5	\$ 31,663.5	\$ 196,299.0	\$ 2,805.3	\$ 199,104.3	\$ 5,660.8	\$ 204,765.1	\$ 4,115.6	\$ 208,880.7

\* Component appears in both SB 74 and SB 78  
 \*\* Total Does Not Include IA

LL 0055 - Medicaid Reform and Expansion  
Prepared by OMB 3/17/2015

	Comp	FY16 Appropriation Requested	FY17			FY18			FY19			FY20			FY21		
			Base	New	Total	Base	New	Total	Base	New	Total	Base	New	Total	Base	New	Total
<b>Department of Health and Social Services</b>																	
APD Medicaid Services	2839	\$ 5,381.2	\$ 5,381.2	\$ 1,073.0	\$ 6,454.2	\$ 6,454.2	\$ 1,144.4	\$ 7,598.6	\$ 7,598.6	\$ 273.0	\$ 7,871.6	\$ 7,871.6	\$ 284.4	\$ 8,156.0	\$ 8,156.0	\$ 151.0	\$ 8,307.0
Behavioral Health Admin	2665	\$ 120.4	\$ 120.4	\$ (7.6)	\$ 112.8	\$ 112.8	\$ -	\$ 112.8	\$ 112.8	\$ -	\$ 112.8	\$ 112.8	\$ -	\$ 112.8	\$ 112.8	\$ -	\$ 112.8
Behavioral Health Medicaid Svcs	2660	\$ 4,799.5	\$ 4,799.5	\$ 524.0	\$ 5,323.5	\$ 5,323.5	\$ 11,405.0	\$ 16,728.5	\$ 16,728.5	\$ 4,499.0	\$ 21,227.5	\$ 21,227.5	\$ 5,307.4	\$ 26,534.9	\$ 26,534.9	\$ 70.3	\$ 26,605.2
Catastrophic & Chronic Ill Assist.	2330	\$ (1,000.0)	\$ (1,000.0)	\$ (300.0)	\$ (1,300.0)	\$ (1,300.0)	\$ (100.0)	\$ (1,400.0)	\$ (1,400.0)	\$ (71.0)	\$ (1,471.0)	\$ (1,471.0)	\$ -	\$ (1,471.0)	\$ (1,471.0)	\$ -	\$ (1,471.0)
Comm Dvlpmt Disabilities Grants	309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,635.8)	\$ (11,635.8)	\$ (11,635.8)	\$ -	\$ (11,635.8)	\$ (11,635.8)	\$ -	\$ (11,635.8)	\$ (11,635.8)	\$ -	\$ (11,635.8)
Gen Relief/Temp Assisted Living	2875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,494.3)	\$ (4,494.3)	\$ (4,494.3)	\$ -	\$ (4,494.3)	\$ (4,494.3)	\$ -	\$ (4,494.3)	\$ (4,494.3)	\$ -	\$ (4,494.3)
Health Care Medicaid Services	2077	\$ 132,281.4	\$ 132,281.4	\$ 26,755.2	\$ 159,036.6	\$ 159,036.6	\$ 25,575.5	\$ 184,612.1	\$ 184,612.1	\$ 2,479.8	\$ 187,091.9	\$ 187,091.9	\$ 2,811.6	\$ 189,903.5	\$ 189,903.5	\$ 3,848.4	\$ 193,751.9
Medical Assistance Administration	242	\$ 541.6	\$ 541.6	\$ (30.4)	\$ 511.2	\$ 511.2	\$ 131.6	\$ 642.8	\$ 642.8	\$ (7.6)	\$ 635.2	\$ 635.2	\$ 131.6	\$ 766.8	\$ 766.8	\$ (7.6)	\$ 759.2
Public Assistance Field Services	236	\$ 2,771.3	\$ 2,771.3	\$ (430.1)	\$ 2,341.2	\$ 2,341.2	\$ -	\$ 2,341.2	\$ 2,341.2	\$ -	\$ 2,341.2	\$ 2,341.2	\$ -	\$ 2,341.2	\$ 2,341.2	\$ -	\$ 2,341.2
Rate Review	2696	\$ 4.5	\$ 4.5	\$ (4.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Senior Community Based Grants	2787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (716.3)	\$ (716.3)	\$ (716.3)	\$ -	\$ (716.3)	\$ (716.3)	\$ -	\$ (716.3)	\$ (716.3)	\$ -	\$ (716.3)
Sen. Dis Medicaid Services	2662	\$ 2,908.8	\$ 2,908.8	\$ 580.0	\$ 3,488.8	\$ 3,488.8	\$ 17,465.0	\$ 20,953.8	\$ 20,953.8	\$ 147.6	\$ 21,101.4	\$ 21,101.4	\$ 153.7	\$ 21,255.1	\$ 21,255.1	\$ 81.6	\$ 21,336.7
SDS Administration	2663	\$ 299.6	\$ 299.6	\$ 232.7	\$ 532.3	\$ 532.3	\$ 346.9	\$ 879.2	\$ 879.2	\$ (530.2)	\$ 349.0	\$ 349.0	\$ -	\$ 349.0	\$ 349.0	\$ -	\$ 349.0
Treatment & Recovery Grants	3099	\$ (1,558.7)	\$ (1,558.7)	\$ (3,441.3)	\$ (5,000.0)	\$ (5,000.0)	\$ (7,501.0)	\$ (12,501.0)	\$ (12,501.0)	\$ (4,027.7)	\$ (16,528.7)	\$ (16,528.7)	\$ (3,027.9)	\$ (19,556.6)	\$ (19,556.6)	\$ (28.1)	\$ (19,584.7)
<b>Health &amp; Social Services Total:</b>		<b>\$ 146,549.6</b>	<b>\$ 146,549.6</b>	<b>\$ 24,951.0</b>	<b>\$ 171,500.6</b>	<b>\$ 171,500.6</b>	<b>\$ 31,621.0</b>	<b>\$ 203,121.6</b>	<b>\$ 203,121.6</b>	<b>\$ 2,762.9</b>	<b>\$ 205,884.5</b>	<b>\$ 205,884.5</b>	<b>\$ 5,660.8</b>	<b>\$ 211,545.3</b>	<b>\$ 211,545.3</b>	<b>\$ 4,115.6</b>	<b>\$ 215,660.9</b>
Postions		29	29	1	30	30	2	32	32	0	32	32	1	33	33	0	33
<b>Department of Corrections</b>																	
Physical Health Care	2952	\$ (4,108.2)	\$ (4,108.2)	\$ (2,891.8)	\$ (7,000.0)	\$ (7,000.0)	\$ -	\$ (7,000.0)	\$ (7,000.0)	\$ -	\$ (7,000.0)	\$ (7,000.0)	\$ -	\$ (7,000.0)	\$ (7,000.0)	\$ -	\$ (7,000.0)
<b>Corrections Total:</b>		<b>\$ (4,108.2)</b>	<b>\$ (4,108.2)</b>	<b>\$ (2,891.8)</b>	<b>\$ (7,000.0)</b>	<b>\$ (7,000.0)</b>	<b>\$ -</b>	<b>\$ (7,000.0)</b>	<b>\$ (7,000.0)</b>	<b>\$ -</b>	<b>\$ (7,000.0)</b>	<b>\$ (7,000.0)</b>	<b>\$ -</b>	<b>\$ (7,000.0)</b>	<b>\$ (7,000.0)</b>	<b>\$ -</b>	<b>\$ (7,000.0)</b>
<b>Department of Administration</b>																	
Office of Admin Hearings (IA)	2771	\$ 16.8	\$ 16.8	\$ 2.7	\$ 19.5	\$ 19.5	\$ 2.7	\$ 22.2	\$ 22.2	\$ -	\$ 22.2	\$ 22.2	\$ 0.1	\$ 22.3	\$ 22.3	\$ -	\$ 22.3
<b>Administration Total:</b>		<b>\$ 16.8</b>	<b>\$ 16.8</b>	<b>\$ 2.7</b>	<b>\$ 19.5</b>	<b>\$ 19.5</b>	<b>\$ 2.7</b>	<b>\$ 22.2</b>	<b>\$ 22.2</b>	<b>\$ -</b>	<b>\$ 22.2</b>	<b>\$ 22.2</b>	<b>\$ 0.1</b>	<b>\$ 22.3</b>	<b>\$ 22.3</b>	<b>\$ -</b>	<b>\$ 22.3</b>
<b>Grand Total:</b>		<b>\$ 142,458.2</b>	<b>\$ 142,458.2</b>	<b>\$ 22,061.9</b>	<b>\$ 164,520.1</b>	<b>\$ 164,520.1</b>	<b>\$ 31,623.7</b>	<b>\$ 196,143.8</b>	<b>\$ 196,143.8</b>	<b>\$ 2,762.9</b>	<b>\$ 198,906.7</b>	<b>\$ 198,906.7</b>	<b>\$ 5,660.9</b>	<b>\$ 204,567.6</b>	<b>\$ 204,567.6</b>	<b>\$ 4,115.6</b>	<b>\$ 208,683.2</b>

Cumulative Impact by Fund Source												
\$1,443,792.5	Fed	\$ 147,347.2	\$ 147,347.2	\$ 178,889.1		\$ 243,010.8		\$ 278,347.0		\$ 282,401.3		\$ 313,797.1
(\$329,189.7)	GF	\$ (6,429.0)	\$ (6,429.0)	\$ (14,253.6)		\$ (46,711.8)		\$ (79,242.7)		\$ (77,636.2)		\$ (104,916.4)
\$1,590.7	AMHTAAR	\$ 1,590.7	\$ 1,590.7									
\$125.3	IA	\$ 16.8	\$ 16.8	\$ 19.5		\$ 22.2		\$ 22.2		\$ 22.3		\$ 22.3
(\$1,039.2)	SDPR	\$ (67.5)	\$ (67.5)	\$ (134.9)		\$ (177.4)		\$ (219.8)		\$ (219.8)		\$ (219.8)
<b>\$1,115,279.6</b>		<b>\$ 142,458.2</b>	<b>\$ 142,458.2</b>	<b>\$ 164,520.1</b>		<b>\$ 196,143.8</b>		<b>\$ 198,906.7</b>		<b>\$ 204,567.6</b>		<b>\$ 208,683.2</b>