

ALASKA LEGISLATURE

1706

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

148 North Binkley Street • Soldotna, AK 99669-7598 • Phone 907/262-5846 • Fax 907/262-9645

File

February 16, 1998

To: Representatives Bunde, Green, Dyson, Porter, Vezey, Brice, Kemplen
Through: John Dahlgren, Superintendent
From: Patrick Hickey, Assistant Superintendent
Subject: **House Bill 367 – Part time student enrollment**

I would like to speak against this amendment. I believe the argument for modification is inaccurate, the proposed change is improper, and the effect on local school districts will result in an invasion of their ability to self govern.

Preferential treatment is not a discriminatory action as described in the proposed amendment. There is no preference made based upon race, creed, sex, disability, or national origin. The state of Alaska has a history of granting benefits to groups of people based upon their level of participation. New students are charged higher college tuition rates if they have not been full time residents of the state. Tourists are charged higher fees than residents for fish & games licenses. Not all state residents are entitled for subsistence permits. Although in all these cases, some people receive preferential treatment, none of it is truly discriminatory because each individual has the same opportunity to qualify for the benefit. It is this personal choice which affords some benefits and excludes others.

Addition of the proposed language would actually generate another "protected class" from which discrimination claims could be leveled against school districts. It is improper to create a "protected class" for which inclusion is solely at the discretion of the individual.

School districts are charged with providing equal access to education. This is currently being accomplished. Those not choosing equal participation should not demand equal benefit. This bill will create the potential for a few anomalies in the education system. 1) a child can enroll in an out of district correspondence course, choose their own curriculum, and guarantee themselves a place in a highly desired elective course. 2) A student will be guaranteed the right to enroll in courses outside a defined attendance area by claiming "part time" status in both areas. 3) Students in private schools will be guaranteed seats in courses not normally available to them.

While I fully support the opportunity for all students to access the educational opportunities of the public school system, I do not support these opportunities at the expense of students fully enrolled in the system. I support the authority of the school board in setting enrollment policies and ask that you reject the amendment.



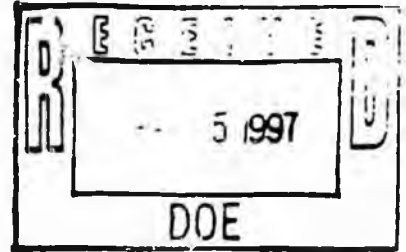
Alaska State Legislature

- Interim (May-Dec) -
10928 Eagle River Rd. Suite 140
Eagle River, Alaska 99577
☎ (907) 694-6683
FAX (907) 694-1015

- Session (Jan-May) -
Alaska State Capitol
Juneau, Alaska 99801-1182
☎ (907) 465-2199
FAX (907) 465-4587

Toll free 1800 342-2199

REPRESENTATIVE FRED DYSON



MEMORANDUM

September 2, 1997

To: Eddy Jeans
School Finance Manager

From: Fred Dyson 
State Representative

RE: 4 AAC 05.035 and Memorandum Number 97-04

From the beginning, HB 158, the part-time student bill, was intended and discussed in committee and on the floor as an anti-discrimination and equal access bill. The Anchorage School District (ASD) and the Kenai School District have implemented policies that require part-time students to wait until full-time students have had the opportunity to enroll. This clearly is discriminatory and contrary to the bill which states that a part-time student can only be denied enrollment if a full-time student would similarly be denied.

The ASD has stated that the reason behind their policy comes from 4 AAC 05.035 (b) (1) "space is available in a course in which the student desires to enroll after full-time public school students have had an opportunity to enroll."

My intent from the bill's conception was to remove the discrimination against part-time students. In order for the regulations to follow the law, I respectfully request that 4 AAC 05.035 (b) (1) be modified as follows:

(1) space is available in a course in which the student desires to enroll [AFTER FULL-TIME PUBLIC SCHOOL STUDENTS HAVE HAD AN OPPORTUNITY TO ENROLL];

Thank you for your help. If you have further questions on this matter, please contact me or my staff aide, Lisa Torkelson, at (907) 694-6683.

- E-mail -
Representative_Fred_Dyson
@Legis.state.ak.us

- Internet -
<http://www.akrepublicans.org>



Alaska State Legislature

- Interim (May-Dec) -
10928 Eagle River Rd Suite 140
Eagle River, Alaska 99577
☎ (907) 694-6683
FAX (907) 694-1015

- Session (Jan-May) -
Alaska State Capitol
Juneau, Alaska 99801-1182
☎ (907) 465-2199
FAX (907) 465-4587

Toll free (800) 342-2199

- E-mail -
Representative_Fred_Dyson
@Legis.state.ak.us

- Internet -
<http://www.akrepublicans.org>

REPRESENTATIVE FRED DYSON

HB 367 Sponsor Statement

"An Act relating to part-time public school students; and providing for an effective date."

From the beginning, HB 158, the part-time student bill from last Session, was intended and discussed in committee and on the floor as an anti-discrimination and equal access bill. The Anchorage, Valdez, and Kenai School Districts have implemented policies that require part-time students to wait at the back of the line until full-time students have had the opportunity to enroll. This clearly is discriminatory and contrary to the bill which states that a part-time student can **only be denied** enrollment if a **full-time student would similarly be denied**.

The Anchorage School District (ASD) has stated that the reason behind their policy comes from 4 AAC 05.035 (b) (1) "space is available in a course in which the student desires to enroll after full-time public school students have had an opportunity to enroll."

My intent from the bill's conception was to remove the discrimination against part-time students. This bill will effect that intent within the regulations, 4 AAC 05.035 (b) (1).

SPONSOR STATEMENT

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska



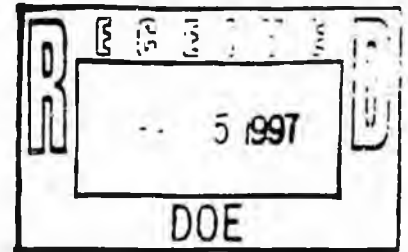
Alaska State Legislature

Interim (May-Dec) -
10928 Eagle River Rd Suite 140
Eagle River Alaska 99577
☎ (907) 694-6683
FAX (907) 694-1015

Session (Jan-May) -
Alaska State Capitol
Juneau, Alaska 99801-1182
☎ (907) 465-2199
FAX (907) 465-4587

Toll free (800) 342-2199

REPRESENTATIVE FRED DYSON



MEMORANDUM

September 2, 1997

To: Eddy Jeans
School Finance Manager

From: Fred Dyson 
State Representative

RE: 4 AAC 05.035 and Memorandum Number 97-04

From the beginning, HB 158, the part-time student bill, was intended and discussed in committee and on the floor as an anti-discrimination and equal access bill. The Anchorage School District (ASD) and the Kenai School District have implemented policies that require part-time students to wait until full-time students have had the opportunity to enroll. This clearly is discriminatory and contrary to the bill which states that a part-time student can only be denied enrollment if a full-time student would similarly be denied.

The ASD has stated that the reason behind their policy comes from 4 AAC 05.035 (b) (1) "space is available in a course in which the student desires to enroll after full-time public school students have had an opportunity to enroll."

My intent from the bill's conception was to remove the discrimination against part-time students. In order for the regulations to follow the law, I respectfully request that 4 AAC 05.035 (b) (1) be modified as follows:

(1) space is available in a course in which the student desires to enroll [AFTER FULL-TIME PUBLIC SCHOOL STUDENTS HAVE HAD AN OPPORTUNITY TO ENROLL];

Thank you for your help. If you have further questions on this matter, please contact me or my staff aide, Lisa Torkelson, at (907) 694-6683.

E-mail -
representative_fred_dyson
@legis.state.ak.us

Internet -
http://www.akRepublicans.org

REPRESENTATIVE FRED DYSON



Alaska State Legislature

MEMORANDUM

January 15, 1998

To: Shirley Holloway
Commissioner, Department of Education

From: Fred Dyson
State Representative

RE: Proposed Regulation Change - 4 AAC 05.035
Memorandum Number 97-15

From the beginning, HB 158, the part-time student bill, was intended and discussed in committee and on the floor as an anti-discrimination and equal access bill. The Anchorage School District (ASD) and the Kenai School District have implemented policies that require part-time students to wait until full-time students have had the opportunity to enroll. This clearly is discriminatory and contrary to the bill which states that a part-time student can only be denied enrollment if a full-time student would similarly be denied.

The ASD has stated that the reason behind their policy comes from 4 AAC 05.035 (b) (1) "space is available in a course in which the student desires to enroll after full-time public school students have had an opportunity to enroll."

My intent from the bill's conception was to remove the discrimination against part-time students. In order for the regulations to follow the law, I respectfully request that 4 AAC 05.035 (b) (1) be modified as follows:

(1) space is available in a course in which the student desires to enroll [AFTER FULL-TIME PUBLIC SCHOOL STUDENTS HAVE HAD AN OPPORTUNITY TO ENROLL]*;

Thank you for your help. If you have further questions on this matter, please contact me or my staff aide, Lisa Torkelson, at (907) 465-3467.

*New Text Underlined [DELETED TEXT BRACKETED]



Alaska State Legislature

- Interim (May-Dec) -
10928 Eagle River Rd Suite 140
Eagle River, Alaska 99577
☎ (907) 694-6683
FAX (907) 694-1015

- Session (Jan-May) -
Alaska State Capitol
Juneau, Alaska 99801-1182
☎ (907) 465-2199
FAX (907) 465-4587

Toll free (800) 342-2199

REPRESENTATIVE FRED DYSON

HB 367 Sponsor Statement

"An Act relating to part-time public school students; and providing for an effective date."

From the beginning, HB 158, the part-time student bill from last Session, was intended and discussed in committee and on the floor as an anti-discrimination and equal access bill. The Anchorage, Valdez, and Kenai School Districts have implemented policies that require part-time students to wait at the back of the line until full-time students have had the opportunity to enroll. This clearly is discriminatory and contrary to the bill which states that a part-time student can **only be denied enrollment if a full-time student would similarly be denied.**

The Anchorage School District (ASD) has stated that the reason behind their policy comes from 4 AAC 05.035 (b) (1) "space is available in a course in which the student desires to enroll after full-time public school students have had an opportunity to enroll."

My intent from the bill's conception was to remove the discrimination against part-time students. This bill will effect that intent within the regulations, 4 AAC 05.035 (b) (1).

- E-mail -
Representative_Fred_Dyson
@Legis.state.ak.us

- Internet -
<http://www.akrepublicans.org>

SPONSOR STATEMENT

cc:Mail for: Representative Fred Dyson

Subject: HB 367

From: halley@alaska.net (CATHERINE M.D. HALLEY) at CC2MHS1 2/27/98 8:20 AM

To: Representative Fred Dyson at LAA_TRANS

We are parents of two children that we home-school in the Valdez district. Valdez is considering a policy right now that would treat part time students as second class citizens, making them wait until all full time students have registered first. This is unfair and not right. We pay full taxes like everyone else and quite generously, I might add in Valdez, and to discriminate against anyone is not what the State of Alaska or the City of Valdez should have in mind. I urge you to support HB 367 to prevent such discrimination.

Catherine M.D. Halley

cc:Mail for: Representative Fred Dyson

Subject: HB 367

From: rutter@alaska.net at CC2MHS1 2/26/98 8:23 PM

To: Representative Fred Dyson at LAA_TRANS

We strongly urge you to support HB 367, which would allow part-time students to register on a first-come, first-serve basis the same way full-time public school students register. The Valdez School District is considering a policy which would require that part-time students wait to register until after full-time students are registered. They can thereby be excluded if the district says that a class is full. This is nothing short of discrimination. Part-time students and their families are taxed at the same rate as every other citizen of Valdez, and should receive the same educational opportunities. We are all citizens of the State of Alaska, which places education as a top priority, and we believe that this applies to the education of all of our children.

Kathy J. Rutter
James B. Rutter III

cc:Mail for: Representative Fred Dyson

Subject: hb 367

From: psilveir@alaska.net (Paul Silveira) at CC2MHS1 2/26/98 7:53 AM

To: Representative Fred Dyson at LAA_TRANS

I am requesting that you support HB 367. As homeschoolers we think it would be appropriate to have first come first serve status in classes at the schools. We pay our taxes that staff and educate in the school without the opportunity to reap a benefit. An opportunity to utilize a class would be fair. Please inform me on the status of this bill after it comes up for vote. Thank you for your time. Sandy Silveira

cc:Mail for: Representative Fred Dyson

Subject: HB 367

From: blessed@alaska.net (Charles & Terina Lochner) at CC2MHS1 2/27/98 8:38 AM

To: Representative Fred Dyson

Dear Hess Committee Members,

I would like to request your support of HB 367. As the Administrative Coordinator of a large homeschooling support group I have seen first hand the determination and dedication of families who choose to homeschool. For most, this choice has been made at great personal and financial sacrifice. These are families striving to provide the best education possible for their children. The ability to access public school facilities is invaluable to this goal. Many classes which are difficult or impossible for homeschooling parents to provide are available at the local school. (For instance, not many homeschooling families can afford to recreate a complete science chemistry lab in their home.) It is the ability to be flexible and to custom fit the curriculum to the child that makes homeschooling an outstanding educational choice. By allowing homeschooled children EQUAL access to public school classes we provide their families with another tool for developing a customized education for each child. This kind of education benefits the State of Alaska as well as our society as a whole.

Please vote yes on HB 367 and support the highest quality education for ALL of Alaska's children!

Sincerely,

Terina Lochner
Administrative Coordinator
Valley Home Education Support Team (73 member families)
P.O. Box 877316
Wasilla, AK 99687

cc:Mail for: Representative Fred Dyson

Subject: HP 367

From: paulp@ptialaska.net (Paul & Tiffani Perry) at CC2MHS1 2/27/98 1:03 AM

To: Representative Fred Dyson at LAA_TRANS

cc: Lisa Torkelson at LAA_TRANS

Just a little note to you sir, and to all it may concern:

We home school, and although none of are children are in the "high school" grades as of yet, we are concerned that discrimination will be an issue. I believe, and hope that you will support and push for equal rights for equal students. I would like to think that if I had a student enrolled part time in a school that I pay full time "taxes" for, that they would not be bumped or passed over for a class so another student, also of full time "tax paying parents" could attend in their place. No special privileges, just equal ones for equal tax paying parents of tomorrows leaders.

Paul Perry
POB 7955
Nikiski, AK 99635
(907) 776-5633
email: paulp@ptialaska.net

POM for Representative Dyson



From: Mrs. Sharon Smith
1017 Kodiak St

Telephone: 474-9457

Fairbanks, AK 99709

NON Constituant

Registered Voter: U

Bill: HB 367 Title: PART-TIME PUBLIC SCHOOL STUDENT ENROLLMENT
Message:

WE SUPPORT HB 367 BECAUSE WE BELIEVE THAT ALL OF OUR STUDENTS SHOULD BE TREATED FAIRLY. WE MUST REMEMBER THAT ALL ALASKANS ARE TAXPAYERS. EDUCATION IS IMPORTANT AND PARAMOUNT. NOW IS THE TIME FOR A QUALITY EDUCATION. TOMORROW COULD BE TOO LATE. OUR CHILDREN ARE PRECIOUS. THANKS SO MUCH.

Entered in FBX on 2/20/98 POMID: 1517 Stored

Distribution: 12

Main Menu

Store All

Store This One

Prev POM

Next POM

Message 4 out of 7.

POM for Representative Dyson



From: Mrs. Conny Robinson
5836 Poker Creek Cir

Telephone: 389-2733

Fairbanks, AK 99712

NON Constituant

Registered Voter: Y

Bill: HB 367 Title: PART-TIME PUBLIC SCHOOL STUDENT ENROLLMEN

Message:

**I SUPPORT THIS BECAUSE ALL STUDENTS IN ALASKA SHOULD HAVE ACCESS TO
PUBLIC FACILITIES SUPPORTED BY PUBLIC TAXES.**

Entered in FBX on 2/20/98 POMID: 1521 Stored

Distribution: 10

| Main Menu

| Store All

| Store This One

| Prev POM

| Next POM

Message 5 out of 7.

POM for Representative Dyson



From: Mrs. Renee Person
1259 Arctic Tern Dr

Telephone: 457-5887

Fairbanks, AK 99712

NON Constituant

Registered Voter: Y

Bill: HB 367 Title: PART-TIME PUBLIC SCHOOL STUDENT ENROLLMEN

Message:

I SUPPORT THIS BILL BECAUSE ALL ALASKAN STUDENTS SHOULD HAVE ACCESS TO PUBLIC EDUCATION REGARDLESS OF CURRENT EDUCATIONAL STATUS.

Entered in FBX on 2/20/98 POMID: 1529 Stored

Distribution: 12

[Main Menu](#)

[Store All](#)

[Store This One](#)

[Prev POM](#)

[Next POM](#)

Message 6 out of 7.

POM for Representative Dyson



From: Mrs. Deanne Meyer
PO Box 55751

Telephone: 488-2331

North Pole, AK 99705

CON Constituant

Registered Voter: Y

Bill: HB 367 Title: PART-TIME PUBLIC SCHOOL STUDENT ENROLLMEN
Message:

I SUPPORT THIS BECAUSE I BELIEVE THAT ALL STUDENTS IN ALASKA SHOULD HAVE THE SAME OPPORTUNITY TO ATTEND A PUBLIC FACILITY TO ATTAIN THERE EDUCATION WHETHER IT BE FULL TIME OR PART TIME. THANK YOU.

Entered in FBX on 2/23/93 POMID: 1662 Stored

Distribution: 14

[Main Menu](#)

[Store All](#)

[Store This One](#)

[Prev POM](#)

[Next POM](#)

Message 7 out of 7.

cc:Mail for: Representative Fred Dyson

Subject: Equal Access to Public Schools

From: gdwartron@ebicom.net (Kip & Donna Wartron) at CC2MHS1 2/10/98 6:27 AM

To: Representative Fred Dyson at LAA_TRANS

Representative Dyson

By way of introduction I am an Alaska Resident and registered voter in Eagle River on duty with the US Air Force in Mississippi.

My wife and I request you consider favorably the bill allowing partime part-time students equal access to classes in the public school. It would make the regulations conform to the original intent of last year's law (allowing part-time students at all), by mandating a non-discriminatory first-come, first-serve policy (not after all full-timers have enrolled).

Our children have attended both public schools and home-schools. Equal access is a must and should not be denied particularly given we pay property taxes which go toward educating all of our children in Alaska.

VR

Lt Col George & Donna Wartron
7393 A Salem Dr
Columbus AFB MS 39701

601-434-6036

gdwartron@ebicom.net

SUPPORT

cc:Mail for: Representative Fred Dyson

Subject: Part time school

From: lahamer@alaska.net (Lee Ann Hamerski) at CC2MHS1 2/7/98 12:26 PM

To: Representative Fred Dyson at LAA_TRANS

Keep up the good work Mr. Dyson. We're behind you 100%
EQUAL ACCESS FOR EQUAL TAXES!!!
Lee Ann, Johann, Kristin, and Erik Hamerski
The Cottonwood Academy

cc:Mail for: Representative Fred Dyson

Subject: HB 367

From: bearcub@alaska.net (Julia Enzenberger) at CC2MHS1 2/27/98 11:28 AM

To: Representative Fred Dyson at LAA_TRANS

I would like to speak in favor of HB 367 which allows part-time students the same treatment as full-time students when it comes to registering for classes.

This bill will help all students, part or full-time. Some times classes are not offered because there is insufficient enrollment and other times classes are crowded because there are not enough students for 2 classes, but too many to comfortably fit in one class. By allowing part-timers to register with full-timers the district will have a clearer picture of how many students want/need different courses.

It isn't right when part-time students can't enroll for AP Chemistry because the class is over-crowded, yet if they had been allowed to make their course selections known during primary registration the district would have seen a need for two AP Chemistry classes. Instead no part-times get to take AP Chemistry and the full-timers are in an over-crowded single class.

Any law that helps a student get a better education is a good law. This law would help students and it is a good law. Please vote in favor of HB 367.

JULIA ENZENBERGER
4835 Newcastle Way
Anchorage, AK 99503
908-561-4111

cc:Mail for: Representative Fred Dyson

Subject: HB367 YES!!!

From: wetherpp@corecom.net (Dennis Wetherell) at CC2MHS1 2/27/98 9:39 AM

To: Representative Fred Dyson at LAA_TRANS

Dear Rep. Dyson,

I am a parent of two children in the Mat-Su school district. I support HB367 because I believe all children should have the right to participate in public education programs. Furthermore, all children should be guaranteed equal access under the law. All parents, in one way or another, contribute tax monies to the public education system, even if their children are homeschooled or enrolled in private school. To deny these children equal access to public education opportunities just because they do not attend public schools full time is clearly a violation of the laws pertaining to a free appropriate public education.

Under current Alaska laws regarding reimbursement for part time students, there is not even a valid criticism that providing such services is a drain on district budgets. A part time student who attends 4 hours per day is considered a full time student for purposes of state reimbursement. Thus, it seems to me, that school districts actually make money by enrolling part time students.

Sincerely,

Dennis Wetherell

D. Wetherell
wetherpp@corecom.net

cc:Mail for: Lisa Torkelson

Subject: Re: HB 367

From: charlieh@alaska.net (The Hardesty's) at CC2MHS1 2:26:98 9:10 PM

To: Lisa Torkelson at LAA_TRANS

Please register my family in support of HB 367. I know this is a very busy time of year for homeschoolers trying to finish up the year, but I'm sure that the support would be equally overwhelming as it was originally.

Thank you for fighting for equal rights for all children. This bill would certainly stand for equality. Thanks again.

Joanne Hardesty
Nikiski, Alaska

cc:Mail for: Representative Fred Dyson

Subject: <No subject>

From: linat@corecom.net (Tina Thomson) at CC2MHS1 2/26/98 5:19 PM

To: Representative Fred Dyson at LAA_TRANS

Please support HB 367 that would allow part-time and full time students the same privileges. Our home schooled students work just as hard and deserve this equal treatment. Please show your support for educational choice. I would appreciate this fair treatment.

Thank you,
Tina Thompson

cc:Mail for: Representative Fred Dyson

Subject: Support for HB 367

From: dclover@ptialaska.net (Dave and Sue Clover) at CC2MHS1 2/27/98 9:04 AM

To: Representative Fred Dyson at LAA_TRANS

Dear Representative Dyson,

I cannot attend today's hearing but I would like express my support of HB 367, the bill to clarify the enrollment procedures for part-time students in the public schools. I agree that all students of the same grade level should be treated equally at registration. Public education should be equally accessible to all students of the State of Alaska. Thank you for your introduction of this bill.

On a personal note, my daughter has taken advantage of part-time enrollment to take French at the local middle school. In her first classroom experience she is doing well and has a "A" in the class. She is very conscientious about getting her homework done and being ready for school in the morning and she is usually up before any of the rest of the family.

The teacher mentioned that the only problems my daughter has had have been to forget her pencil a couple of times "unlike some of the students that do not want to be here" (in class). My daughter has mentioned that the teacher has had to send students to the hall because of the disruptions they cause in the class. Should students that want to learn and do not cause behavioral disruptions in class be discriminated against in registration in favor of full-time students that "do not want to be there?"

Again, thank you for your support and your introduction of this bill.

Sue Clover
dclover@ptialaska.net
4413 Julep Street
Juneau, AK 99801

Subject: Lisa Torkelson

Subject: Re: HB 367 support

From: smiley@alaska.net at CC2MHS1 2/27/98 10:52 AM

To: Lisa Torkelson

I support this bill
It allows fair access to education for all students
Please pass this bill
Karen Hurley
333-3673

cc:Mail for: Representative Fred Dyson

Subject: Part Time Student Status

From: AK49CURT@aol.com at CC2MHS1 2/27/98 1:57 PM

To: Representative Fred Dyson at LAA_TRANS

I am all for it. Part time students should get equal status with full timers.
Reason for this, it is time the school district wakes up and really takes a
good hard look at our educational system. All taxpayers pay for this perk, all
should be able to be parttakers if they want to not by all means forced to.
Melody Graham in Eagle River.

HB

367

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/30/98

FURTHER: 5/11/98

DATE TURNED
IN TO OFFICE: 11 May 98

Finance Committee considered HOUSE BILL NO. 367 am

"An Act relating to part-time public school students; and providing for an effective date."

and recommends:

- be replaced with S CS HB 367 (FIN)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

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

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<u>Roll & Copy</u>	✓	<u>Paul Powell</u>	✓		
		<u>Lee Adams</u>	X		
		<u>Johnston</u>		✓	✓
		<u>David Donly</u>	X		
Co-Chair:		Co-Chair: <u>Pease</u>	✓		
Co-Chair:		Co-Chair: <u>[Signature]</u>			✓

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
Education	7/1/98		*

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

Bill Version: HB 367
(H) Publish Date: 3/11/98

STATE OF ALASKA

1998 LEGISLATIVE SESSION

Revision Date: _____

Title: An act relating to part-time public school students;
and providing for an effective date

Sponsor: Representative Dyson

Requester: House HESS

Department Affected: Education

BRU: K-12 Support

Component: Foundation Program

COMPONENT SERIAL NO. _____ 141

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	*	*	*	*	*	*
MISCELLANEOUS						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	*	*	*	*	*	*
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	*	*	*	*	*	*

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY98) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)
 The department believes there is a cost associated with this proposed legislation but is unable to determine the fiscal impact.

Prepared by: Eddy Jeans, School Finance Manager

Phone: 465-8679

Division: Education Support Services

Date: _____

Approved by Commissioner: Shirley J. Holloway, Ph. D., Commissioner

Date: 2-10-98

Agency: Education

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

For further distribution information call the Governor's Legislative Office

COMMITTEE COPY

HB

369

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 9, 1998

FURTHER REFERRALS:

Date of Committee Action: 4/23/98

The FINANCE Committee considered:

HB 369

HOUSE BILL NO. 369

MEDICAID COVER/HEALTHY FAMILIES AK PROGRA

“An Act relating to Medicaid coverage for certain eligible children and pregnant women; relating to primary care case management and managed care services as optional services and to premiums and cost-sharing contributions under the Medicaid program; establishing the Healthy Families Alaska program; and providing for an effective date.”

recommends it be replaced with the following committee substitute CS HB 369 (FIN) the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) _____ 4 fiscal note(s) DHSS 4-9-98

zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Cory Thernault</i>	Thernault			X	
<i>Kelly Hanley</i>	Kelly Hanley	X			
<i>Ellen W. ...</i>	Minden	X			
<i>Larry Martin</i>	Martin			X	
<i>T. Davis</i>	T. Davis	X			X
<i>Quissendint</i>	Quissendint	X			X
<i>Q. Davis</i>	Q. Davis			X	

CO CHAIR'S SIGNATURE *Cory Thernault* *Mark Hanley*
Thernault Hanley

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CS HB 369 (HESS)

Revision Date: _____
 Title: An Act relating to Medicaid coverage for certain
 eligible children: _____
 Sponsor: House Rules by Request of the Governor
 Requestor: House (HESS)

Dept. Affected: Health and Social Services
 BRU: Medical Assistance Administration
 Component: Children's Health Eligibility
 COMPONENT SERIAL NO. 2260
 See also (SN#): 960,230,229

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	960.7	987.1	1,057.2	1,132.2	1,212.6	1,298.7
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	960.7	987.1	1,057.2	1,132.2	1,212.6	1,298.7

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

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

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	651.0	709.3	759.7	813.6	871.4	933.2
1003 GF Match	309.7	277.8	297.5	318.6	341.2	365.5
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	960.7	987.1	1,057.2	1,132.2	1,212.6	1,298.7

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

The Balanced Budget Act of 1997 recently passed by Congress creates a new Title XXI of the Social Security Act, which allows states to use the new funds appropriated to either expand Medicaid eligibility for children, with an enhanced federal match for the expansion population, or to purchase health coverage, or both. The allocation of funds is made in the same proportion of the ratio of the number of low income children without insurance and the geographic variations in health costs. Alaska's allocation is 5.6 million with a federal match rate of 71.86%. No more than 10% of expenditures under the Title XXI block grant can be applied to administrative support and outreach.

Program implementation requires an eligibility determination and outreach process. The Division will evaluate the options available to determine the most cost effective method to implement this function. Extension of this health care coverage will result in one time programming changes to the state's eligibility and claims payment systems. Other one time costs will include furniture and equipment costs to support the staff processing the applications for decision.

Prepared by: Randy Super
 Division: Medical Assistance

Phone: 465-5833
 Date: 04/08/98

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

Date: 4/8/98

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

ANALYSIS (cont.):

Under Federal law, initial applications processing may be performed outside of Public Assistance offices and by other State agency staff. The balance of the contractual costs are divided between contracting for this outstationed application intake and processing, and programming enhancements to the State's EIS and Claims payment systems.

The details of the SMART START for Alaska's Families program are contained in the document "A Blueprint for Assuring Adequate Access to Health Care for Alaska's Uninsured Children and Pregnant Women." Copies are available at the Commissioner's Offices by calling in Juneau (907-465-3030) and Anchorage (907-269-7800).

The Division has assumed the following for calculation of the period FY00-04:

Alaska's Federal Medical Assistance Percentage (FMAP) for administration is 50%. It is also assumed that the enhanced federal participation for the Title XXI funding for the 10% administrative activities will remain at the same 71.86% through FY04. The fiscal note also assumes an average of a 7% expenditure growth from fiscal year to fiscal year which takes into account changes in the cost of medical assistance program administration.

The following distributes the Child Health Program Expenditures by source of funds by administration and program services. The administration and program services are further allocated between Title XIX Medicaid, Title XXI Child Health Initiative and Indian Health Service.

Fiscal Year 1999: Projected Child Health Program Title XXI Expenditures - 200% FPL

Family Income Above Current Medicaid Standards	Native Children to 200% FPL	Other Children to 200% FPL	All Children to 200% FPL
Uninsured	751	3,341	4,092
State GF	\$ -	\$ 2,063,301	\$ 2,063,301
Federal	\$ 1,575,591	\$ 5,129,141	\$ 6,704,732
Total	\$ 1,575,591	\$ 7,192,443	\$ 8,768,033 *1

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 1,973,301	\$ 5,039,141	\$ -	\$ 7,012,443
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Totals	\$ 2,063,301	\$ 5,129,141	\$ 1,575,591	\$ 8,768,033

Administration

Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 219,696	\$ 561,033	\$ -	\$ 780,730
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 309,696	\$ 651,033	\$ -	\$ 960,730 *2

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,753,604	\$ 4,478,108	\$ -	\$ 6,231,712
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Program Totals	\$ 1,753,604	\$ 4,478,108	\$ 1,575,591	\$ 7,807,303

Notes: *1 10% Administration is included in estimated total costs for children

*2. IHS fund is only available for direct program services.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CS HB 369 (HESS)

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to Medicaid coverage for certain BRU: Medical Assistance
 eligible children: _____ Component: Indian Health Service
 Sponsor: House Rules by Request of the Governor COMPONENT SERIAL NO. 960
 Requestor: House (HES) See also (SN#): 2260,230,229

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	1,575.6	1,992.0	2,131.4	2,280.6	2,440.3	2,611.1
MISCELLANEOUS						
TOTAL OPERATING	1,575.6	1,992.0	2,131.4	2,280.6	2,440.3	2,611.1

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	1,575.6	1,992.0	2,131.4	2,280.6	2,440.3	2,611.1
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	1,575.6	1,992.0	2,131.4	2,280.6	2,440.3	2,611.1

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

The Balanced Budget Act of 1997 recently passed by Congress creates a new Title XXI of the Social Security Act which allows States to use the new funds appropriated to either expand Medicaid eligibility for children, with an enhanced federal match for the expansion population, or to purchase health coverage, or both. The allocation of funds is made in the same proportion of the ratio of the number of low-income children without insurance and the geographic variations in health costs. Alaska's allocation is \$5.6 million with a federal match rate of 71.86%. No more than 10% of the funding can be applied to administrative support and outreach. Incremental funding expanding the Medicaid program for children up to 200% of the federal poverty level and pregnant women is requested.

The direct services costs related to the "Smart Start" initiative were estimated using a model that estimates the funding needed to provide Medicaid coverage to all uninsured Children up to 200% of the Federal Poverty Level. The model is based on a number of assumptions pertaining to the size and composition of the uninsured population in Alaska, the rates of anticipated participation in a medical insurance program by this population, and the costs associated with

Prepared by: Randy Super *ARS* Phone: 456-5833
 Division: Medical Assistance Date: 04/08/98

Approved by Commissioner: Karen Perdue, Commissioner Date: 4/8/98
 Agency: Department of Health & Social Services

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

ANALYSIS (cont.):

providing coverage for Medicaid services to these program participants. Specific assumptions used are:

	<u>Variables</u>	<u>Assumed Value</u>
Costs per Participant Estimates:		
	Cost per Child Age 0-18	\$1,908
Childrens' Health Insurance Program & Medicaid Matching Rates:		
	Childrens Health Insurance - FMAP Rate	71.9%
	Childrens Health Insurance - State GF Match Rate	28.1%
	Medicaid FMAP	59.8%
	Medicaid State GF Match Rate	40.2%
Children Health Insurance Program Funding:		
	Childrens Health Insurance - Alaska Allotment (est)	5,664,899
	State Childrens Health Insurance Match	2,219,345
	Total Childrens Health Insurance Funds	7,883,244
Native Children Participation and IHS Utilization:		
	% of Eligible Children Below 100% of FPL Who are Native	41.0%
	% of Eligible Children Below 150% of FPL Who are Native	38.3%
	% of Eligible Children Below 200% of FPL Who are Native	35.6%
	% of Native Children Who Use IHS Services	60.0%
Estimated Program Participation Rates:		
	Participation Rate - All Children Year 1	74.0%
	Year 2 and beyond	80.0%

In addition to the specific assumptions, the model relies on the results of an analysis by Employee Benefits Research Institute (EBRI) which provided an estimate of the distribution of the uninsured Alaska population by Federal Poverty Level (FPL) and number of insured who fall into each FPL category. The results of that analysis are summarized below.

Employee Benefit Research Institute - 0 thru 18
Uninsured Children Estimate

<u>Poverty Rate</u>	<u>Total</u>
0-99%	5,553
100-149%	3,679
150-199%	2,357
200-249%	3,020
250-299%	2,597
300-349%	1,185
350-399%	1,529
400% & Up	3,571
Total Uninsured Alaskan Children	23,491

The funding model calculates the cumulative number of "Smart Start" participants based on the estimated number of children who fall into FPL categories between 0% and 199%. The total estimated number of uninsured children who fall below 200% of FPL is 11,589. An estimated 5,553 of the uninsured children are would be enrolled in the Medicaid program if they applied. The 6,036 balance of uninsured children are targeted under this proposal. This number is subsequently multiplied by the Participation Rate for All Children to yield an adjusted estimate of the children who would likely participate in the program in Year 1. This result is then multiplied by two factors, the "% of Eligible Children who are Native" and the "% of Native Children Using IHS" to estimate the total number of uninsured Native children who are anticipated to use the services of IHS providers under the program. A final calculation subtracts that number (uninsured Native children using IHS services) from the estimated total number of participating children to yield the number of children who would get services from non-IHS providers.

ANALYSIS (cont.):

The costs per eligible child are based on an analysis of recent spending data from the Medicaid Management Information System for services provided AFDC children adjusted to reflect estimated costs for these same services in FY99. The estimated numbers of participating Native and non-Native children are multiplied by the projected cost per eligible child to provide a total cost of coverage for each of these groups. The model estimates that all services provided to eligible Native children who use IHS providers will qualify for reimbursement that is 100% federally funded. Funding for the services to the remaining population of children is under the Children's Health Insurance Program (Title XXI). For services to the remaining non-IHS children between 100% and 200% FPL, the State's allocation under Title XXI is used as the funding source at an enhanced match rate of 28.14% GF and 71.86% FFP.

There are increased Medicaid program costs that are anticipated to result from the outreach efforts required as part of a Title XXI program. As previously identified, there are an estimated 5,553 uninsured children who fall below 100% of poverty and who would be eligible for Medicaid if they applied. Through the outreach effort required under Title XXI, the Division anticipates that about 40% of these uninsured children will participate as new eligibles under Title XIX Medicaid. The model assumes that direct services to children who fall under 100% of FPL will be financed under the Medicaid program and the total costs for these services will be financed at the Medicaid match rate of 40.2% GF and 59.8% FMAP. However, the additional program costs for serving these new children are not reflected in this fiscal note.

In preparing this fiscal note an implementation date beginning October 1, 1998 was assumed for the enrollment of the first child. Enrollment is projected to increase at a monthly rate of 8.7% during the first year, ending the year with a total enrollment of a projected 4,092 children.

Using the above assumptions, the funding model estimates that Title XXI Medicaid coverage for 4,092 participating children will require \$8,768.0 in total expenditures (\$2,063.3 SGFM / \$6,704.7 Fed Funds) for services and administration.

Distribution of "Smart Start" related funding is based on analyses of Medicaid spending for medical services provided to AFDC Children. The historical expenditure data used came from the Medicaid Management Information System monthly MR-O-91T report which is a summary of Medicaid spending by Medicaid Category of Assistance and colocation code. The expenditures used were cumulative dates of payment for the period July, 1996 through October, 1997. Distributions between the colocation codes were calculated separately for each of the Medicaid Program components (Medicaid Non-Facilities, Medicaid Facilities, and Medicaid Indian Health Services). No distributions were made for either AFDC Children to Medicaid Waivered Services as no spending occurred during the observed period in that component for these groups.

The total projected FY99 expenditures for direct services was multiplied by the percentage distribution between the components, and that result was multiplied by the percentage distribution across each relevant colocation code to determine the amount of direct services to be allocated to each colocation code.

	Total Funds	Federal	GFM
Medicaid Facilities	2,032.0	1,460.2	571.8
Medicaid Non-Facilities	4,199.7	3,017.9	1,181.8
Indian Health Service	1,575.6	1,575.6	
Totals	7,807.3	6,053.7	1,753.6

Note:

Costs per Child are based on FY97 date-of payment data. Costs exclude Indian Health Services, State Programs, API Disproportionate Share Facilities payments, and Medical Assistance Administration. The denominator is the number of eligible non-disabled children (52,154) as of June 1, 1997. The cost was then adjusted to reflect anticipated FY99 cost by multiplying times 1.06.

ANALYSIS (cont.):**FORMULAS**

"Uninsured" = "Estimated Uninsured by Federal Poverty Level" (Employee Benefits Research Institute) X Participation Rate (Children)

"State GF" Native Children

The model shows no State General Fund expenditures for Native Children who access IHS-funded services. All funding for services to this estimated population are 100% federally reimbursed

Other Children

This part of the uninsured children population accesses medicaid services.

Uninsured Children below 100% of the Federal Poverty Level

The estimated General Fund costs of covering non-native children up to 100% of the federal poverty level is calculated by assuming the State will participate at the current State Medicaid Match Rate of 40.2%.

Uninsured Children between 100% & 200% of the Federal Poverty Level

For the population of children between 100% and 200% of FPL, the model uses a formula that first calculates the total marginal cost of covering the additional children in each FPL category, calculates the federal portion this amount by multiplying by the CHI FMAP rate (71.2%), and compares this result with the total Alaska CHI Allotment (\$5,621,510). If the federal portion of the marginal need is less than the Allotment amount, then the CHI GF Match rate is used to calculate the State general fund needed to fund the marginal costs above above 99% FPL. If the federal portion of the marginal need is greater than the State's CHI Allotment, then the difference between Total amount and the sum of the Total amount for below 100% FPL and total CHI Funds. This difference is then multiplied by the Medicaid State GF match rate to determine the remaining GF needed.

"Federal" Native Children

IHS-funded services are 100% federally reimbursed.

Other Children**Uninsured Children below 100% of the Federal Poverty Level**

The estimated Federal portion of covering non-native children up to 100% FPL is calculated using the Alaska Medicaid FMAP rate of 59.2%.

Uninsured Children between 100% & 200% of the Federal Poverty Level

Federal funds are calculated by subtracting the State GF amount for each FPL category from the Total amount.

"Total" = "Uninsured" X 'Cost per Child - 0-18' X 1.1 Administrative Cost Factor"

ANALYSIS (cont.):

The following distributes the Child Health Program Expenditures by source of funds by administration and program services. The administration and program services are further allocated between Title XIX Medicaid, Title XXI Child Health Initiative and Indian Health Service.

Fiscal Year 1999: Projected Child Health Program Title XXI Expenditures - 200% FPL

Family Income Above Current Medicaid Standards	Native Children to 200% FPL	Other Children to 200% FPL	All Children to 200% FPL
Uninsured	751	3,341	4,092
State GF	\$ -	\$ 2,063,301	\$ 2,063,301
Federal	\$ 1,575,591	\$ 5,129,141	\$ 6,704,732
Total	\$ 1,575,591	\$ 7,192,443	\$ 8,768,033 *1

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 1,973,301	\$ 5,039,141	\$ -	\$ 7,012,443
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Totals	\$ 2,063,301	\$ 5,129,141	\$ 1,575,591	\$ 8,768,033

Administration

Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 219,698	\$ 561,033	\$ -	\$ 780,730
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 309,698	\$ 651,033	\$ -	\$ 960,730 *2

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,753,604	\$ 4,478,109	\$ -	\$ 6,231,712
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Program Totals	\$ 1,753,604	\$ 4,478,108	\$ 1,575,591	\$ 7,807,303

Notes: *1 10% Administration is included in estimated total costs for children

*2. IHS fund is only available for direct program services.

The Division has assumed the following for calculation of the period FY00-04:

Alaska's Federal Medical Assistance Percentage (FMAP) will continue after FY2000 at the enhanced rate of 59.8% because Alaska's Congressional delegation will be effective at securing reauthorization due to enactment of this legislation. It is also assumed that the enhanced federal participation for the Title XXI funding will remain at the same 71.86% through FY04. The fiscal note also assumes an average of a 7% expenditure growth from fiscal year to fiscal year. This growth takes into account changes in the cost of medical services as well as changes in the utilization of medical services by both the clients and providers for the Child Health Initiative.

The details of the SMART START for Alaska's Families program are contained in the document "A Blueprint for Assuring Adequate Access to Health Care for Alaska's Uninsured Children and Pregnant Women." Copies are available at the Commissioner's Offices by calling in Juneau (907-465-3030) and Anchorage (907-269-7800).

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CS HB 369 (HESS)

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to Medicaid coverage for certain BRU: Medical Assistance
 eligible children: _____ Component: Medicaid Non-Facility
 Sponsor: House Rules by Request of the Governor COMPONENT SERIAL NO. 229
 Requestor: House (HESS) See also (SN#): 2260, 960,230

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	4,199.7	5,310.2	5,681.9	6,079.6	6,505.2	6,960.6
MISCELLANEOUS						
TOTAL OPERATING	4,199.7	5,310.2	5,681.9	6,079.6	6,505.2	6,960.6

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	3,017.9	3,815.9	4,083.0	4,368.8	4,674.6	5,001.9
1003 GF Match	1,181.8	1,494.3	1,598.9	1,710.8	1,830.6	1,958.7
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	4,199.7	5,310.2	5,681.9	6,079.6	6,505.2	6,960.6

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

The Balanced Budget Act of 1997 recently passed by Congress creates a new Title XXI of the Social Security Act which allows States to use the new funds appropriated to either expand Medicaid eligibility for children, with an enhanced federal match for the expansion population, or to purchase health coverage, or both. The allocation of funds is made in the same proportion of the ratio of the number of low-income children without insurance and the geographic variations in health costs. Alaska's allocation is \$5.6 million with a federal match rate of 71.86%. No more than 10% of the funding can be applied to administrative support and outreach. Incremental funding expanding the Medicaid program for children up to 200% of the federal poverty level and pregnant women is requested.

The direct services costs related to the "Smart Start" initiative were estimated using a model that estimates the funding needed to provide Medicaid coverage to all uninsured Children up to 200% of the Federal Poverty Level. The model is based on a number of assumptions pertaining to the size and composition of the uninsured population in Alaska, the rates of anticipated participation in a medical insurance program by this population, and the costs associated with

Prepared by: Randy Super Phone: 465-5833
 Division: Medical Assistance Date: 04/08/98
 Approved by Commissioner: Karen Perdue, Commissioner Date: 4/8/98
 Agency: Department of Health & Social Services

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

ANALYSIS (cont.):

providing coverage for Medicaid services to these program participants. Specific assumptions used are:

	<u>Variables</u>	<u>Assumed Value</u>
Costs per Participant Estimates:		
	Cost per Child Age 0-18	\$1,908
Childrens' Health Insurance Program & Medicaid Matching Rates:		
	Childrens Health Insurance - FMAP Rate	71.9%
	Childrens Health Insurance - State GF Match Rate	28.1%
	Medicaid FMAP	59.8%
	Medicaid State GF Match Rate	40.2%
Children Health Insurance Program Funding:		
	Childrens Health Insurance - Alaska Allotment (est)	5,664,899
	State Childrens Health Insurance Match	2,218,345
	Total Childrens Health Insurance Funds	7,883,244
Native Children Participation and IHS Utilization:		
	% of Eligible Children Below 100% of FPL Who are Native	41.0%
	% of Eligible Children Below 150% of FPL Who are Native	38.3%
	% of Eligible Children Below 200% of FPL Who are Native	35.6%
	% of Native Children Who Use IHS Services	60.0%
Estimated Program Participation Rates:		
	Participation Rate - All Children Year 1	74.0%
	Year 2 and beyond	80.0%

In addition to the specific assumptions, the model relies on the results of an analysis by Employee Benefits Research Institute (EBRI) which provided an estimate of the distribution of the uninsured Alaska population by Federal Poverty Level (FPL) and number of insured who fall into each FPL category. The results of that analysis are summarized below.

Employee Benefit Research Institute - 0 thru 18
Uninsured Children Estimate

<u>Poverty Rate</u>	<u>Total</u>
0-99%	5,553
100-149%	3,679
150-199%	2,357
200-249%	3,020
250-299%	2,597
300-349%	1,185
350-399%	1,529
400% & Up	3,571
Total Uninsured Alaskan Children	23,491

The funding model calculates the cumulative number of "Smart Start" participants based on the estimated number of children who fall into FPL categories between 0% and 199%. The total estimated number of uninsured children who fall below 200% of FPL is 11,589. An estimated 5,553 of the uninsured children are would be enrolled in the Medicaid program if they applied. The 6,036 balance of uninsured children are targeted under this proposal. This number is subsequently multiplied by the Participation Rate for All Children to yield an adjusted estimate of the children who would likely participate in the program in Year 1. This result is then multiplied by two factors, the "% of Eligible Children who are Native" and the "% of Native Children Using IHS" to estimate the total number of uninsured Native children who are anticipated to use the services of IHS providers under the program. A final calculation subtracts that number (uninsured Native children using IHS services) from the estimated total number of participating children to yield the number of children who would get services from non-IHS providers.

ANALYSIS (cont.):

The costs per eligible child are based on an analysis of recent spending data from the Medicaid Management Information System for services provided AFDC children adjusted to reflect estimated costs for these same services in FY99. The estimated numbers of participating Native and non-Native children are multiplied by the projected cost per eligible child to provide a total cost of coverage for each of these groups. The model estimates that all services provided to eligible Native children who use IHS providers will qualify for reimbursement that is 100% federally funded. Funding for the services to the remaining population of children is under the Children's Health Insurance Program (Title XXI). For services to the remaining non-IHS children between 100% and 200% FPL, the State's allocation under Title XXI is used as the funding source at an enhanced match rate of 28.14% GF and 71.86% FFP.

There are increased Medicaid program costs that are anticipated to result from the outreach efforts required as part of a Title XXI program. As previously identified, there are an estimated 5,553 uninsured children who fall below 100% of poverty and who would be eligible for Medicaid if they applied. Through the outreach effort required under Title XXI, the Division anticipates that about 40% of these uninsured children will participate as new eligibles under Title XIX Medicaid. The model assumes that direct services to children who fall under 100% of FPL will be financed under the Medicaid program and the total costs for these services will be financed at the Medicaid match rate of 40.2% GF and 59.8% FMAP. However, the additional program costs for serving these new children are not reflected in this fiscal note.

In preparing this fiscal note an implementation date beginning October 1, 1998 was assumed for the enrollment of the first child. Enrollment is projected to increase at a monthly rate of 8.7% during the first year, ending the year with a total enrollment of a projected 4,092 children.

Using the above assumptions, the funding model estimates that Title XXI Medicaid coverage for 4,092 participating children will require \$8,768.0 in total expenditures (\$2,063.3 SGFM / \$6,704.7 Fed Funds) for services and administration.

Distribution of "Smart Start" related funding is based on analyses of Medicaid spending for medical services provided to AFDC Children. The historical expenditure data used came from the Medicaid Management Information System monthly MR-O-91T report which is a summary of Medicaid spending by Medicaid Category of Assistance and colocation code. The expenditures used were cumulative dates of payment for the period July, 1996 through October, 1997. Distributions between the colocation codes were calculated separately for each of the Medicaid Program components (Medicaid Non-Facilities, Medicaid Facilities, and Medicaid Indian Health Services). No distributions were made for either AFDC Children to Medicaid Waivered Services as no spending occurred during the observed period in that component for these groups.

The total projected FY99 expenditures for direct services was multiplied by the percentage distribution between the components, and that result was multiplied by the percentage distribution across each relevant colocation code to determine the amount of direct services to be allocated to each colocation code.

	Total Funds	Federal	GFM
Medicaid Facilities	2,032.0	1,460.2	571.8
Medicaid Non-Facilities	4,199.7	3,017.9	1,181.8
Indian Health Service	1,575.6	1,575.6	
Totals	7,807.3	6,053.7	1,753.6

Note:

Costs per Child are based on FY97 date-of payment data. Costs exclude Indian Health Services, State Programs, API Disproportionate Share Facilities payments, and Medical Assistance Administration. The denominator is the number of eligible non-disabled children (52,154) as of June 1, 1997. The cost was then adjusted to reflect anticipated FY99 cost by multiplying times 1.06.

ANALYSIS (cont.):**FORMULAS**

"Uninsured" = "Estimated Uninsured by Federal Poverty Level" (Employee Benefits Research Institute) X Participation Rate (Children)

"State GF" Native Children

The model shows no State General Fund expenditures for Native Children who access IHS-funded services. All funding for services to this estimated population are 100% federally reimbursed

Other Children

This part of the uninsured children population accesses medicaid services.

Uninsured Children below 100% of the Federal Poverty Level

The estimated General Fund costs of covering non-native children up to 100% of the federal poverty level is calculated by assuming the State will participate at the current State Medicaid Match Rate of 40.2%.

Uninsured Children between 100% & 200% of the Federal Poverty Level

For the population of children between 100% and 200% of FPL, the model uses a formula that first calculates the total marginal cost of covering the additional children in each FPL category, calculates the federal portion this amount by multiplying by the CHI FMAP rate (71.2%), and compares this result with the total Alaska CHI Allotment (\$5,621,510). If the federal portion of the marginal need is less than the Allotment amount, then the CHI GF Match rate is used to calculate the State general fund needed to fund the marginal costs above above 99% FPL. If the federal portion of the marginal need is greater than the State's CHI Allotment, then the difference between Total amount and the sum of the Total amount for below 100% FPL and total CHI Funds. This difference is then multiplied by the Medicaid State GF match rate to determine the remaining GF needed.

"Federal" Native Children

IHS-funded services are 100% federally reimbursed.

Other Children

Uninsured Children below 100% of the Federal Poverty Level

The estimated Federal portion of covering non-native children up to 100% FPL is calculated using the Alaska Medicaid FMAP rate of 59.2%.

Uninsured Children between 100% & 200% of the Federal Poverty Level

Federal funds are calculated by subtracting the State GF amount for each FPL category from the Total amount.

"Total" = "Uninsured" X 'Cost per Child - 0-18' X 1.1 Administrative Cost Factor"

ANALYSIS (cont.):

The following distributes the Child Health Program Expenditures by source of funds by administration and program services. The administration and program services are further allocated between Title XIX Medicaid, Title XXI Child Health Initiative and Indian Health Service.

Fiscal Year 1999: Projected Child Health Program Title XXI Expenditures - 200% FPL

Family Income Above Current Medicaid Standards	Native Children to 200% FPL	Other Children to 200% FPL	All Children to 200% FPL
Uninsured	751	3,341	4,092
State GF	\$ -	\$ 2,063,301	\$ 2,063,301
Federal	\$ 1,575,591	\$ 5,129,141	\$ 6,704,732
Total	\$ 1,575,591	\$ 7,192,443	\$ 8,768,033 *1

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 1,973,301	\$ 5,039,141	\$ -	\$ 7,012,443
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Totals	\$ 2,063,301	\$ 5,129,141	\$ 1,575,591	\$ 8,768,033

Administration

Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 219,698	\$ 561,033	\$ -	\$ 780,730
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 309,698	\$ 651,033	\$ -	\$ 960,730 *2

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,753,604	\$ 4,478,108	\$ -	\$ 6,231,712
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Program Totals	\$ 1,753,604	\$ 4,478,108	\$ 1,575,591	\$ 7,807,303

Notes: *1 10% Administration is included in estimated total costs for children

*2. IHS fund is only available for direct program services.

The Division has assumed the following for calculation of the period FY00-04:

Alaska's Federal Medical Assistance Percentage (FMAP) will continue after FY2000 at the enhanced rate of 59.8% because Alaska's Congressional delegation will be effective at securing reauthorization due to enactment of this legislation. It is also assumed that the enhanced federal participation for the Title XXI funding will remain at the same 71.86% through FY04. The fiscal note also assumes an average of a 7% expenditure growth from fiscal year to fiscal year. This growth takes into account changes in the cost of medical services as well as changes in the utilization of medical services by both the clients and providers for the Child Health Initiative.

The details of the SMART START for Alaska's Families program are contained in the document "A Blueprint for Assuring Adequate Access to Health Care for Alaska's Uninsured Children and Pregnant Women." Copies are available at the Commissioner's Offices by calling in Juneau (907-465-3030) and Anchorage (907-269-7800).

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CS HB 369 (HESS)

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to Medicaid coverage for certain BRU: Medical Assistance
 eligible children: _____ Component: Medicaid Facilities
 Sponsor: House Rules by Request of the Governor COMPONENT SERIAL NO. 230
 Requestor: House (HESS) See also (SN#): 2260,960,229

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	2,032.0	2,568.4	2,748.2	2,940.6	3,146.4	3,366.7
MISCELLANEOUS						
TOTAL OPERATING	2,032.0	2,568.4	2,748.2	2,940.6	3,146.4	3,366.7

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	1,460.2	1,845.6	1,974.9	2,113.1	2,261.0	2,419.3
1003 GF Match	571.8	722.8	773.3	827.5	885.4	947.4
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	2,032.0	2,568.4	2,748.2	2,940.6	3,146.4	3,366.7

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

The Balanced Budget Act of 1997 recently passed by Congress creates a new Title XXI of the Social Security Act which allows States to use the new funds appropriated to either expand Medicaid eligibility for children, with an enhanced federal match for the expansion population, or to purchase health coverage, or both. The allocation of funds is made in the same proportion of the ratio of the number of low-income children without insurance and the geographic variations in health costs. Alaska's allocation is \$5.6 million with a federal match rate of 71.86%. No more than 10% of the funding can be applied to administrative support and outreach. Incremental funding expanding the Medicaid program for children up to 200% of the federal poverty level and pregnant women is requested.

The direct services costs related to the "Smart Start" initiative were estimated using a model that estimates the funding needed to provide Medicaid coverage to all uninsured Children up to 200% of the Federal Poverty Level. The model is based on a number of assumptions pertaining to the size and composition of the uninsured population in Alaska, the rates of anticipated participation in a medical insurance program by this population, and the costs associated with

Prepared by: Randy Super
 Division: Medical Assistance

Phone: 456-5833
 Date: 04/08/98

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

Date: 4/8/98

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

ANALYSIS (cont.):

providing coverage for Medicaid services to these program participants. Specific assumptions used are:

	<u>Variables</u>	<u>Assumed Value</u>
Costs per Participant Estimates:		
	Cost per Child Age 0-18	\$1,908
Childrens' Health Insurance Program & Medicaid Matching Rates:		
	Childrens Health Insurance - FMAP Rate	71.9%
	Childrens Health Insurance - State GF Match Rate	28.1%
	Medicaid FMAP	59.8%
	Medicaid State GF Match Rate	40.2%
Children Health Insurance Program Funding:		
	Childrens Health Insurance - Alaska Allotment (est)	5,664,899
	State Childrens Health Insurance Match	2,218,345
	Total Childrens Health Insurance Funds	7,883,244
Native Children Participation and IHS Utilization:		
	% of Eligible Children Below 100% of FPL Who are Native	41.0%
	% of Eligible Children Below 150% of FPL Who are Native	38.3%
	% of Eligible Children Below 200% of FPL Who are Native	35.6%
	% of Native Children Who Use IHS Services	60.0%
Estimated Program Participation Rates:		
	Participation Rate - All Children Year 1	74.0%
	Year 2 and beyond	81.0%

In addition to the specific assumptions, the model relies on the results of an analysis by Employee Benefits Research Institute (EBRI) which provided an estimate of the distribution of the uninsured Alaska population by Federal Poverty Level (FPL) and number of insured who fall into each FPL category. The results of that analysis are summarized below.

Employee Benefit Research Institute - 0 thru 18
Uninsured Children Estimate

<u>Poverty Rate</u>	<u>Total</u>
0-99%	5,553
100-149%	3,679
150-199%	2,357
200-249%	3,020
250-299%	2,597
300-349%	1,185
350-399%	1,529
400% & Up	3,571
Total Uninsured Alaskan Children	23,491

The funding model calculates the cumulative number of "Smart Start" participants based on the estimated number of children who fall into FPL categories between 0% and 199%. The total estimated number of uninsured children who fall below 200% of FPL is 11,589. An estimated 5,553 of the uninsured children are would be enrolled in the Medicaid program if they applied. The 6,036 balance of uninsured children are targeted under this proposal. This number is subsequently multiplied by the Participation Rate for All Children to yield an adjusted estimate of the children who would likely participate in the program in Year 1. This result is then multiplied by two factors, the "% of Eligible Children who are Native" and the "% of Native Children Using IHS" to estimate the total number of uninsured Native children who are anticipated to use the services of IHS providers under the program. A final calculation subtracts that number (uninsured Native children using IHS services) from the estimated total number of participating children to yield the number of children who would get services from non-IHS providers.

ANALYSIS (cont.):

The costs per eligible child are based on an analysis of recent spending data from the Medicaid Management Information System for services provided AFDC children adjusted to reflect estimated costs for these same services in FY99. The estimated numbers of participating Native and non-Native children are multiplied by the projected cost per eligible child to provide a total cost of coverage for each of these groups. The model estimates that all services provided to eligible Native children who use IHS providers will qualify for reimbursement that is 100% federally funded. Funding for the services to the remaining population of children is under the Children's Health Insurance Program (Title XXI). For services to the remaining non-IHS children between 100% and 200% FPL, the State's allocation under Title XXI is used as the funding source at an enhanced match rate of 28.14% GF and 71.86% FFP.

There are increased Medicaid program costs that are anticipated to result from the outreach efforts required as part of a Title XXI program. As previously identified, there are an estimated 5,553 uninsured children who fall below 100% of poverty and who would be eligible for Medicaid if they applied. Through the outreach effort required under Title XXI, the Division anticipates that about 40% of these uninsured children will participate as new eligibles under Title XIX Medicaid. The model assumes that direct services to children who fall under 100% of FPL will be financed under the Medicaid program and the total costs for these services will be financed at the Medicaid match rate of 40.2% GF and 59.8% FMAP. However, the additional program costs for serving these new children are not reflected in this fiscal note.

In preparing this fiscal note an implementation date beginning October 1, 1998 was assumed for the enrollment of the first child. Enrollment is projected to increase at a monthly rate of 8.7% during the first year, ending the year with a total enrollment of a projected 4,092 children.

Using the above assumptions, the funding model estimates that Title XXI Medicaid coverage for 4,092 participating children will require \$8,768.0 in total expenditures (\$2,063.3 SGFM / \$6,704.7 Fed Funds) for services and administration.

Distribution of "Smart Start" related funding is based on analyses of Medicaid spending for medical services provided to AFDC Children. The historical expenditure data used came from the Medicaid Management Information System monthly MR-O-91T report which is a summary of Medicaid spending by Medicaid Category of Assistance and colocation code. The expenditures used were cumulative dates of payment for the period July, 1996 through October, 1997. Distributions between the colocation codes were calculated separately for each of the Medicaid Program components (Medicaid Non-Facilities, Medicaid Facilities, and Medicaid Indian Health Services). No distributions were made for either AFDC Children to Medicaid Waivered Services as no spending occurred during the observed period in that component for these groups.

The total projected FY99 expenditures for direct services was multiplied by the percentage distribution between the components, and that result was multiplied by the percentage distribution across each relevant colocation code to determine the amount of direct services to be allocated to each colocation code.

	Total Funds	Federal	GFM
Medicaid Facilities	2,032.0	1,460.2	571.8
Medicaid Non-Facilities	4,199.7	3,017.9	1,181.8
Indian Health Service	1,575.6	1,575.6	
Totals	7,807.3	6,053.7	1,753.6

Note:

Costs per Child are based on FY97 date-of-payment data. Costs exclude Indian Health Services, State Programs, API Disproportionate Share Facilities payments, and Medical Assistance Administration. The denominator is the number of eligible non-disabled children (52,154) as of June 1, 1997. The cost was then adjusted to reflect anticipated FY99 cost by multiplying times 1.06.

ANALYSIS (cont.):**FORMULAS**

"Uninsured" = "Estimated Uninsured by Federal Poverty Level" (Employee Benefits Research Institute) X Participation Rate (Children)

"State GF" Native Children

The model shows no State General Fund expenditures for Native Children who access IHS-funded services. All funding for services to this estimated population are 100% federally reimbursed

Other Children

This part of the uninsured children population accesses medicaid services.

Uninsured Children below 100% of the Federal Poverty Level

The estimated General Fund costs of covering non-native children up to 100% of the federal poverty level is calculated by assuming the State will participate at the current State Medicaid Match Rate of 40.2%.

Uninsured Children between 100% & 200% of the Federal Poverty Level

For the population of children between 100% and 200% of FPL, the model uses a formula that first calculates the total marginal cost of covering the additional children in each FPL category, calculates the federal portion this amount by multiplying by the CHI FMAP rate [71.2%], and compares this result with the total Alaska CHI Allotment (\$5,621,510). If the federal portion of the marginal need is less than the Allotment amount, then the CHI GF Match rate is used to calculate the State general fund needed to fund the marginal costs above above 99% FPL. If the federal portion of the marginal need is greater than the State's CHI Allotment, then the difference between Total amount and the sum of the Total amount for below 100% FPL and total CHI Funds. This difference is then multiplied by the Medicaid State GF match rate to determine the remaining GF needed.

"Federal" Native Children

IHS-funded services are 100% federally reimbursed.

Other Children**Uninsured Children below 100% of the Federal Poverty Level**

The estimated Federal portion of covering non-native children up to 100% FPL is calculated using the Alaska Medicaid FMAP rate of 59.2%.

Uninsured Children between 100% & 200% of the Federal Poverty Level

Federal funds are calculated by subtracting the State GF amount for each FPL category from the Total amount.

"Total" = "Uninsured" X 'Cost per Child - 0-18' X 1.1 Administrative Cost Factor"

ANALYSIS (cont.):

The following distributes the Child Health Program Expenditures by source of funds by administration and program services. The administration and program services are further allocated between Title XIX Medicaid, Title XXI Child Health Initiative and Indian Health Service.

Fiscal Year 1999: Projected Child Health Program Title XXI Expenditures - 200% FPL

Family Income Above Current Medicaid Standards	Native Children to 200% FPL	Other Children to 200% FPL	All Children to 200% FPL
Uninsured	751	3,341	4,092
State GF	\$ -	\$ 2,063,301	\$ 2,063,301
Federal	\$ 1,575,591	\$ 5,129,141	\$ 6,704,732
Total	\$ 1,575,591	\$ 7,192,443	\$ 8,768,033 *1

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 1,973,301	\$ 5,039,141	\$ -	\$ 7,012,443
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Totals	\$ 2,063,301	\$ 5,129,141	\$ 1,575,591	\$ 8,768,033

Administration

Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 219,698	\$ 561,033	\$ -	\$ 780,730
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 309,698	\$ 651,033	\$ -	\$ 960,730 *2

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,753,604	\$ 4,478,108	\$ -	\$ 6,231,712
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Program Totals	\$ 1,753,604	\$ 4,478,108	\$ 1,575,591	\$ 7,807,303

Notes: *1 10% Administration is included in estimated total costs for children

*2. IHS fund is only available for direct program services.

The Division has assumed the following for calculation of the period FY00-04:

Alaska's Federal Medical Assistance Percentage (FMAP) will continue after FY2000 at the enhanced rate of 59.8% because Alaska's Congressional delegation will be effective at securing reauthorization due to enactment of this legislation. It is also assumed that the enhanced federal participation for the Title XXI funding will remain at the same 71.86% through FY04. The fiscal note also assumes an average of a 7% expenditure growth from fiscal year to fiscal year. This growth takes into account changes in the cost of medical services as well as changes in the utilization of medical services by both the clients and providers for the Child Health Initiative.

The details of the SMART START for Alaska's Families program are contained in the document "A Blueprint for Assuring Adequate Access to Health Care for Alaska's Uninsured Children and Pregnant Women." Copies are available at the Commissioner's Offices by calling in Juneau (907-465-3030) and Anchorage (907-269-7800).

4/23/98

0-GH2008\E.1

Lauterbach

4/20/98



AMENDMENT #2

OFFERED IN THE HOUSE
TO: CSHB 369(HES)

BY REPRESENTATIVE ~~HANLEY~~ FOSTER

1 Page 1, line 1, following "children":

2 Insert "and pregnant women"

3 Page 1, line 5:

4 Delete "a new paragraph"

5 Insert "new paragraphs"

6 Page 1, line 9:

7 Delete "."

8 Insert ";"

9 (13) pregnant women who are not covered under (a) of this section and whose
10 household income does not exceed 200 percent of the federal poverty guideline
11 defined by the federal office of management and budget and revised under 42 U.S.C.
12 9902(2)."

13 Page 2, line 15:

14 Delete "AS 47.07.020(b)(12)"

15 Insert "AS 47.07.020(b)(12) or (13)"

4/23/98

0-GH2008\E.2
Lauterbach
4/20/98

~~3~~
ND/GBj 4/23/98
AMENDMENT #1

OFFERED IN THE HOUSE
TO: CSHB 369(HES)

BY REPRESENTATIVE HANLEY

1 Page 1, line 1, following "children;"

2 Insert "relating to primary care case management and managed care services as
3 optional services under the Medicaid program;"

4 Page 2, following line 1:

5 Insert new bill sections to read:

6 "* Sec. 3. AS 47.07.030(b) is amended to read:

7 (b) In addition to the mandatory services specified in (a) of this section and
8 the services provided under (d) of this section, the department may offer only the
9 following optional services: case management and nutrition services for pregnant
10 women; personal care services in a recipient's home; emergency hospital services;
11 long-term care noninstitutional services; medical supplies and equipment; advanced
12 nurse practitioner services; clinic services; rehabilitative services for substance abusers
13 and emotionally disturbed or chronically mentally ill adults; targeted case management
14 services for substance abusers, chronically mentally ill adults, and severely
15 emotionally disturbed persons under the age of 21; inpatient psychiatric facility
16 services for individuals age 65 or older and individuals under age 21; psychologists'
17 services; clinical social workers' services; midwife services; prescribed drugs; physical
18 therapy; occupational therapy; chiropractic services; low-dose mammography
19 screening, as defined in AS 21.42.375(e); hospice care; treatment of speech, hearing,
20 and language disorders; adult dental services; prosthetic devices and eyeglasses;
21 optometrists' services; intermediate care facility services, including intermediate care
22 facility services for the mentally retarded; skilled nursing facility services for
23 individuals under age 21; and reasonable transportation to and from the point of
24 medical care.

1 * Sec. 4. AS 47.07.030(d) is repealed and reenacted to read:

2 (d) The department may establish as optional services a primary care case
 3 management system or a managed care organization contract in which certain eligible
 4 individuals are required to enroll and seek approval from a case manager or the
 5 managed care organization before receiving certain services. The department shall
 6 establish enrollment [criteria and determine eligibility [for] services] consistent with
 7 federal and state law."

criteria, det. elig, & services

8 Renumber the following bill sections accordingly.

9 Renumber internal references to bill sections in accordance with this amendment. Below are
 10 all internal bill section references in this bill:

11 Page 2, line 23

12 Page 2, line 26

13 Page 2, line 27

14 Page 2, line 28



NATIONAL ASSOCIATION OF SOCIAL WORKERS ALASKA CHAPTER

318 4th Street, Juneau AK 99801
586-4438 Fax: 586-4439
naswak@alaska.net

The National Association of Social Workers (NASW) is the world's largest organization of professional social workers. NASW's 155,000 members nationwide and 500 in Alaska work in a wide range of settings at all levels in the public and private sectors. Professional social workers focus on vulnerable populations and promote state and federal policies which enhance the lives of the people we serve.

NASW strongly supports HB 369 and urges its passage.

- **Advocates for young children are unified by the common core of knowledge that children require special attention to begin the developmental process in an optimal fashion.** HB 369 will expand Medicaid coverage to poor children with family income of up to 200 percent of the federal poverty level. Under the proposed new eligibility guidelines, a family of four with an income of roughly \$40,000 a year would be covered. If passed, the bill will ensure that 11,000 poor children will have the benefit of preventative health care, and 800 more poor women will receive crucial pre-natal care.
- **Studies have shown that without health insurance, children are six times more likely to go without needed medical care; five times more likely to use the hospital emergency room as a regular source of care and four times more likely to have necessary care delayed.**
- **Currently, 41 states provide better Medicaid coverage than Alaska.** By expanding Medicaid eligibility, the state of Alaska could provide a child with health coverage for just \$562 per year in general funds. Existing cost management tools such as utilization review and prior authorization as well as case management provided by Primary Care Practitioners will be extended to manage the cost of this program.
- **As more families move from welfare to work, it is appropriate to assist them in becoming self-sufficient by making affordable health care coverage available to their children.** Many lower wage jobs in Alaska do not offer health benefits. Coverage under this initiative will allow families receiving public assistance to take jobs and still provide health security to their children.
- **Uninsured women often receive inadequate prenatal care and deliver low-birth weight babies who require special care.** NASW recommends the Finance Committee reinstate language found in the original bill which will expand Medicaid coverage to pregnant woman up to 200% of the poverty level. It makes good economic sense to cover pregnant women as it has been proven that significant cost savings are realized when prenatal care is available.
- **NASW also urges reinstatement of language which will institutionalize in law the Healthy Families Program in Alaska.** Research over the last two decades has consistently confirmed that providing education and support services to parents around the time of a baby's birth--and continuing for months or years afterwards--significantly reduces the risk of child abuse and contributes to positive, healthy, child-rearing practices. Families receiving this type of intensive home visitor service also show other positive changes such as consistent use of preventive health services, increased high school completion rates (for teen parents), higher employment rates, lower welfare use, and fewer pregnancies. Child abuse prevention programs save money. For every \$3 spent on prevention, we save at least \$6 that might have been spent on child welfare services, special education services, medical care, foster care, counseling, and housing juvenile offenders.

Thank you for the opportunity to provide testimony on this matter.

SECTIONAL ANALYSIS HB 369/SB 266

An Act relating to Medicaid coverage for certain eligible children and pregnant women; relating to primary care case management and managed care services as optional services and to premiums and cost sharing contributions under Medicaid; establishing the Healthy Families Alaska program; efd.

- Section 1 Adds to the Medicaid Program as new optional coverage groups children under age 19 and pregnant women with family incomes that do not exceed 200 percent of the federal poverty level. These children are added to Medicaid under the new Child Health Insurance Program (CHIP) enacted by Congress in the Balanced Budget Act of 1997.
- Section 2 Allows the department to implement continuous eligibility for up to 12 months for Medicaid eligible children under age 19.
- Section 3 Adds targeted case management for pregnant women and children under age 5 (Healthy Families Alaska), and comprehensive pregnancy-related services as new optional services for the Medicaid Program.
- Section 4 Allows the department to take advantage of new provisions of the Balanced Budget Act of 1997, that allows states to offer managed care services as a state option instead of through a Medicaid waiver. These options include Primary Care Case Management (PCCM) in which clients choose a primary care provider to receive all basic health care and who authorizes specialty care and other defined services, and contracts with managed care entities.
- Section 5 Makes technical changes to AS 47.07.042(a) consistent with changes in Section 6.
- Section 6 Grants the department the authority to require premiums or cost sharing for the new groups of pregnant women and children, added in section 1 of the bill, whose family income is between 150% and 200% of the federal poverty level.
- Section 7 Amends the definition of targeted case management related to Healthy Families Alaska.
- Section 8 Defines comprehensive pregnancy-related services to mean services in a greater amount duration or scope than is available to other recipients, or services on the options list at AS 37.07.035 that may otherwise be unavailable to adult recipients.
- Section 9 Establishes a statutory basis for the Healthy Families Alaska program.
- Section 10 Authorizes the department to adopt regulations necessary to implement this bill.
- Section 11 Immediate effective date for section 10.
- Section 12 Effective date of July 1, 1998 for all sections of the bill except 11 which is effective immediately.

DRAFT – DRAFT – DRAFT

BILL NO. **CSHB 369 (FIN)**
 Title: **"An act relating to Medicaid coverage for certain eligible children and pregnant women"**
 Sponsor: **House Rules by Request of the Governor**
 Requestor: **House (FIN)**

CSHB 369 FISCAL SUMMARY

The Governor's original fiscal note on this bill totaled \$7.2 million general fund need for FY99. This number has been revised to \$4.1 million general fund need as a result of the following considerations:

- > program implementation delayed to October 1, 1998,
- > reduction in the rate at which children are enrolled in the Title XXI program,
- > removal of the children who are currently eligible for Medicaid but not currently enrolled, who will enroll as a result of the outreach efforts, and
- > revision for administrative expenditures to recognize one time startup costs.

The following table provides a combined summary of expenditures from all fiscal notes related to this bill based on these revised assumptions.

<u>BRU</u>	<u>Component</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>
Medical Assistance	Medicaid Non-Facilities	7,174.5	8,492.6	9,087.2	9,723.3	10,404.0	11,132.3
	Fed	4,832.1	5,756.7	6,159.7	6,590.9	7,052.3	7,546.0
	GFM	2,342.4	2,735.9	2,927.5	3,132.4	3,351.7	3,586.3
	Medicaid Facilities	3,470.7	4,108.4	4,395.9	4,703.5	5,032.8	5,385.1
	Fed	2,337.6	2,784.9	2,979.8	3,188.3	3,411.5	3,650.3
	GFM	1,133.1	1,323.5	1,416.1	1,515.2	1,621.3	1,734.8
	Indian Health Service	2,505.5	2,987.0	3,196.1	3,419.8	3,659.2	3,915.4
	Fed	2,505.5	2,987.0	3,196.1	3,419.8	3,659.2	3,915.4
Medical Assistance	Children's Health Eligibility	1,495.1	1,558.8	1,669.1	1,788.0	1,915.0	2,051.0
Admin	Fed	918.2	995.2	1,065.8	1,141.5	1,222.6	1,309.4
	GFM	576.9	563.6	603.3	646.5	692.4	741.6
Combined Fiscal Notes Summary		14,645.8	17,146.8	18,348.3	19,634.6	21,011.0	22,483.8
	Fed	10,593.4	12,523.8	13,401.4	14,340.5	15,345.6	16,421.1
	GFM	4,052.4	4,623.0	4,946.9	5,294.1	5,665.4	6,062.7
Year to Year Growth Rate			7.1%	7.0%	7.0%	7.0%	7.0%

CHILD HEALTH INSURANCE PROGRAM (CHIP)

- **WHO IS ELIGIBLE:** children under age 19, ineligible for Medicaid, not covered by health insurance, whose family income does not exceed 200% of the federal poverty level, not an inmate in a public institution, or dependent of a family member with benefits from public agency employment. Children with a pre-existing condition cannot be excluded; Alaskan Native children must be included. Any child applicant eligible for Medicaid must be enrolled in Medicaid.
- **BENEFITS:** State option: provide health insurance, expand Medicaid, or a combination of both.
- *Health Insurance* coverage must be equivalent to one of the following plans: the standard Blue Cross PPO plan for federal employees, the state employee plan, or an HMO plan; or a different benefit package that includes basic services that has an aggregate actuarial equivalent to one of the latter specified plans.
- *Medicaid Coverage* includes: the state has income and asset rules no more restrictive than those in place on June 1, 1997, a state can choose to expand coverage immediately for children born after October 1, 1983, and a state can allow 12 month continuous eligibility of children.
- **FUNDING:** \$24 billion has been appropriated for 5 years of the program; Alaska's allotment for Federal Fiscal Year 1998 is \$5,664,899. Enhanced Federal Medical Assistance Percentage (FMAP) expenditures can be used for health insurance, outreach activities, and administration. The FMAP for Alaska is 71.86%.
- Funds will remain available for three years as long as a state has an approved CHIP state plan in place; the Secretary will give unspent funds to other states who have spent their allotment. A plan must be approved by September 30, 1998 in order to retain the FFY 98 allotment; states are to submit plans by June 1, 1998 in order to allow sufficient time for approval.
- Administration of the plan is limited to 10% of expenditures, and include outreach, data collection, performance measurement and the required annual assessment.
- **CHIP STATE PLAN:** include a description of children with health coverage, state efforts to provide health coverage, how the plan will coordinate with efforts to increase coverage of children with health insurance, methods of delivery, utilization control, eligibility criteria, outreach activities, and methods of assuring appropriate care and access.
- **COST SHARING:** for families below 150% of the FPL, enrollment fee, premium or similar charge must be related to income, and deductible and cost sharing cannot exceed a "nominal" amount. For families with higher income, cost sharing can be imposed on a sliding scale fee but may not exceed 5% of the family's annual income. If child health services are provided through Medicaid, cost sharing is not allowed because of Medicaid rules.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CS HB 369 (HESS)

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to Medicaid coverage for certain BRU: Medical Assistance Administration
 eligible children: _____ Component: Children's Health Eligibility
 Sponsor: House Rules by Request of the Governor COMPONENT SERIAL NO. 2260
 Requestor: House (HESS) See also (SN#): 960,230,229

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	960.7	987.1	1,057.2	1,132.2	1,212.6	1,298.7
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	960.7	987.1	1,057.2	1,132.2	1,212.6	1,298.7

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	651.0	709.3	759.7	813.6	871.4	933.2
1003 GF Match	309.7	277.8	297.5	318.6	341.2	365.5
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	960.7	987.1	1,057.2	1,132.2	1,212.6	1,298.7

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

The Balanced Budget Act of 1997 recently passed by Congress creates a new Title XXI of the Social Security Act, which allows states to use the new funds appropriated to either expand Medicaid eligibility for children, with an enhanced federal match for the expansion population, or to purchase health coverage, or both. The allocation of funds is made in the same proportion of the ratio of the number of low income children without insurance and the geographic variations in health costs. Alaska's allocation is 5.6 million with a federal match rate of 71.86%. No more than 10% of expenditures under the Title XXI block grant can be applied to administrative support and outreach.

Program implementation requires an eligibility determination and outreach process. The Division will evaluate the options available to determine the most cost effective method to implement this function. Extension of this health care coverage will result in one time programming changes to the state's eligibility and claims payment systems. Other one time costs will include furniture and equipment costs to support the staff processing the applications for decision.

Prepared by: Randy Super
 Division: Medical Assistance

Phone: 465-5833
 Date: 04/08/98

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

Date: 4/8/98

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

ANALYSIS (cont.):

Under Federal law, initial applications processing may be performed outside of Public Assistance offices and by other State agency staff. The balance of the contractual costs are divided between contracting for this outstationed application intake and processing, and programming enhancements to the State's EIS and Claims payment systems.

The details of the SMART START for Alaska's Families program are contained in the document "A Blueprint for Assuring Adequate Access to Health Care for Alaska's Uninsured Children and Pregnant Women." Copies are available at the Commissioner's Offices by calling in Juneau (907-465-3030) and Anchorage (907-269-7800).

The Division has assumed the following for calculation of the period FY00-04: Alaska's Federal Medical Assistance Percentage (FMAP) for administration is 50%. It is also assumed that the enhanced federal participation for the Title XXI funding for the 10% administrative activities will remain at the same 71.86% through FY04. The fiscal note also assumes an average of a 7% expenditure growth from fiscal year to fiscal year which takes into account changes in the cost of medical assistance program administration.

The following distributes the Child Health Program Expenditures by source of funds by administration and program services. The administration and program services are further allocated between Title XIX Medicaid, Title XXI Child Health Initiative and Indian Health Service.

Fiscal Year 1999: Projected Child Health Program Title XXI Expenditures - 200% FPL

Family Income Above Current Medicaid Standards	Native Children to 200% FPL	Other Children to 200% FPL	All Children to 200% FPL
Uninsured	751	3,341	4,092
State GF	\$ -	\$ 2,063,301	\$ 2,063,301
Federal	\$ 1,575,591	\$ 5,129,141	\$ 6,704,732
Total	\$ 1,575,591	\$ 7,192,443	\$ 8,768,033 *1

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 1,973,301	\$ 5,039,141	\$ -	\$ 7,012,443
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Totals	\$ 2,063,301	\$ 5,129,141	\$ 1,575,591	\$ 8,768,033

Administration

Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 219,698	\$ 561,033	\$ -	\$ 780,730
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 309,698	\$ 651,033	\$ -	\$ 960,730 *2

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,753,604	\$ 4,478,108	\$ -	\$ 6,231,712
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Program Totals	\$ 1,753,604	\$ 4,478,108	\$ 1,575,591	\$ 7,807,303

Notes: *1 10% Administration is included in estimated total costs for children

*2. IHS fund is only available for direct program services.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CS HB 369 (HESS)

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to Medicaid coverage for certain BRU: Medical Assistance
 eligible children; _____ Component: Indian Health Service
 Sponsor: House Rules by Request of the Governor COMPONENT SERIAL NO. 960
 Requestor: House (HESS) See also (SN#): 2260,230,229

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	1,575.6	1,992.0	2,131.4	2,280.6	2,440.3	2,611.1
MISCELLANEOUS						
TOTAL OPERATING	1,575.6	1,992.0	2,131.4	2,280.6	2,440.3	2,611.1

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

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

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	1,575.6	1,992.0	2,131.4	2,280.6	2,440.3	2,611.1
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	1,575.6	1,992.0	2,131.4	2,280.6	2,440.3	2,611.1

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

The Balanced Budget Act of 1997 recently passed by Congress creates a new Title XXI of the Social Security Act which allows States to use the new funds appropriated to either expand Medicaid eligibility for children, with an enhanced federal match for the expansion population, or to purchase health coverage, or both. The allocation of funds is made in the same proportion of the ratio of the number of low-income children without insurance and the geographic variations in health costs. Alaska's allocation is \$5.6 million with a federal match rate of 71.36%. No more than 10% of the funding can be applied to administrative support and outreach. Incremental funding expanding the Medicaid program for children up to 200% of the federal poverty level and pregnant women is requested.

The direct services costs related to the "Smart Start" initiative were estimated using a model that estimates the funding needed to provide Medicaid coverage to all uninsured Children up to 200% of the Federal Poverty Level. The model is based on a number of assumptions pertaining to the size and composition of the uninsured population in Alaska, the rates of anticipated participation in a medical insurance program by this population, and the costs associated with

Prepared by: Randy Super *ARS*
 Division: Medical Assistance

Phone: 456-5833
 Date: 04/08/98

Approved by Commissioner: Karen Perdue *[Signature]*
 Agency: Department of Health & Social Services

Date: 4/8/98

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

ANALYSIS (cont.):

providing coverage for Medicaid services to these program participants. Specific assumptions used are:

	<u>Variables</u>	<u>Assumed Value</u>
Costs per Participant Estimates:		
	Cost per Child Age 0-18	\$1,908
Childrens' Health Insurance Program & Medicaid Matching Rates:		
	Childrens Health Insurance - FMAP Rate	71.9%
	Childrens Health Insurance - State GF Match Rate	28.1%
	Medicaid FMAP	59.8%
	Medicaid State GF Match Rate	40.2%
Children Health Insurance Program Funding:		
	Childrens Health Insurance - Alaska Allotment (est)	5,664,899
	State Childrens Health Insurance Match	2,218,345
	Total Childrens Health Insurance Funds	7,883,244
Native Children Participation and IHS Utilization:		
	% of Eligible Children Below 100% of FPL Who are Native	41.0%
	% of Eligible Children Below 150% of FPL Who are Native	38.3%
	% of Eligible Children Below 200% of FPL Who are Native	35.6%
	% of Native Children Who Use IHS Services	60.0%
Estimated Program Participation Rates:		
	Participation Rate - All Children Year 1	74.0%
	Year 2 and beyond	80.0%

In addition to the specific assumptions, the model relies on the results of an analysis by Employee Benefits Research Institute (EBRI) which provided an estimate of the distribution of the uninsured Alaska population by Federal Poverty Level (FPL) and number of insured who fall into each FPL category. The results of that analysis are summarized below.

Employee Benefit Research Institute - 0 thru 18
Uninsured Children Estimate

<u>Poverty Rate</u>	<u>Total</u>
0-99%	5,553
100-149%	3,679
150-199%	2,357
200-249%	3,020
250-299%	2,597
300-349%	1,185
350-399%	1,529
400% & Up	3,571
Total Uninsured Alaskan Children	23,491

The funding model calculates the cumulative number of "Smart Start" participants based on the estimated number of children who fall into FPL categories between 0% and 199%. The total estimated number of uninsured children who fall below 200% of FPL is 11,589. An estimated 5,553 of the uninsured children are would be enrolled in the Medicaid program if they applied. The 6,036 balance of uninsured children are targeted under this proposal. This number is subsequently multiplied by the Participation Rate for All Children to yield an adjusted estimate of the children who would likely participate in the program in Year 1. This result is then multiplied by two factors, the "% of Eligible Children who are Native" and the "% of Native Children Using IHS" to estimate the total number of uninsured Native children who are anticipated to use the services of IHS providers under the program. A final calculation subtracts that number (uninsured Native children using IHS services) from the estimated total number of participating children to yield the number of children who would get services from non-IHS providers.

ANALYSIS (cont.):

The costs per eligible child are based on an analysis of recent spending data from the Medicaid Management Information System for services provided AFDC children adjusted to reflect estimated costs for these same services in FY99. The estimated numbers of participating Native and non-Native children are multiplied by the projected cost per eligible child to provide a total cost of coverage for each of these groups. The model estimates that all services provided to eligible Native children who use IHS providers will qualify for reimbursement that is 100% federally funded. Funding for the services to the remaining population of children is under the Children's Health Insurance Program (Title XXI). For services to the remaining non-IHS children between 100% and 200% FPL, the State's allocation under Title XXI is used as the funding source at an enhanced match rate of 28.14% GF and 71.86% FFP.

There are increased Medicaid program costs that are anticipated to result from the outreach efforts required as part of a Title XXI program. As previously identified, there are an estimated 5,553 uninsured children who fall below 100% of poverty and who would be eligible for Medicaid if they applied. Through the outreach effort required under Title XXI, the Division anticipates that about 40% of these uninsured children will participate as new eligibles under Title XIX Medicaid. The model assumes that direct services to children who fall under 100% of FPL will be financed under the Medicaid program and the total costs for these services will be financed at the Medicaid match rate of 40.2% GF and 59.8% FMAP. However, the additional program costs for serving these new children are not reflected in this fiscal note.

In preparing this fiscal note an implementation date beginning October 1, 1998 was assumed for the enrollment of the first child. Enrollment is projected to increase at a monthly rate of 8.7% during the first year, ending the year with a total enrollment of a projected 4,092 children.

Using the above assumptions, the funding model estimates that Title XXI Medicaid coverage for 4,092 participating children will require \$8,768.0 in total expenditures (\$2,063.3 SGFM / \$6,704.7 Fed Funds) for services and administration.

Distribution of "Smart Start" related funding is based on analyses of Medicaid spending for medical services provided to AFDC Children. The historical expenditure data used came from the Medicaid Management Information System monthly MR-O-91T report which is a summary of Medicaid spending by Medicaid Category of Assistance and colocation code. The expenditures used were cumulative dates of payment for the period July, 1996 through October, 1997. Distributions between the colocation codes were calculated separately for each of the Medicaid Program components (Medicaid Non-Facilities, Medicaid Facilities, and Medicaid Indian Health Services). No distributions were made for either AFDC Children to Medicaid Waivered Services as no spending occurred during the observed period in that component for these groups.

The total projected FY99 expenditures for direct services was multiplied by the percentage distribution between the components, and that result was multiplied by the percentage distribution across each relevant colocation code to determine the amount of direct services to be allocated to each colocation code.

	Total Funds	Federal	GFM
Medicaid Facilities	2,032.0	1,460.2	571.8
Medicaid Non-Facilities	4,199.7	3,017.9	1,181.8
Indian Health Service	1,575.6	1,575.6	
Totals	7,807.3	6,053.7	1,753.6

Note:

Costs per Child are based on FY97 date-of payment data. Costs exclude Indian Health Services, State Programs, API Disproportionate Share Facilities payments, and Medical Assistance Administration. The denominator is the number of eligible non-disabled children (52,154) as of June 1, 1997. The cost was then adjusted to reflect anticipated FY99 cost by multiplying times 1.06.

ANALYSIS (cont.):

FORMULAS

"Uninsured" = "Estimated Uninsured by Federal Poverty Level" (Employee Benefits Research Institute) X Participation Rate (Children)

"State GF" Native Children

The model shows no State General Fund expenditures for Native Children who access IHS-funded services. All funding for services to this estimated population are 100% federally reimbursed

Other Children

This part of the uninsured children population accesses medicaid services.

Uninsured Children below 100% of the Federal Poverty Level

The estimated General Fund costs of covering non-native children up to 100% of the federal poverty level is calculated by assuming the State will participate at the current State Medicaid Match Rate of 40.2%.

Uninsured Children between 100% & 200% of the Federal Poverty Level

For the population of children between 100% and 200% of FPL, the model uses a formula that first calculates the total marginal cost of covering the additional children in each FPL category, calculates the federal portion this amount by multiplying by the CHI FMAP rate [71.2%], and compares this result with the total Alaska CHI Allotment (\$5,621,510). If the federal portion of the marginal need is less than the Allotment amount, then the CHI GF Match rate is used to calculate the State general fund needed to fund the marginal costs above above 99% FPL. If the federal portion of the marginal need is greater than the State's CHI Allotment, then the difference between Total amount and the sum of the Total amount for below 100% FPL and total CHI Funds. This difference is then multiplied by the Medicaid State GF match rate to determine the remaining GF needed.

"Federal" Native Children

IHS-funded services are 100% federally reimbursed.

Other Children

Uninsured Children below 100% of the Federal Poverty Level

The estimated Federal portion of covering non-native children up to 100% FPL is calculated using the Alaska Medicaid FMAP rate of 59.2%.

Uninsured Children between 100% & 200% of the Federal Poverty Level

Federal funds are calculated by subtracting the State GF amount for each FPL category from the Total amount.

"Total" = "Uninsured" X 'Cost per Child - 0-18' X 1.1 Administrative Cost Factor"

ANALYSIS (cont.):

The following distributes the Child Health Program Expenditures by source of funds by administration and program services. The administration and program services are further allocated between Title XIX Medicaid, Title XXI Child Health Initiative and Indian Health Service.

Fiscal Year 1999: Projected Child Health Program Title XXI Expenditures - 200% FPL

Family Income Above Current Medicaid Standards	Native Children to 200% FPL	Other Children to 200% FPL	All Children to 200% FPL
Uninsured	751	3,341	4,092
State GF	\$ -	\$ 2,063,301	\$ 2,063,301
Federal	\$ 1,575,591	\$ 5,129,141	\$ 6,704,732
Total	\$ 1,575,591	\$ 7,192,443	\$ 8,768,033 *1

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 1,973,301	\$ 5,039,141	\$ -	\$ 7,012,443
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Totals	\$ 2,063,301	\$ 5,129,141	\$ 1,575,591	\$ 8,768,033

Administration

Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 219,698	\$ 561,033	\$ -	\$ 780,730
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 309,698	\$ 651,033	\$ -	\$ 960,730 *2

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,753,604	\$ 4,478,108	\$ -	\$ 6,231,712
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Program Totals	\$ 1,753,604	\$ 4,478,108	\$ 1,575,591	\$ 7,807,303

Notes: *1 10% Administration is included in estimated total costs for children

*2. IHS fund is only available for direct program services.

The Division has assumed the following for calculation of the period FY00-04:

Alaska's Federal Medical Assistance Percentage (FMAP) will continue after FY2000 at the enhanced rate of 59.8% because Alaska's Congressional delegation will be effective at securing reauthorization due to enactment of this legislation. It is also assumed that the enhanced federal participation for the Title XXI funding will remain at the same 71.86% through FY04. The fiscal note also assumes an average of a 7% expenditure growth from fiscal year to fiscal year. This growth takes into account changes in the cost of medical services as well as changes in the utilization of medical services by both the clients and providers for the Child Health Initiative.

The details of the SMART START for Alaska's Families program are contained in the document "A Blueprint for Assuring Adequate Access to Health Care for Alaska's Uninsured Children and Pregnant Women." Copies are available at the Commissioner's Offices by calling in Juneau (907-465-3030) and Anchorage (907-269-7800).

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CS HB 369 (HESS)

Revision Date: _____ Title: <u>An Act relating to Medicaid coverage for certain</u> eligible children: _____ Sponsor: <u>House Rules by Request of the Governor</u> Requestor: <u>House (HESS)</u>	Dept. Affected: <u>Health and Social Services</u> BRU: <u>Medical Assistance</u> Component: <u>Medicaid Non-Facility</u> COMPONENT SERIAL NO. <u>229</u> See also (SN#): <u>2260, 960,230</u>
--	---

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	4,199.7	5,310.2	5,681.9	6,079.6	6,505.2	6,960.6
MISCELLANEOUS						
TOTAL OPERATING	4,199.7	5,310.2	5,681.9	6,079.5	6,505.2	6,960.6

CAPITAL EXPENDITURES						
CHANGES IN REVENUES ()						

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	3,017.9	3,815.9	4,083.0	4,368.8	4,674.6	5,001.9
1003 GF Match	1,181.8	1,494.3	1,598.9	1,710.8	1,830.6	1,958.7
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	4,199.7	5,310.2	5,681.9	6,079.6	6,505.2	6,960.6

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

The Balanced Budget Act of 1997 recently passed by Congress creates a new Title XXI of the Social Security Act which allows States to use the new funds appropriated to either expand Medicaid eligibility for children, with an enhanced federal match for the expansion population, or to purchase health coverage, or both. The allocation of funds is made in the same proportion of the ratio of the number of low-income children without insurance and the geographic variations in health costs. Alaska's allocation is \$5.6 million with a federal match rate of 71.86%. No more than 10% of the funding can be applied to administrative support and outreach. Incremental funding expanding the Medicaid program for children up to 200% of the federal poverty level and pregnant women is requested.

The direct services costs related to the "Smart Start" initiative were estimated using a model that estimates the funding needed to provide Medicaid coverage to all uninsured Children up to 200% of the Federal Poverty Level. The model is based on a number of assumptions pertaining to the size and composition of the uninsured population in Alaska, the rates of anticipated participation in a medical insurance program by this population, and the costs associated with

Prepared by:	<u>Randy Super</u>	Phone:	<u>465-5833</u>
Division:	<u>Medical Assistance</u>	Date:	<u>04/08/98</u>
Approved by Commissioner:	<u>Karen Perdue, Commissioner</u>	Date:	<u>4/8/98</u>
Agency:	<u>Department of Health & Social Services</u>		

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

ANALYSIS (cont.):

providing coverage for Medicaid services to these program participants. Specific assumptions used are:

	<u>Variables</u>	<u>Assumed Value</u>
Costs per Participant Estimates:		
	Cost per Child Age 0-18	\$1,908
Childrens' Health Insurance Program & Medicaid Matching Rates:		
	Childrens Health Insurance - FMAP Rate	71.9%
	Childrens Health Insurance - State GF Match Rate	28.1%
	Medicaid FMAP	59.8%
	Medicaid State GF Match Rate	40.2%
Children Health Insurance Program Funding:		
	Childrens Health Insurance - Alaska Allotment (est)	5,664,899
	State Childrens Health Insurance Match	2,218,345
	Total Childrens Health Insurance Funds	7,883,244
Native Children Participation and IHS Utilization:		
	% of Eligible Children Below 100% of FPL Who are Native	41.0%
	% of Eligible Children Below 150% of FPL Who are Native	38.3%
	% of Eligible Children Below 200% of FPL Who are Native	35.6%
	% of Native Children Who Use IHS Services	60.0%
Estimated Program Participation Rates:		
	Participation Rate - All Children Year 1	74.0%
	Year 2 and beyond	80.0%

In addition to the specific assumptions, the model relies on the results of an analysis by Employee Benefits Research Institute (EBRI) which provided an estimate of the distribution of the uninsured Alaska population by Federal Poverty Level (FPL) and number of insured who fall into each FPL category. The results of that analysis are summarized below.

Employee Benefit Research Institute - 0 thru 18
Uninsured Children Estimate

<u>Poverty Rate</u>	<u>Total</u>
0-99%	5,553
100-149%	3,679
150-199%	2,357
200-249%	3,020
250-299%	2,597
300-349%	1,185
350-399%	1,529
400% & Up	3,571
Total Uninsured Alaskan Children	23,491

The funding model calculates the cumulative number of "Smart Start" participants based on the estimated number of children who fall into FPL categories between 0% and 199%. The total estimated number of uninsured children who fall below 200% of FPL is 11,589. An estimated 5,553 of the uninsured children are would be enrolled in the Medicaid program if they applied. The 6,036 balance of uninsured children are targeted under this proposal. This number is subsequently multiplied by the Participation Rate for All Children to yield an adjusted estimate of the children who would likely participate in the program in Year 1. This result is then multiplied by two factors, the "% of Eligible Children who are Native" and the "% of Native Children Using IHS" to estimate the total number of uninsured Native children who are anticipated to use the services of IHS providers under the program. A final calculation subtracts that number (uninsured Native children using IHS services) from the estimated total number of participating children to yield the number of children who would get services from non-IHS providers.

ANALYSIS (cont.):

The costs per eligible child are based on an analysis of recent spending data from the Medicaid Management Information System for services provided AFDC children adjusted to reflect estimated costs for these same services in FY99. The estimated numbers of participating Native and non-Native children are multiplied by the projected cost per eligible child to provide a total cost of coverage for each of these groups. The model estimates that all services provided to eligible Native children who use IHS providers will qualify for reimbursement that is 100% federally funded. Funding for the services to the remaining population of children is under the Children's Health Insurance Program (Title XXI). For services to the remaining non-IHS children between 100% and 200% FPL, the State's allocation under Title XXI is used as the funding source at an enhanced match rate of 28.14% GF and 71.86% FFP.

There are increased Medicaid program costs that are anticipated to result from the outreach efforts required as part of a Title XXI program. As previously identified, there are an estimated 5,553 uninsured children who fall below 100% of poverty and who would be eligible for Medicaid if they applied. Through the outreach effort required under Title XXI, the Division anticipates that about 40% of these uninsured children will participate as new eligibles under Title XIX Medicaid. The model assumes that direct services to children who fall under 100% of FPL will be financed under the Medicaid program and the total costs for these services will be financed at the Medicaid match rate of 40.2% GF and 59.8% FMAP. However, the additional program costs for serving these new children are not reflected in this fiscal note.

In preparing this fiscal note an implementation date beginning October 1, 1998 was assumed for the enrollment of the first child. Enrollment is projected to increase at a monthly rate of 8.7% during the first year, ending the year with a total enrollment of a projected 4,092 children.

Using the above assumptions, the funding model estimates that Title XXI Medicaid coverage for 4,092 participating children will require \$8,768.0 in total expenditures (\$2,063.3 SGFM / \$6,704.7 Fed Funds) for services and administration.

Distribution of "Smart Start" related funding is based on analyses of Medicaid spending for medical services provided to AFDC Children. The historical expenditure data used came from the Medicaid Management Information System monthly MR-O-91T report which is a summary of Medicaid spending by Medicaid Category of Assistance and colocation code. The expenditures used were cumulative dates of payment for the period July, 1996 through October, 1997. Distributions between the colocation codes were calculated separately for each of the Medicaid Program components (Medicaid Non-Facilities, Medicaid Facilities, and Medicaid Indian Health Services). No distributions were made for either AFDC Children to Medicaid Waivered Services as no spending occurred during the observed period in that component for these groups.

The total projected FY99 expenditures for direct services was multiplied by the percentage distribution between the components, and that result was multiplied by the percentage distribution across each relevant colocation code to determine the amount of direct services to be allocated to each colocation code.

	Total Funds	Federal	GFM
Medicaid Facilities	2,032.0	1,460.2	571.8
Medicaid Non-Facilities	4,199.7	3,017.9	1,181.8
Indian Health Service	1,575.6	1,575.6	
Totals	7,807.3	6,053.7	1,753.6

Note:

Costs per Child are based on FY97 date-of payment data. Costs exclude Indian Health Services, State Programs, API Disproportionate Share Facilities payments, and Medical Assistance Administration. The denominator is the number of eligible non-disabled children (52,154) as of June 1, 1997. The cost was then adjusted to reflect anticipated FY99 cost by multiplying times 1.06.

ANALYSIS (cont.):

FORMULAS

"Uninsured" = "Estimated Uninsured by Federal Poverty Level" (Employee Benefits Research Institute) X Participation Rate (Children)

"State GF" Native Children

The model shows no State General Fund expenditures for Native Children who access IHS-funded services. All funding for services to this estimated population are 100% federally reimbursed

Other Children

This part of the uninsured children population accesses medicaid services.

Uninsured Children below 100% of the Federal Poverty Level

The estimated General Fund costs of covering non-native children up to 100% of the federal poverty level is calculated by assuming the State will participate at the current State Medicaid Match Rate of 40.2%.

Uninsured Children between 100% & 200% of the Federal Poverty Level

For the population of children between 100% and 200% of FPL, the model uses a formula that first calculates the total marginal cost of covering the additional children in each FPL category, calculates the federal portion this amount by multiplying by the CHI FMAP rate [71.2%], and compares this result with the total Alaska CHI Allotment (\$5,621,510). If the federal portion of the marginal need is less than the Allotment amount, then the CHI GF Match rate is used to calculate the State general fund needed to fund the marginal costs above above 99% FPL. If the federal portion of the marginal need is greater than the State's CHI Allotment, then the difference between Total amount and the sum of the Total amount for below 100% FPL and total CHI Funds. This difference is then multiplied by the Medicaid State GF match rate to determine the remaining GF needed.

"Federal" Native Children

IHS-funded services are 100% federally reimbursed.

Other ChildrenUninsured Children below 100% of the Federal Poverty Level

The estimated Federal portion of covering non-native children up to 100% FPL is calculated using the Alaska Medicaid FMAP rate of 59.2%.

Uninsured Children between 100% & 200% of the Federal Poverty Level

Federal funds are calculated by subtracting the State GF amount for each FPL category from the Total amount.

"Total" = "Uninsured" X 'Cost per Child - 0-18' X 1.1 Administrative Cost Factor"

ANALYSIS (cont.):

The following distributes the Child Health Program Expenditures by source of funds by administration and program services. The administration and program services are further allocated between Title XIX Medicaid, Title XXI Child Health Initiative and Indian Health Service.

Fiscal Year 1999: Projected Child Health Program Title XXI Expenditures - 200% FPL

Family Income Above Current Medicaid Standards	Native Children to 200% FPL	Other Children to 200% FPL	All Children to 200% FPL
Uninsured	751	3,341	4,092
State GF	\$ -	\$ 2,063,301	\$ 2,063,301
Federal	\$ 1,575,591	\$ 5,129,141	\$ 6,704,732
Total	\$ 1,575,591	\$ 7,192,443	\$ 8,768,033 *1

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 1,973,301	\$ 5,039,141	\$ -	\$ 7,012,443
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Totals	\$ 2,063,301	\$ 5,129,141	\$ 1,575,591	\$ 8,768,033

Administration

Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 219,698	\$ 561,033	\$ -	\$ 780,730
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 309,698	\$ 651,033	\$ -	\$ 960,730 *2

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,753,604	\$ 4,478,108	\$ -	\$ 6,231,712
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Program Totals	\$ 1,753,604	\$ 4,478,108	\$ 1,575,591	\$ 7,807,303

Notes: *1 10% Administration is included in estimated total costs for children

*2. IHS fund is only available for direct program services.

The Division has assumed the following for calculation of the period FY00-04:

Alaska's Federal Medical Assistance Percentage (FMAP) will continue after FY2000 at the enhanced rate of 59.8% because Alaska's Congressional delegation will be effective at securing reauthorization due to enactment of this legislation. It is also assumed that the enhanced federal participation for the Title XXI funding will remain at the same 71.86% through FY04. The fiscal note also assumes an average of a 7% expenditure growth from fiscal year to fiscal year. This growth takes into account changes in the cost of medical services as well as changes in the utilization of medical services by both the clients and providers for the Child Health Initiative.

The details of the SMART START for Alaska's Families program are contained in the document "A Blueprint for Assuring Adequate Access to Health Care for Alaska's Uninsured Children and Pregnant Women." Copies are available at the Commissioner's Offices by calling in Juneau (907-465-3030) and Anchorage (907-269-7800).

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CS HB 369 (HESS)

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to Medicaid coverage for certain BRU: Medical Assistance
 eligible children: _____ Component: Medicaid Facilities
 Sponsor: House Rules by Request of the Governor COMPONENT SERIAL NO. 230
 Requestor: House (HESS) See also (SN#): 2260,960,229

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	2,032.0	2,568.4	2,748.2	2,940.6	3,146.4	3,366.7
MISCELLANEOUS						
TOTAL OPERATING	2,032.0	2,568.4	2,748.2	2,940.6	3,146.4	3,366.7

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

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

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	1,460.2	1,845.6	1,974.9	2,113.1	2,261.0	2,419.3
1003 GF Match	571.8	722.8	773.3	827.5	885.4	947.4
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	2,032.0	2,568.4	2,748.2	2,940.6	3,146.4	3,366.7

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

The Balanced Budget Act of 1997 recently passed by Congress creates a new Title XXI of the Social Security Act which allows States to use the new funds appropriated to either expand Medicaid eligibility for children, with an enhanced federal match for the expansion population, or to purchase health coverage, or both. The allocation of funds is made in the same proportion of the ratio of the number of low-income children without insurance and the geographic variations in health costs. Alaska's allocation is \$5.6 million with a federal match rate of 71.86%. No more than 10% of the funding can be applied to administrative support and outreach. Incremental funding expanding the Medicaid program for children up to 200% of the federal poverty level and pregnant women is requested.

The direct services costs related to the "Smart Start" initiative were estimated using a model that estimates the funding needed to provide Medicaid coverage to all uninsured Children up to 200% of the Federal Poverty Level. The model is based on a number of assumptions pertaining to the size and composition of the uninsured population in Alaska, the rates of anticipated participation in a medical insurance program by this population, and the costs associated with

Prepared by: Randy Super
 Division: Medical Assistance

Phone: 456-5833
 Date: 04/08/98

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

Date: 4/8/98

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

ANALYSIS (cont.):

providing coverage for Medicaid services to these program participants. Specific assumptions used are:

	<u>Variables</u>	<u>Assumed Value</u>
Costs per Participant Estimates:		
	Cost per Child Age 0-18	\$1,908
Childrens' Health Insurance Program & Medicaid Matching Rates:		
	Childrens Health Insurance - FMAP Rate	71.9%
	Childrens Health Insurance - State GF Match Rate	28.1%
	Medicaid FMAP	59.8%
	Medicaid State GF Match Rate	40.2%
Children Health Insurance Program Funding:		
	Childrens Health Insurance - Alaska Allotment (est)	5,664,899
	State Childrens Health Insurance Match	2,218,345
	Total Childrens Health Insurance Funds	7,883,244
Native Children Participation and IHS Utilization:		
	% of Eligible Children Below 100% of FPL Who are Native	41.0%
	% of Eligible Children Below 150% of FPL Who are Native	38.3%
	% of Eligible Children Below 200% of FPL Who are Native	35.6%
	% of Native Children Who Use IHS Services	60.0%
Estimated Program Participation Rates:		
	Participation Rate - All Children Year 1	74.0%
	Year 2 and beyond	80.0%

In addition to the specific assumptions, the model relies on the results of an analysis by Employee Benefits Research Institute (EBRI) which provided an estimate of the distribution of the uninsured Alaska population by Federal Poverty Level (FPL) and number of insured who fall into each FPL category. The results of that analysis are summarized below.

Employee Benefit Research Institute - 0 thru 18
Uninsured Children Estimate

<u>Poverty Rate</u>	<u>Total</u>
0-99%	5,553
100-149%	3,679
150-199%	2,357
200-249%	3,020
250-299%	2,597
300-349%	1,185
350-399%	1,529
400% & Up	3,571
Total Uninsured Alaskan Children	23,491

The funding model calculates the cumulative number of "Smart Start" participants based on the estimated number of children who fall into FPL categories between 0% and 199%. The total estimated number of uninsured children who fall below 200% of FPL is 11,589. An estimated 5,553 of the uninsured children are would be enrolled in the Medicaid program if they applied. The 6,036 balance of uninsured children are targeted under this proposal. This number is subsequently multiplied by the Participation Rate for All Children to yield an adjusted estimate of the children who would likely participate in the program in Year 1. This result is then multiplied by two factors, the "% of Eligible Children who are Native" and the "% of Native Children Using IHS" to estimate the total number of uninsured Native children who are anticipated to use the services of IHS providers under the program. A final calculation subtracts that number (uninsured Native children using IHS services) from the estimated total number of participating children to yield the number of children who would get services from non-IHS providers.

ANALYSIS (cont.):

The costs per eligible child are based on an analysis of recent spending data from the Medicaid Management Information System for services provided AFDC children adjusted to reflect estimated costs for these same services in FY99. The estimated numbers of participating Native and non-Native children are multiplied by the projected cost per eligible child to provide a total cost of coverage for each of these groups. The model estimates that all services provided to eligible Native children who use IHS providers will qualify for reimbursement that is 100% federally funded. Funding for the services to the remaining population of children is under the Children's Health Insurance Program (Title XXI). For services to the remaining non-IHS children between 100% and 200% FPL, the State's allocation under Title XXI is used as the funding source at an enhanced match rate of 28.14% GF and 71.86% FFP.

There are increased Medicaid program costs that are anticipated to result from the outreach efforts required as part of a Title XXI program. As previously identified, there are an estimated 5,553 uninsured children who fall below 100% of poverty and who would be eligible for Medicaid if they applied. Through the outreach effort required under Title XXI, the Division anticipates that about 40% of these uninsured children will participate as new eligibles under Title XIX Medicaid. The model assumes that direct services to children who fall under 100% of FPL will be financed under the Medicaid program and the total costs for these services will be financed at the Medicaid match rate of 40.2% GF and 59.8% FMAP. However, the additional program costs for serving these new children are not reflected in this fiscal note.

In preparing this fiscal note an implementation date beginning October 1, 1998 was assumed for the enrollment of the first child. Enrollment is projected to increase at a monthly rate of 8.7% during the first year, ending the year with a total enrollment of a projected 4,092 children.

Using the above assumptions, the funding model estimates that Title XXI Medicaid coverage for 4,092 participating children will require \$8,768.0 in total expenditures (\$2,063.3 SGFM / \$6,704.7 Fed Funds) for services and administration.

Distribution of "Smart Start" related funding is based on analyses of Medicaid spending for medical services provided to AFDC Children. The historical expenditure data used came from the Medicaid Management Information System monthly MR-O-91T report which is a summary of Medicaid spending by Medicaid Category of Assistance and colocation code. The expenditures used were cumulative dates of payment for the period July, 1996 through October, 1997. Distributions between the colocation codes were calculated separately for each of the Medicaid Program components (Medicaid Non-Facilities, Medicaid Facilities, and Medicaid Indian Health Services). No distributions were made for either AFDC Children to Medicaid Waivered Services as no spending occurred during the observed period in that component for these groups.

The total projected FY99 expenditures for direct services was multiplied by the percentage distribution between the components, and that result was multiplied by the percentage distribution across each relevant colocation code to determine the amount of direct services to be allocated to each colocation code.

	Total Funds	Federal	GFM
Medicaid Facilities	2,032.0	1,460.2	571.8
Medicaid Non-Facilities	4,199.7	3,017.9	1,181.8
Indian Health Service	1,575.6	1,575.6	
Totals	7,807.3	6,053.7	1,753.6

Note:

Costs per Child are based on FY97 date-of payment data. Costs exclude Indian Health Services, State Programs, API Disproportionate Share Facilities payments, and Medical Assistance Administration. The denominator is the number of eligible non-disabled children (52,154) as of June 1, 1997. The cost was then adjusted to reflect anticipated FY99 cost by multiplying times 1.06.

ANALYSIS (cont.):

FORMULAS

"Uninsured" = "Estimated Uninsured by Federal Poverty Level" (Employee Benefits Research Institute) X Participation Rate (Children)

"State GF" Native Children

The model shows no State General Fund expenditures for Native Children who access IHS-funded services. All funding for services to this estimated population are 100% federally reimbursed

Other Children

This part of the uninsured children population accesses medicaid services.

Uninsured Children below 100% of the Federal Poverty Level

The estimated General Fund costs of covering non-native children up to 100% of the federal poverty level is calculated by assuming the State will participate at the current State Medicaid Match Rate of 40.2%.

Uninsured Children between 100% & 200% of the Federal Poverty Level

For the population of children between 100% and 200% of FPL, the model uses a formula that first calculates the total marginal cost of covering the additional children in each FPL category, calculates the federal portion this amount by multiplying by the CHI FMAP rate [71.2%], and compares this result with the total Alaska CHI Allotment (\$5,621,510). If the federal portion of the marginal need is less than the Allotment amount, then the CHI GF Match rate is used to calculate the State general fund needed to fund the marginal costs above above 99% FPL. If the federal portion of the marginal need is greater than the State's CHI Allotment, then the difference between Total amount and the sum of the Total amount for below 100% FPL and total CHI Funds. This difference is then multiplied by the Medicaid State GF match rate to determine the remaining GF needed.

"Federal" Native Children

IHS-funded services are 100% federally reimbursed.

Other Children

Uninsured Children below 100% of the Federal Poverty Level

The estimated Federal portion of covering non-native children up to 100% FPL is calculated using the Alaska Medicaid FMAP rate of 59.2%.

Uninsured Children between 100% & 200% of the Federal Poverty Level

Federal funds are calculated by subtracting the State GF amount for each FPL category from the Total amount.

"Total" = "Uninsured" X 'Cost per Child - 0-18' X 1.1 Administrative Cost Factor"

ANALYSIS (cont.):

The following distributes the Child Health Program Expenditures by source of funds by administration and program services. The administration and program services are further allocated between Title XIX Medicaid, Title XXI Child Health Initiative and Indian Health Service.

Fiscal Year 1999: Projected Child Health Program Title XXI Expenditures - 200% FPL

Family Income Above Current Medicaid Standards	Native Children to 200% FPL	Other Children to 200% FPL	All Children to 200% FPL
Uninsured	751	3,341	4,092
State GF	\$ -	\$ 2,063,301	\$ 2,063,301
Federal	\$ 1,575,591	\$ 5,129,141	\$ 6,704,732
Total	\$ 1,575,591	\$ 7,192,443	\$ 8,768,033 *1

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 1,973,301	\$ 5,039,141	\$ -	\$ 7,012,443
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Totals	\$ 2,063,301	\$ 5,129,141	\$ 1,575,591	\$ 8,768,033

Administration

Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 219,698	\$ 561,033	\$ -	\$ 780,730
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 309,698	\$ 651,033	\$ -	\$ 960,730 *2

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,753,604	\$ 4,478,108	\$ -	\$ 6,231,712
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Program Totals	\$ 1,753,604	\$ 4,478,108	\$ 1,575,591	\$ 7,807,303

Notes: *1 10% Administration is included in estimated total costs for children

*2. IHS fund is only available for direct program services.

The Division has assumed the following for calculation of the period FY00-04:

Alaska's Federal Medical Assistance Percentage (FMAP) will continue after FY2000 at the enhanced rate of 59.8% because Alaska's Congressional delegation will be effective at securing reauthorization due to enactment of this legislation. It is also assumed that the enhanced federal participation for the Title XXI funding will remain at the same 71.86% through FY04. The fiscal note also assumes an average of a 7% expenditure growth from fiscal year to fiscal year. This growth takes into account changes in the cost of medical services as well as changes in the utilization of medical services by both the clients and providers for the Child Health Initiative.

The details of the SMART START for Alaska's Families program are contained in the document "A Blueprint for Assuring Adequate Access to Health Care for Alaska's Uninsured Children and Pregnant Women." Copies are available at the Commissioner's Offices by calling in Juneau (907-465-3030) and Anchorage (907-269-7800).

Child Health Program / Pregnant Women Coverage Expansion Projection Summary

- Coverage up to 200% of Federal Poverty Level -

Fiscal Year 1999			
	Children to 200% FPL	Pregnant Women to 200% FPL	Totals to 200% FPL
Uninsured	4,092	781	4,873
State GF	\$ 2,063,301	\$ 1,989,017	\$ 4,052,318
Federal	\$ 6,704,732	\$ 3,888,732	\$ 10,593,464
Total	\$ 8,768,033	\$ 5,877,749	\$ 14,645,782

Fiscal Year 2000			
	Children to 200% FPL	Pregnant Women to 200% FPL	Totals to 200% FPL
Uninsured	4,835	781	5,616
State GF	\$ 2,494,803	\$ 2,128,248	\$ 4,623,051
Federal	\$ 8,362,865	\$ 4,160,944	\$ 12,523,809
Total	\$ 10,857,669	\$ 6,289,191	\$ 17,146,860

* assumes 10/1/98 implementation date

** does not include costs related to "uptake" (e.g., new children presently eligible for Medicaid but are not enrolled who will enter the program as a result of outreach efforts).

*** assumes 74% participation in initial year and 80% in subsequent years.

Fiscal Year 1999: Projected Child Health Program Title XXI Expenditures - 200% FPL

Family Income Above Current Medicaid Standards	Native Children to 200% FPL	Other Children to 200% FPL	All Children to 200% FPL
Uninsured	751	3,341	4,092
State GF	\$ -	\$ 2,063,301	\$ 2,063,301
Federal	\$ 1,575,591	\$ 5,129,141	\$ 6,704,732
Total	\$ 1,575,591	\$ 7,192,443	\$ 8,768,033

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 1,973,301	\$ 5,039,141	\$ -	\$ 7,012,443
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Totals	\$ 2,063,301	\$ 5,129,141	\$ 1,575,591	\$ 8,768,033

Administration

Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 219,699	\$ 561,033	\$ -	\$ 780,730
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 309,698	\$ 651,033	\$ -	\$ 960,730

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,753,604	\$ 4,478,108	\$ -	\$ 6,231,712
Title XIX - IHS	\$ -	\$ -	\$ 1,575,591	\$ 1,575,591
Program Totals	\$ 1,753,604	\$ 4,478,108	\$ 1,575,591	\$ 7,807,303

Fiscal Year 2000: Projected Child Health Program Title XXI Expenditures - 200% FPL

Family Income Above Current Medicaid Standards	Native Children to 200% FPL	Other Children to 200% FPL	All Children to 200% FPL
Uninsured	887	3,948	4,835
State GF	\$ -	\$ 2,494,803	\$ 2,494,803
Federal	\$ 1,991,986	\$ 6,370,880	\$ 8,362,865
Total	\$ 1,991,986	\$ 8,865,683	\$ 10,857,669

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 2,494,803	\$ 6,370,880	\$ -	\$ 8,865,683
Title XIX - IHS	\$ -	\$ -	\$ 1,991,986	\$ 1,991,986
Totals	\$ 2,494,803	\$ 6,370,880	\$ 1,991,986	\$ 10,857,669

Administration

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 277,759	\$ 709,302	\$ -	\$ 987,061
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 277,759	\$ 709,302	\$ -	\$ 987,061

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 2,217,044	\$ 5,661,578	\$ -	\$ 7,878,622
Title XIX - IHS	\$ -	\$ -	\$ 1,991,986	\$ 1,991,986
Program Totals	\$ 2,217,044	\$ 5,661,578	\$ 1,991,986	\$ 9,870,608

Fiscal Year 1999: Projected Pregnant Women Expansion Expenditures - 200% FPL

Family Income Above Current Medicaid Standards	Native Pregnant Women to 200% FPL	Other Pregnant Women to 200% FPL	All Pregnant Women to 200% FPL
Uninsured	124	658	781
State GF	\$ -	\$ 1,989,017	\$ 1,989,017
Federal	\$ 929,947	\$ 2,958,786	\$ 3,888,732
Total	\$ 929,947	\$ 4,947,802	\$ 5,877,749

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 1,989,017	\$ 2,958,786	\$ -	\$ 4,947,802
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ 929,947	\$ 929,947
Totals	\$ 1,989,017	\$ 2,958,786	\$ 929,947	\$ 5,877,749

Administration

Title XIX - Medicaid	\$ 267,170	\$ 267,170	\$ -	\$ 534,341
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 267,170	\$ 267,170	\$ -	\$ 534,341

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ 4,413,461
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ 929,947	\$ 929,947
Program Totals	\$ -	\$ -	\$ 929,947	\$ 5,343,408

Fiscal Year 2000: Projected Pregnant Women Expansion Expenditures - 200% FPL

Family Income Above Current Medicaid Standards	Native Pregnant Women to 200% FPL	Other Pregnant Women to 200% FPL	All Pregnant Women to 200% FPL
Uninsured	124	658	781
State GF	\$ -	\$ 2,128,248	\$ 2,128,248
Federal	\$ 995,043	\$ 3,165,901	\$ 4,160,944
Total	\$ 995,043	\$ 5,294,148	\$ 6,289,191

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 2,128,248	\$ 3,165,901	\$ -	\$ 5,294,148
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ 995,043	\$ 995,043
Totals	\$ 2,128,248	\$ 3,165,901	\$ 995,043	\$ 6,289,191

Administration

Title XIX - Medicaid	\$ 285,872	\$ 285,872	\$ -	\$ 571,745
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 285,872	\$ 285,872	\$ -	\$ 571,745

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ 4,722,404
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ 995,043	\$ 995,043
Program Totals	\$ -	\$ -	\$ 995,043	\$ 5,717,447

Child Health Program / Pregnant Women Coverage Expansion Projection Summary

- Coverage up to 175% of Federal Poverty Level -

Fiscal Year 1999			
	Children to 175% FPL	Pregnant Women to 175% FPL	Totals to 175% FPL
Uninsured	3,293	608	3,901
State GF	\$ 1,662,064	\$ 1,547,013	\$ 3,209,077
Federal	\$ 5,429,197	\$ 3,024,570	\$ 8,453,766
Total	\$ 7,091,261	\$ 4,571,582	\$ 11,662,843

Fiscal Year 2000			
	Children to 175% FPL	Pregnant Women to 175% FPL	Totals to 175% FPL
Uninsured	3,891	608	4,498
State GF	\$ 1,987,528	\$ 1,655,304	\$ 3,642,831
Federal	\$ 6,750,233	\$ 3,236,289	\$ 9,986,523
Total	\$ 8,737,761	\$ 4,891,593	\$ 13,629,354

* assumes 10/1/98 implementation date

** does not include costs related to "uptake" (e.g., new children presently eligible for Medicaid but are not enrolled who will enter the program as a result of outreach efforts).

*** assumes 74% participation in initial year and 80% in subsequent years.

Fiscal Year 1999: Projected Child Health Program Title XXI Expenditures - 175% FPL

Family Income Above Current Medicaid Standards	Native Children to 175% FPL	Other Children to 175% FPL	All Children to 175% FPL
Uninsured	631	2,662	3,293
State GF	\$ -	\$ 1,662,064	\$ 1,662,064
Federal	\$ 1,324,679	\$ 4,104,518	\$ 5,429,197
Total	\$ 1,324,679	\$ 5,766,582	\$ 7,091,261

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 1,572,064	\$ 4,014,518	\$ -	\$ 5,586,582
Title XIX - IHS	\$ -	\$ -	\$ 1,324,679	\$ 1,324,679
Totals	\$ 1,662,064	\$ 4,104,518	\$ 1,324,679	\$ 7,091,261

Administration

Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 176,803	\$ 451,494	\$ -	\$ 628,296
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 266,803	\$ 541,494	\$ -	\$ 808,296

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,395,262	\$ 3,563,024	\$ -	\$ 4,958,286
Title XIX - IHS	\$ -	\$ -	\$ 1,324,679	\$ 1,324,679
Program Totals	\$ 1,395,262	\$ 3,563,024	\$ 1,324,679	\$ 6,282,965

Fiscal Year 2000: Projected Child Health Program Title XXI Expenditures - 175% FPL

Family Income Above Current Medicaid Standards	Native Children to 175% FPL	Other Children to 175% FPL	All Children to 175% FPL
Uninsured	746	3,145	3,891
State GF	\$ -	\$ 1,987,528	\$ 1,987,528
Federal	\$ 1,674,763	\$ 5,075,470	\$ 6,750,233
Total	\$ 1,674,763	\$ 7,062,998	\$ 8,737,761

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,987,528	\$ 5,075,470	\$ -	\$ 7,062,998
Title XIX - IHS	\$ -	\$ -	\$ 1,674,763	\$ 1,674,763
Totals	\$ 1,987,528	\$ 5,075,470	\$ 1,674,763	\$ 8,737,761

Administration

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 223,528	\$ 570,814	\$ -	\$ 794,342
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 223,528	\$ 570,814	\$ -	\$ 794,342

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,764,000	\$ 4,504,656	\$ -	\$ 6,268,656
Title XIX - IHS	\$ -	\$ -	\$ 1,674,763	\$ 1,674,763
Program Totals	\$ 1,764,000	\$ 4,504,656	\$ 1,674,763	\$ 7,943,419

Fiscal Year 1999: Projected Pregnant Women Expansion Expenditures - 175% FPL

Family Income Above Current Medicaid Standards	Native Pregnant Women to 175% FPL	Other Pregnant Women to 175% FPL	All Pregnant Women to 175% FPL
Uninsured	96	511	608
State GF	\$ -	\$ 1,547,013	\$ 1,547,013
Federal	\$ 723,292	\$ 2,301,278	\$ 3,024,570
Total	\$ 723,292	\$ 3,848,291	\$ 4,571,582

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 1,547,013	\$ 2,301,278	\$ -	\$ 3,848,291
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ 723,292	\$ 723,292
Totals	\$ 1,547,013	\$ 2,301,278	\$ 723,292	\$ 4,571,582

Administration

Title XIX - Medicaid	\$ 207,799	\$ 207,799	\$ -	\$ 415,598
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 207,799	\$ 207,799	\$ -	\$ 415,598

Program

Title XIX - Medicaid	\$ 1,339,214	\$ 2,093,479	\$ -	\$ 3,432,692
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ 723,292	\$ 723,292
Program Totals	\$ 1,339,214	\$ 2,093,479	\$ 723,292	\$ 4,155,984

Fiscal Year 2000: Projected Pregnant Women Expansion Expenditures - 175% FPL

Family Income Above Current Medicaid Standards	Native Pregnant Women to 175% FPL	Other Pregnant Women to 175% FPL	All Pregnant Women to 175% FPL
Uninsured	96	511	608
State GF	\$ -	\$ 1,655,304	\$ 1,655,304
Federal	\$ 773,922	\$ 2,462,367	\$ 3,236,289
Total	\$ 773,922	\$ 4,117,671	\$ 4,891,593

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 1,655,304	\$ 2,462,367	\$ -	\$ 4,117,671
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ 773,922	\$ 773,922
Totals	\$ 1,655,304	\$ 2,462,367	\$ 773,922	\$ 4,891,593

Administration

Title XIX - Medicaid	\$ 222,345	\$ 222,345	\$ -	\$ 444,690
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 222,345	\$ 222,345	\$ -	\$ 444,690

Program

Title XIX - Medicaid	\$ 1,432,959	\$ 2,240,022	\$ -	\$ 3,672,981
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ 773,922	\$ 773,922
Program Totals	\$ 1,432,959	\$ 2,240,022	\$ 773,922	\$ 4,446,903

Child Health Program / Pregnant Women Coverage Expansion Projection Summary

- Coverage up to 150% of Federal Poverty Level -

Fiscal Year 1999			
	Children to 150% FPL	Pregnant Women to 150% FPL	Totals to 150% FPL
Uninsured	2,494	434	2,928
State GF	\$ 1,260,827	\$ 1,105,009	\$ 2,365,836
Federal	\$ 4,153,661	\$ 2,160,407	\$ 6,314,068
Total	\$ 5,414,489	\$ 3,265,416	\$ 8,679,905

Fiscal Year 2000			
	Children to 150% FPL	Pregnant Women to 150% FPL	Totals to 150% FPL
Uninsured	2,947	434	3,381
State GF	\$ 1,480,252	\$ 1,182,360	\$ 2,662,612
Federal	\$ 5,137,601	\$ 2,311,635	\$ 2,665,993
Total	\$ 6,617,853	\$ 3,493,995	\$ 10,111,848

* assumes 10/1/98 implementation date

** does not include costs related to "uptake" (e.g., new children presently eligible for Medicaid but are not enrolled who will enter the program as a result of outreach efforts).

*** assumes 74% participation in initial year and 80% in subsequent years.

Fiscal Year 1999: Projected Child Health Program Title XXI Expenditures - 150% FPL

Family Income Above Current Medicaid Standards	Native Children to 150% FPL	Other Children to 150% FPL	All Children to 150% FPL
Uninsured	512	1,982	2,494
State GF	\$ -	\$ 1,260,827	\$ 1,260,827
Federal	\$ 1,073,766	\$ 3,079,895	\$ 4,153,661
Total	\$ 1,073,766	\$ 4,340,722	\$ 5,414,489

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 1,170,827	\$ 2,989,895	\$ -	\$ 4,160,722
Title XIX - IHS	\$ -	\$ -	\$ 1,073,766	\$ 1,073,766
Totals	\$ 1,260,827	\$ 3,079,895	\$ 1,073,766	\$ 5,414,489

Administration

Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 133,908	\$ 341,955	\$ -	\$ 475,863
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 223,908	\$ 431,955	\$ -	\$ 655,863

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,036,920	\$ 2,647,940	\$ -	\$ 3,684,860
Title XIX - IHS	\$ -	\$ -	\$ 1,073,766	\$ 1,073,766
Program Totals	\$ 1,036,920	\$ 2,647,940	\$ 1,073,766	\$ 4,758,626

Fiscal Year 2000: Projected Child Health Program Title XXI Expenditures - 150% FPL

Family Income Above Current Medicaid Standards	Native Children to 150% FPL	Other Children to 150% FPL	All Children to 150% FPL
Uninsured	605	2,342	2,947
State GF	\$ -	\$ 1,480,252	\$ 1,480,252
Federal	\$ 1,357,540	\$ 3,780,061	\$ 5,137,601
Total	\$ 1,357,540	\$ 5,260,313	\$ 6,617,853

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,480,252	\$ 3,780,061	\$ -	\$ 5,260,313
Title XIX - IHS	\$ -	\$ -	\$ 1,357,540	\$ 1,357,540
Totals	\$ 1,480,252	\$ 3,780,061	\$ 1,357,540	\$ 6,617,853

Administration

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 169,297	\$ 432,326	\$ -	\$ 601,623
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 169,297	\$ 432,326	\$ -	\$ 601,623

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 1,310,955	\$ 3,347,735	\$ -	\$ 4,658,690
Title XIX - IHS	\$ -	\$ -	\$ 1,357,540	\$ 1,357,540
Program Totals	\$ 1,310,955	\$ 3,347,735	\$ 1,357,540	\$ 6,016,230

Fiscal Year 1999: Projected Pregnant Women Expansion Expenditures - 150% FPL

Family Income Above Current Medicaid Standards	Native Pregnant Women to 150% FPL	Other Pregnant Women to 150% FPL	All Pregnant Women to 150% FPL
Uninsured	69	365	434
State GF	\$ -	\$ 1,105,009	\$ 1,105,009
Federal	\$ 516,637	\$ 1,643,770	\$ 2,160,407
Total	\$ 516,637	\$ 2,748,779	\$ 3,265,416

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 1,105,009	\$ 1,643,770	\$ -	\$ 2,748,779
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ 516,637	\$ 516,637
Totals	\$ 1,105,009	\$ 1,643,770	\$ 516,637	\$ 3,265,416

Administration

Title XIX - Medicaid	\$ 148,428	\$ 148,428	\$ -	\$ 296,856
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 148,428	\$ 148,428	\$ -	\$ 296,856

Program

Title XIX - Medicaid	\$ 956,581	\$ 1,495,342	\$ -	\$ 2,451,923
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ 516,637	\$ 516,637
Program Totals	\$ 956,581	\$ 1,495,342	\$ 516,637	\$ 2,968,560

Fiscal Year 2000: Projected Pregnant Women Expansion Expenditures - 150% FPL

Family Income Above Current Medicaid Standards	Native Pregnant Women to 150% FPL	Other Pregnant Women to 150% FPL	All Pregnant Women to 150% FPL
Uninsured	69	365	434
State GF	\$ -	\$ 1,182,360	\$ 1,182,360
Federal	\$ 552,802	\$ 1,758,834	\$ 2,311,635
Total	\$ 552,802	\$ 2,941,194	\$ 3,493,995

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 1,182,360	\$ 1,753,834	\$ -	\$ 2,941,194
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ 552,802	\$ 552,802
Totals	\$ 1,182,360	\$ 1,758,834	\$ 552,802	\$ 3,493,995

Administration

Title XIX - Medicaid	\$ 158,818	\$ 158,818	\$ -	\$ 317,636
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 158,818	\$ 158,818	\$ -	\$ 317,636

Program

Title XIX - Medicaid	\$ 1,023,542	\$ 1,600,016	\$ -	\$ 2,623,558
Title XXI - Child Health Ins.	\$ -	\$ -	\$ -	\$ -
Title XIX - IHS	\$ -	\$ -	\$ 552,802	\$ 552,802
Program Totals	\$ 1,023,542	\$ 1,600,016	\$ 552,802	\$ 3,176,359

Child Health Program / Pregnant Women Coverage Expansion Projection Summary

- Coverage up to 133% of Federal Poverty Level -

Fiscal Year 1999			
	Children to 133% FPL	Pregnant Women to 133% FPL	Totals to 133% FPL
Uninsured	1,646	-	1,646
State GF	\$ 862,746	\$ -	\$ 862,746
Federal	\$ 2,772,017	\$ -	\$ 2,772,017
Total	\$ 3,634,763	\$ -	\$ 3,634,763

Fiscal Year 2000			
	Children to 133% FPL	Pregnant Women to 133% FPL	Totals to 133% FPL
Uninsured	1,945	-	1,945
State GF	\$ 976,966	\$ -	\$ 976,966
Federal	\$ 3,390,817	\$ -	\$ 3,390,817
Total	\$ 4,367,783	\$ -	\$ 4,367,783

* assumes 10/1/98 implementation date

** does not include costs related to "uptake" (e.g., new children presently eligible for Medicaid but are not enrolled who will enter the program as a result of outreach efforts).

*** assumes 74% participation in initial year and 80% in subsequent years.

Fiscal Year 1999: Projected Child Health Program Title XXI Expenditures - 133% FPL

Family Income Above Current Medicaid Standards	Native Children to 133% FPL	Other Children to 133% FPL	All Children to 133% FPL
Uninsured	338	1,308	1,646
State GF	\$ -	\$ 862,746	\$ 862,746
Federal	\$ 708,686	\$ 2,063,331	\$ 2,772,017
Total	\$ 708,686	\$ 2,926,077	\$ 3,634,763

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 772,746	\$ 1,973,331	\$ -	\$ 2,746,077
Title XIX - IHS	\$ -	\$ -	\$ 708,686	\$ 708,686
Totals	\$ 862,746	\$ 2,063,331	\$ 708,686	\$ 3,634,763

Administration

Title XIX - Medicaid	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Title XXI - Child Health Ins.	\$ 88,379	\$ 225,690	\$ -	\$ 314,069
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 178,379	\$ 315,690	\$ -	\$ 494,069

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 684,367	\$ 1,747,641	\$ -	\$ 2,432,007
Title XIX - IHS	\$ -	\$ -	\$ 708,686	\$ 708,686
Program Totals	\$ 684,367	\$ 1,747,641	\$ 708,686	\$ 3,140,693

Fiscal Year 2000: Projected Child Health Program Title XXI Expenditures - 133% FPL

Family Income Above Current Medicaid Standards	Native Children to 133% FPL	Other Children to 133% FPL	All Children to 133% FPL
Uninsured	399	1,546	1,945
State GF	\$ -	\$ 976,966	\$ 976,966
Federal	\$ 895,976	\$ 2,494,840	\$ 3,390,817
Total	\$ 895,976	\$ 3,471,807	\$ 4,367,783

Source of Funds Analysis

	GFM	FMAP	IHS	TOTALS
Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 976,966	\$ 2,494,840	\$ -	\$ 3,471,807
Title XIX - IHS	\$ -	\$ -	\$ 895,976	\$ 895,976
Totals	\$ 976,966	\$ 2,494,840	\$ 895,976	\$ 4,367,783

Administration

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 111,736	\$ 285,335	\$ -	\$ 397,071
Title XIX - IHS	\$ -	\$ -	\$ -	\$ -
Admin Totals	\$ 111,736	\$ 285,335	\$ -	\$ 397,071

Program

Title XIX - Medicaid	\$ -	\$ -	\$ -	\$ -
Title XXI - Child Health Ins.	\$ 865,231	\$ 2,209,505	\$ -	\$ 3,074,736
Title XIX - IHS	\$ -	\$ -	\$ 895,976	\$ 895,976
Program Totals	\$ 865,231	\$ 2,209,505	\$ 895,976	\$ 3,970,712