

State of Alaska FY2017 Governor's Operating Budget

Department of Health and Social Services Catastrophic and Chronic Illness Assistance (AS 47.08) Component Budget Summary

Component: Catastrophic and Chronic Illness Assistance (AS 47.08)

Contribution to Department's Mission

Enable eligible Alaskans to manage their chronic medical illnesses and conditions.

Core Services

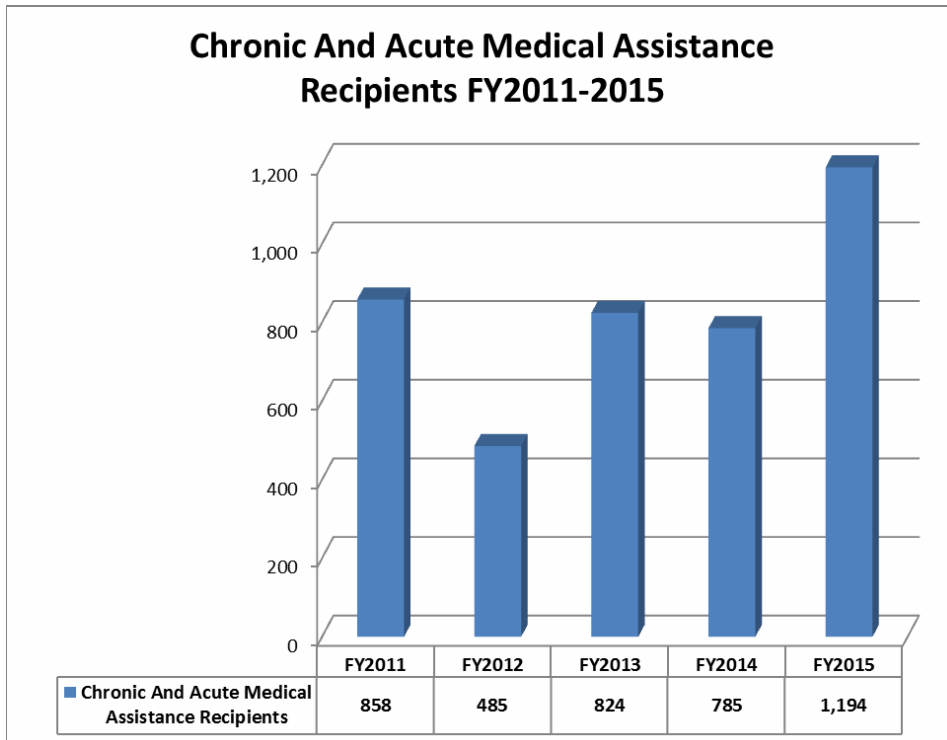
- Provide payment for Catastrophic and Chronic Illness Assistance services.

Major Component Accomplishments in 2015

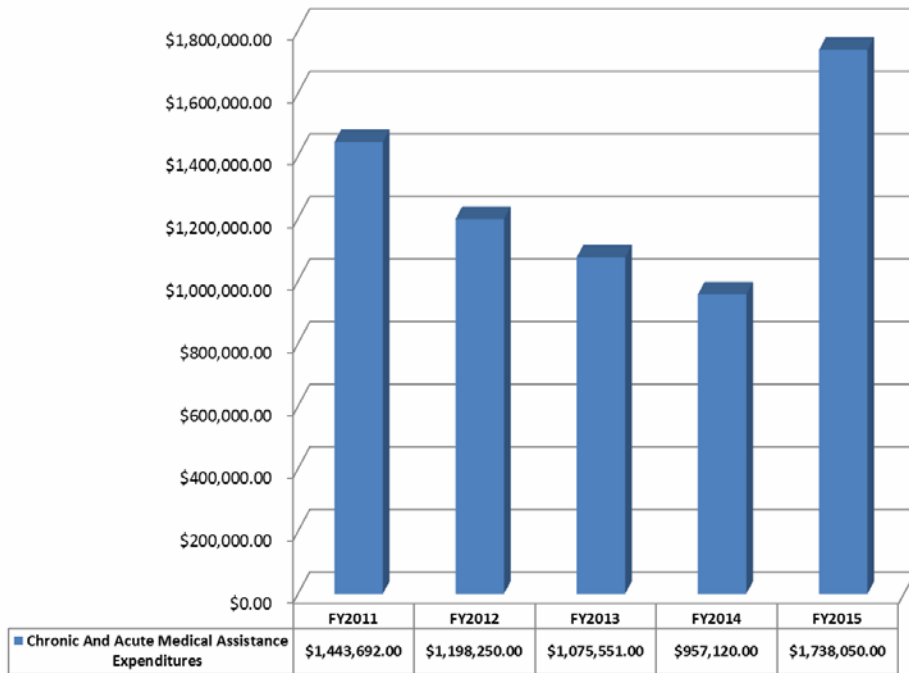
The Catastrophic and Chronic Illness Assistance program experienced an expected increase in utilization from FY2014 to 2015, as claim adjustments were made to previous year claims. These adjustments were necessary because of claiming issues related to the 2013 implementation of Alaska Medicaid Health Enterprise (“Enterprise”). Data for FY2015 indicates that the Catastrophic and Chronic Illness Assistance program provided payment to health care providers for 1,194 individuals at a cost of \$1,738.0. This amount exceeds the authorized general fund appropriation of \$1,471.0 by 18.1%. The difference is reimbursed by Medicaid as clients become Medicaid eligible. An average of the two-year FY2014 – FY2015 data is more representative of actual utilization, with 990 individuals receiving services at a cost of \$1,347.6, or 8.3% less than the \$1,471.0 annual appropriation. The majority of component expenditures were for Catastrophic and Chronic Illness Assistance covered medications and for the treatment of the chronically mentally ill.

Department Core Service 1.1/ Division Core Measure 4
 Department Core Service 2.1/ Division Core Measure 4
 Department Core Service 2.2/ Division Core Measure 4

The following charts show the total number of Catastrophic and Chronic Illness Assistance (CCIA) recipients and the total expenditures for a five year period.



**Chronic And Acute Medical Assistance Expenditures
FY2011-2015**



Key Component Challenges

Department Priorities, Core Services, and Division Core Services to Meet Department's Mission

1. Health and Wellness Across the Lifespan

Core Service:

- 1.1 Protect and Promote the Health of Alaskans

2. Health care Access Delivery and Value

Core Service:

- 2.1 Manage Health Care Coverage for Alaskans in Need
- 2.2 Facilitate Access to Affordable Health Care for Alaskans

Division Core Services

4. Ensure Access of Clients to Health Care

Catastrophic and Chronic Illness Assistance is a state-funded program for low-income Alaskans who have inadequate or no health insurance, but who do not qualify for Medicaid. Catastrophic and Chronic Illness Assistance provides limited services to eligible individuals only if diagnosed with one of the following conditions:

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

Covered services for those who qualify for Catastrophic and Chronic Illness Assistance are limited to:

- medical services provided by a physician, advanced nurse practitioner, and physician assistant in the practitioner's office or an outpatient clinic
- outpatient hospital services limited to chemotherapy and radiology for the treatment of cancer
- three (3) prescriptions per month and medical supplies limited to a 30-day supply

Catastrophic and Chronic Illness Assistance provides no coverage for inpatient hospitalization, transportation, and other services that are mandatory under Medicaid coverage.

Department Core Service 1.1/ Division Core Measure 4

Department Core Service 2.1/ Division Core Measure 4

Department Core Service 2.2/ Division Core Measure 4

Significant Changes in Results to be Delivered in FY2017

As a result of Medicaid expansion, those who would qualify to receive limited coverage under Catastrophic and Chronic Illness Assistance will qualify instead for full coverage under Medicaid. The only individuals who will continue to rely on Catastrophic and Chronic Illness Assistance as their only coverage option are qualified immigrants who have not yet met the mandatory 5-year waiting period for Medicaid eligibility, as required under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996.

Statutory and Regulatory Authority

Alaska Statutes:

AS 47.05 Administration of Welfare, Social Services, and Institutions

Component — Catastrophic and Chronic Illness Assistance (AS 47.08)

AS 47.07 Medical Assistance for Needy Persons
AS 47.08 Catastrophic Illness and Chronic or Acute Medical Conditions (CAMA)
AS 47.25 Public Assistance

Social Security Act:
Title XVIII Medicare
Title XIX Medicaid
Title XXI Children's Health Insurance Program

Administrative Code:
7 AAC 105 - 7 AAC 160 Medicaid Coverage and Payment
7 AAC 48 Catastrophic Illness and Chronic and Acute Medical Assistance

Code of Federal Regulations:
Title 42 CFR Chapter IV

Contact Information
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Component Detail All Funds
Department of Health and Social Services

Component: Catastrophic and Chronic Illness Assistance (AS 47.08) (2330)
RDU: Health Care Services (485)

Formula Component

	FY2015 Actuals	FY2016 Conference Committee	FY2016 Authorized	FY2016 Management Plan	FY2017 Governor	FY2016 Management Plan vs FY2017 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	1,442.2	1,471.0	500.0	500.0	171.0	-329.0	-65.8%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,442.2	1,471.0	500.0	500.0	171.0	-329.0	-65.8%
Fund Sources:							
1004Gen Fund (UGF)	1,442.2	1,471.0	500.0	500.0	171.0	-329.0	-65.8%
Unrestricted General (UGF)	1,442.2	1,471.0	500.0	500.0	171.0	-329.0	-65.8%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Health and Social Services

Component: Catastrophic and Chronic Illness Assistance (AS 47.08) (2330)

RDU: Health Care Services (485)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2016 Conference Committee To FY2016 Authorized *****												
FY2016 Conference Committee												
1004 Gen Fund	ConfCom	1,471.0	0.0	0.0	0.0	0.0	0.0	1,471.0	0.0	0	0	0
		1,471.0										
Savings Resulting from Medicaid Expansion												
1004 Gen Fund	Unalloc	-971.0	0.0	0.0	0.0	0.0	0.0	-971.0	0.0	0	0	0
		-971.0										
The Department of Health and Social Services, Catastrophic and Chronic Illness Assistance component is absorbing a portion of the SLA2015 DHSS-specific unallocated reduction of \$2.2 million in unrestricted general funds. This projected cost savings results from the expansion of the Alaska Medicaid program.												
	Subtotal	500.0	0.0	0.0	0.0	0.0	0.0	500.0	0.0	0	0	0
***** Changes From FY2016 Management Plan To FY2017 Governor *****												
Cost Containment Due to Medicaid Expansion												
1004 Gen Fund	Dec	-329.0	0.0	0.0	0.0	0.0	0.0	-329.0	0.0	0	0	0
		-329.0										
Certain recipients of Catastrophic and Chronic Illness Assistance are now covered under the expanded Medicaid program; effectively creating savings within this component.												
This is an appropriate measure to reduce services under this component to promote efficiencies and cost savings of general funds. The budget for this component in FY2015 was \$1,471.0. With the reduction of \$329.0 in FY2017, the total savings to the department from FY2015 to FY2017 is \$1,300.0 of general funds. This savings results from Medicaid expansion and the shifting of clients who previously received services under this component.												
This reduction is not expected to have any impact on clients covered by this program because most have been placed under Medicaid expansion.												
	Totals	171.0	0.0	0.0	0.0	0.0	0.0	171.0	0.0	0	0	0

Line Item Detail
Department of Health and Social Services
Grants, Benefits

Component: Catastrophic and Chronic Illness Assistance (AS 47.08) (2330)
RDU: Health Care Services (485)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
77000	Grants, Benefits		1,442.2	500.0	171.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
77000 Grants, Benefits Detail Totals			1,442.2	500.0	171.0
77670	Benefits	CAMA recipient services and provider claims payments (AS 47.08 Assistance for Catastrophic Illness and Chronic or Acute Medical Conditions).	1,442.2	500.0	171.0