

Component Detail (1077)
Department of Health and Social Services

Component: Health Care Medicaid Services (2077)

Formula Component

RDU: Medicaid Services (595)

IRIS AP Type: H107

	FY2018 Actuals (15158)	FY2019 Conference Committee (14954)	FY2019 Authorized (14962)	FY2019 Management Plan (14994)	FY2020 Governor (15610)	FY2020 Governor Amended (15636)	FY2020 Governor vs FY2020 Governor Amended	
1000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
2000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
3000 Services	61,244.5	36,524.8	36,524.8	36,524.8	36,997.4	0.0	-36,997.4	-100.0%
4000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
5000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
7000 Grants, Benefits	1,289,512.1	1,370,030.5	1,370,030.5	1,370,030.5	1,408,817.8	0.0	-1,408,817.8	-100.0%
8000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,350,756.6	1,406,555.3	1,406,555.3	1,406,555.3	1,445,815.2	0.0	-1,445,815.2	-100.0%
<u>Funding Sources:</u>								
1002 Fed Rcpts (Fed)	998,332.4	1,083,724.7	1,083,724.7	1,083,724.7	1,082,291.1	0.0	-1,082,291.1	-100.0%
1003 G/F Match (UGF)	303,370.9	289,356.1	289,356.1	289,356.1	311,967.1	0.0	-311,967.1	-100.0%
1004 Gen Fund (UGF)	45,833.6	24,744.3	24,744.3	24,744.3	29,862.7	0.0	-29,862.7	-100.0%
1005 GF/Prgm (DGF)	1.2	210.0	210.0	210.0	210.0	0.0	-210.0	-100.0%
1007 I/A Rcpts (Other)	0.0	4,700.4	4,700.4	4,700.4	17,190.4	0.0	-17,190.4	-100.0%
1092 MHTAAR (Other)	0.0	2.5	2.5	2.5	475.1	0.0	-475.1	-100.0%
1108 Stat Desig (Other)	3,121.0	3,500.0	3,500.0	3,500.0	3,501.5	0.0	-3,501.5	-100.0%
1168 Tob Ed/Ces (DGF)	97.5	97.5	97.5	97.5	97.5	0.0	-97.5	-100.0%
1247 Med Recov (DGF)	0.0	219.8	219.8	219.8	219.8	0.0	-219.8	-100.0%
<u>Funding Totals:</u>								
Unrestricted General (UGF)	349,204.5	314,100.4	314,100.4	314,100.4	341,829.8	0.0	-341,829.8	-100.0%
Designated General (DGF)	98.7	527.3	527.3	527.3	527.3	0.0	-527.3	-100.0%
Other	3,121.0	8,202.9	8,202.9	8,202.9	21,167.0	0.0	-21,167.0	-100.0%
Federal	998,332.4	1,083,724.7	1,083,724.7	1,083,724.7	1,082,291.1	0.0	-1,082,291.1	-100.0%
<u>Positions:</u>								
Permanent Full Time	0	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions (294)
Department of Health and Social Services

Component: Health Care Medicaid Services (2077)
RDU: Medicaid Services (595)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	PFT	Positions PPT	NP
***** Changes From FY2019 Conference Committee To FY2019 Authorized *****												
FY2019 Medicaid Funding Sec13b Ch17 SLA2018 P74 L10 (HB286) (FY19-FY20)												
(Language)	ConfC(L)	7,000.0	0.0	0.0	0.0	0.0	0.0	7,000.0	0.0	0	0	0
1002 Fed Rcpts		7,000.0										
The sum of \$7,000,000 is appropriated from federal receipts to the Department of Health and Social Services, Medicaid services, health care Medicaid services, for hospital-based mental health care, for the fiscal years ending June 30, 2019, and June 30, 2020.												
FY2019 Conference Committee												
	ConfCom	1,399,555.3	0.0	0.0	36,524.8	0.0	0.0	1,363,030.5	0.0	0	0	0
1002 Fed Rcpts		1,076,724.7										
1003 G/F Match		289,356.1										
1004 Gen Fund		24,744.3										
1005 GF/Prgm		210.0										
1007 I/A Rcpts		4,700.4										
1092 MHTAAR		2.5										
1108 Stat Desig		3,500.0										
1168 Tob Ed/Ces		97.5										
1247 Med Recov		219.8										
Subtotal		1,406,555.3	0.0	0.0	36,524.8	0.0	0.0	1,370,030.5	0.0	0	0	0
***** Changes From FY2019 Management Plan To FY2020 Governor Amended *****												
Reverse FY2019 Medicaid Funding Sec13b Ch17 SLA2018 P74 L10 (HB286) (FY19-FY20)												
(Language)	OTI	-7,000.0	0.0	0.0	0.0	0.0	0.0	-7,000.0	0.0	0	0	0
1002 Fed Rcpts		-7,000.0										
Reverse language section appropriation made in SLA2018.												
Reverse Mental Health Trust Recommendation												
	OTI	-2.5	0.0	0.0	-2.5	0.0	0.0	0.0	0.0	0	0	0
1092 MHTAAR		-2.5										
Reverse Mental Health Trust recommendation to reflect zero-based mental health budget.												
Fourth Year Medicaid Reform; Telemedicine; Drug Database Ch25 SLA2016 (SB74)												
	FNOTI	-6,443.2	0.0	0.0	0.0	0.0	0.0	-6,443.2	0.0	0	0	0
1003 G/F Match		-6,443.2										

SB 74 Sec34(b) allows the department to assess interest on recoveries for audits performed under AS 47.05.200 as well as other audits and reviews conducted by the state and federal government. There is no additional cost to the department to implement interest penalties on identified overpayments, but recoveries will increase. The department estimates it will take three years to reach the current volume of outstanding appeals subject to interest penalties. Interest penalty

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										PFT	PPT	NP

recoveries are calculated by taking the current amount of outstanding appeals and applying an estimated recovery percentage. The result is multiplied by the statutory rate for post-judgment interest of 3.75% and phased in over a period of three years, as shown below. Recoveries will be categorized as revenue receipts, recorded under new fund code #1247, Medicaid Monetary Recoveries.

Sec36 47.05.270 Medical assistance reform program (a)(2) requires the department to provide an electronic distribution of an explanation of medical assistance benefits to recipients for health care services received under the program. It is the intent of the department to fully implement this section of statute through the myAlaska portal. The department estimates that it will cost \$707.5 (90% federal/10% GF) to fully implement the electronic distribution of an explanation of medical assistance benefits in FY2017. After the initial set-up, estimated on-going costs are the concurrent user license, \$76.5, and the yearly maintenance fee, \$17.0, for a total of \$93.5 (50% federal/50% GF) annual costs.

Section 37 directs the department to implement the Primary Care Case Management system authorized under AS 47.07.030(d). This is a foundational component to other initiatives and projected savings. This system would assign Medicaid enrollees to a case manager in order to increase use of primary and preventive care, and decrease the use of specialty care and hospital services. The department proposes expansion of an existing case management contract, at \$500.0 across FY2017-2018 (50% federal/50% GF match). The contractor will case manage at \$3.85 per member per month to approximately 30,000 recipients. This approach would reduce implementation timelines.

The Prescription Drug Monitoring Program (PDMP) is an integral part of this initiative, as it is required to help prevent the misuse and abuse of opioids prescribed or administered through emergency departments. Access to the PDMP database by physicians and pharmacists could be improved if the current stand-alone system was integrated into the Health Information Exchange (HIE). Annual operating costs are \$20.0. Additional one-time costs are:

- (A) FY2017 PDMP system and interface to the HIE is \$285.0 (90% federal/10%GF)
- (B) FY2017 costs to connect pharmacies is \$480.0 (90% federal/10% GF)

Section 39 (47.07.039)(c) authorizes the department to contract with one or more entities to demonstrate the use of local, provider-led coordinated care entities that agree to monitor care across multiple care settings and that will be accountable to the department for the overall cost and quality of care. This demonstration project will be implemented in three regions of the state. Planning and development would begin in FY2017, with implementation starting in FY2019. An estimated 30,000 Medicaid recipients would be enrolled to receive services through this demonstration project. For purposes of estimation, the department assumes the entities would be reimbursed on a fee-for-service basis plus shared savings, with the entities receiving a portion of any savings accrued to the state Medicaid program, for the first two years. The department's best estimate at this time is approximately \$1,500.0 in GF savings. The state's fiscal agent will require three additional staff members for the additional work in provider enrollment, claims processing, and telephone inquiries as a result of the change for an increased contract amount of \$318.0 (50% federal/50% GF). These individuals will provide support across the primary care case management project, health homes, and the hospital emergency room project as well.

Fourth Year Medicaid Reform; Telemedicine; Drug Database Ch25 SLA2016 (SB74)

IncM	754.3	0.0	0.0	0.0	0.0	0.0	0.0	754.3	0.0	0	0	0
1002 Fed Rcpts	754.3											

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MH Trust: Actuarial Analysis

	IncOTI	475.0	0.0	0.0	475.0	0.0	0.0	0.0	0.0	0	0	0
1092 MHTAAR		475.0										

Contractual funding for a consulting firm to assist state personnel with the initial cost neutrality projections contained within the 1115 Behavioral Health waiver application and to assist the state in responding to questions about such projections. Additionally, this contractual support will assist the state through the negotiations process, with necessary changes or refinements to the waiver's target populations, service descriptions, service rates, or the phasing of the implementation plan as proposed. The actuarial firm will run additional projections to determine if any of the changes impact the waiver's original budget neutrality calculations, which is a requirement of 1115 waivers.

Centralize Medicaid Services to a Single Allocation

	Trout	-1,394,338.9	0.0	0.0	-36,997.3	0.0	0.0	-1,357,341.6	0.0	0	0	0
1002 Fed Rcpts		-1,077,479.0										

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										PFT	PPT	NP
1003 G/F Match		-282,912.9										
1004 Gen Fund		-24,744.3										
1005 GF/Prgm		-210.0										
1007 I/A Rcpts		-4,700.4										
1092 MHTAAR		-475.0										
1108 Stat Desig		-3,500.0										
1168 Tob Ed/Ces		-97.5										
1247 Med Recov		-219.8										
Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

All Medicaid Services authority is consolidated under a single component in FY2020 for ease of management.