# FISCAL NOTE

**STATE OF ALASKA**
**2010 LEGISLATIVE SESSION**

Fiscal Note Number: 4
Bill Version: HCS CSSB 172(FIN)
(H) Publish Date: 4/15/10

Identifier (file name): HCS CSSB172(HSS)-DHSS-CO-04-14-10
Dept. Affected: Health & Social Services

Title: Alaska Health Care Commission
RDU: Departmental Support Services
Component: Commissioner's Office

Sponsor: Olson

Requester: House FIN
Component Number: 317

**Expenditures/Revenues** (Thousands of Dollars)

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

| | Appropriation Required | Information | | | | | |
|---|---|---|---|---|---|---|---|
| **OPERATING EXPENDITURES** | **FY 2011** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016** |
| Personal Services | 192.7 | | 192.7 | 192.7 | 192.7 | 192.7 | 192.7 |
| Travel | 40.0 | | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 |
| Contractual | 236.8 | | 257.3 | 257.3 | 257.3 | 257.3 | 257.3 |
| Supplies | 30.5 | | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| **TOTAL OPERATING** | **500.0** | **0.0** | **500.0** | **500.0** | **500.0** | **500.0** | **500.0** |
| **CAPITAL EXPENDITURES** | | | | | | | |
| **CHANGE IN REVENUES ( )** | | | | | | | |

**FUND SOURCE** (Thousands of Dollars)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1002 Federal Receipts | 165.0 | | 165.0 | 165.0 | 165.0 | 165.0 | 165.0 |
| 1003 GF Match | 335.0 | | 335.0 | 335.0 | 335.0 | 335.0 | 335.0 |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| **TOTAL** | **500.0** | **0.0** | **500.0** | **500.0** | **500.0** | **500.0** | **500.0** |

**Estimate of any current year (FY2010) cost:**

**POSITIONS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time | **2.0** | | **2.0** | **2.0** | **2.0** | **2.0** | **2.0** |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

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

SB 172 establishes the Alaska Health Care Commission in DHSS to provide recommendations for and foster the development of a statewide plan to address the quality, accessibility, and availability of health care for all citizens of the state. The commission would be composed of 13 members. Duties of the commission would include identification of strategies for improving the health of all Alaskans through encouraging personal responsibility for disease prevention and healthy living, reducing health care costs, eliminating health risks, developing a sustainable health care workforce, and increasing health insurance options.

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DHSS Finance & Management Services
Date 4/14/2010

## ANALYSIS CONTINUATION

A number of recent ad hoc groups formed to address the issue of health care reform in Alaska, including the Alaska Health Care Roundtable (2005), the Alaska Health Care Strategies Planning Council (2007) and the Alaska Health Care Commission formed under Admin Order #246 (2009), all recommended that a permanent body be established to address the problem of health care cost, quality and access. The problem is too great in scope and too complex to be able to plan and follow-through in just one or two years time through a short-term body. Most recently, the new federal health care laws enacted this past month significantly change the structure within which state health systems operate, and a state planning body is required to help evaluate the impact on Alaskans and Alaska's businesses and health care industry, and to provide recommendations on state implementation.

$500.0 ($165.0 Fed/$335.0 GF Match) is required for operations of the health care commission. Federal funding authority requested is based on a review and determination of the level of Medicaid administrative and other federal funding that could appropriately be allocated to support the commission's work. Funds will be expended as follows:

**71000 Personal Services:** The commission would be staffed by an Executive Director, $134.5 (range 23, step F), and an Administrative Assistant I, $58.2 (range 12).

There is currently an Executive Director's position in the department established to support the work of the one-year 2009 commission created under Admin Order #246. This is a temporary, off-budget, fully-exempt position, and the full-time PCN requested in this fiscal note for this position is a technical fix required to establish this position in the department's budget. The department created this position and implemented the work of the 2009 commission while requesting funding through a fiscal note during the 2009 session, or through a budget increment included in the 2010 budget request. When neither funding vehicle was successful, the department limited the work of the commission and absorbed the associated costs for the one-year effort, but the part of the agency forced to absorb the costs has had to forgo other planned acitvity for this fiscal year.

An Administrative Assistant is required to provide logistical and administrative staff support for the commission. The scope of work that will be required of the commission became exponentially more complicated with the enactment of the new federal health care laws. The administrative support work required to handle the logistics of commission member travel; organizing commission meetings; planning and implementing public communication strategies; establishing consultant contracts; managing day-to-day office functions; and tracking and following-up on the work of commission members, consultants, and related department programs and initiatives is a full-time job.

**72000 Travel:** Travel and per diem for commission staff and for 10 voting commission members to conduct quarterly face-to-face public meetings at various locations around the state.

**73000 Contractual:** Professional services contracts are required to supplement staff research with specialized expertise not available among department staff. The department will coordinate with and leverage other departmental health care research and analysis work with the work of the commission and the commission's consultants to the greatest extent possible. Other contractual line expenses will include meeting expenses such as transcriptionist and audio services and meeting space; and core service RSAs to provide office space, telecommunications, network connectivity, printing, postage, and IT support.

**74000 Supplies:** FY 11 includes start-up costs such as computers, office furniture, reconfiguring lease space, wiring needs for connectivity, printers, fax, and photocopies. Ongoing costs are for basic office supplies and small equipment purchases. Start-up supply costs of $20.5 in the first budget year will be shifted to the contractual services line after the first year to cover ongoing contractual needs.