CMS SCHIP Budget Plan - Alaska 1115 Demonstration Waiver, One Year Waiting Period - Denali KidCare
2006 Actuals: 2007 - 2010 Projections

	Actual FFY 2006 Costs		Projected FFY 2007 Costs		Projected FFY 2008 Costs		Projected FFY 2009 Costs		Projected FFY 2010 Costs	
Enhanced FMAP rate	70.31%		70.31%		66.74%		65.00%		65.00%	
FPL Category	**<151% FPL**	**>151%-175% FPL**	**<151% FPL**	**>151%-175% FPL**	**<151% FPL**	**>151%-175% FPL**	**<151% FPL**	**>151%-175% FPL**	**<151% FPL**	**>151%-175% FPL**
Benefit Costs										
Insurance payments										
Fee for Service										
Benefit cost/eligible/year	**$ 2,685**	**$ 2,678**	**$ 3,182**	**$ 3,174**	**$ 3,780**	**$ 3,785**	**$ 4,291**	**$ -**	**$ 4,565**	**$ -**
Fee for Service	$ 18,717,428	$ 6,139,714	$ 22,627,829	$ 4,342,170	$ 27,418,915	$ 1,843,534	$ 31,749,757	$ -	$ 34,448,487	$ -
Total Benefit Costs	**$ 18,717,428**	**$ 6,139,714**	**$ 22,627,829**	**$ 4,342,170**	**$ 27,418,915**	**$ 1,843,534**	**$ 31,749,757**	**$ -**	**$ 34,448,487**	**$ -**
(Offsetting beneficiary cost sharing payments)										
Net Benefit Costs	$ 18,717,428	$ 6,139,714	$ 22,627,829	$ 4,342,170	$ 27,418,915	$ 1,843,534	$ 31,749,757	$ -	$ 34,448,487	$ -
Administration Costs										
Personnel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
General administration	$ 78,100	$ 25,619	$ 94,417	$ 18,118	$ 114,408	$ 7,692	$ 132,479	$ -	$ 143,740	$ -
Contractors/Brokers (e.g., enrollment contractors)	$ 1,071,065	$ 351,332	$ 1,294,829	$ 248,471	$ 1,568,989	$ 105,492	$ 1,816,812	$ -	$ 1,971,241	$ -
Claims Processing										
Outreach/marketing costs*										
Other	$ 831,334	$ 272,695	$ 1,005,014	$ 192,857	$ 1,217,810	$ 81,881	$ 1,410,164	$ -	$ 1,530,028	$ -
Total Administration Costs	**$ 1,980,499**	**$ 649,646**	**$ 2,394,260**	**$ 459,447**	**$ 2,901,207**	**$ 195,065**	**$ 3,359,456**	**$ -**	**$ 3,645,009**	**$ -**
10% Administrative Cost Ceiling (net benefit/.09)	$ 2,079,714	$ 682,190	$ 2,514,203	$ 482,463	$ 3,046,546	$ 204,837	$ 3,527,751	$ -	$ 3,827,610	$ -
Federal Share (multiplied by end-FMAP rate)	$ 14,552,713	$ 4,773,599	$ 17,593,031	$ 3,376,017	$ 20,235,649	$ 1,360,561	$ 22,820,988	$ -	$ 24,760,772	$ -
State Share	$ 6,145,215	$ 2,015,761	$ 7,429,058	$ 1,425,600	$ 10,084,473	$ 678,038	$ 12,288,224	$ -	$ 13,332,724	$ -
TOTAL PROGRAM COSTS	**$ 20,697,927**	**$ 6,789,360**	**$ 25,022,090**	**$ 4,801,617**	**$ 30,320,122**	**$ 2,038,599**	**$ 35,109,213**	**$ -**	**$ 38,093,496**	**$ -**
Combined Yearly Program Cost Total	**$ 27,487,287**		**$ 29,823,706**		**$ 32,358,721**		**$ 35,109,213**		**$ 38,093,496**	
Estimated Number of Eligibles by FPL Category	**6,972**	**2,293**	**7,111**	**1,368**	**7,254**	**487**	**7,399**	**0**	**7,547**	**0**
Total Estimated Number of Eligibles	**9,265**		**8,479**		**7,741**		**7,399**		**7,547**	

Notes:

(1) The Federal Fiscal Year (FFY) runs from October 1st through September 30th.

(2) No new costs will be associated with this 1115 demonstration waiver.

(3) January 2006 projection updates--notes added in blue; December 2006 update notes in brown

(4) benefit cost/eligible/year is the annual cost divided by the avg monthly enrollment, per original methodology.

Assumptions:

(1) Approximate 8.5% annual increase in Total Program Costs after 2005

(1,updated) Used 8.5% annual costs increase for new 2006-2009 projections, from new baseline 2005 actuals. Same for 2007-2010 projection off 2006 actuals.

(2) Proportionate increase in Benefit Costs and Administration Costs

(2, updated) Retained this assumption in revised 2006-2009 projections. In 2005 actuals, 93.8% of Total Program costs were Net Benefits costs and 6.2% were Total Admin costs (personnel, general admin, contractors, and other costs were 0.3%, 0.1%, 4.3%, and 1.4% of Total Program Costs,

(2, updated) for 2007-2010 projection. Costs distribution changed in 2006 Actuals: 90.4% net benefits costs and 9.6% administrative costs. Personnel/payroll no longer tracks as a separate admin category but is included int total admin (0% personnel, 0.4% general admin, 5.2% enrollment contractors, and 4.0 % combination of all

(3) On the 2006 - 2009 projection of number of eligibles, there is an approximate 5%/year increase reflected.

(3, updated) New 2006-2009 projections assume that <151%FPL enrollment will increase by 2% per year, while enrollment in the >151% FPL category will continue to decline at rates comparable to the average rate of decline between

(3 updated for 2007-2010 projection). The number of children

in the 151-175% category will continue to decrease sharply,
until no children are covered. Their projected decline is based

(4) Original cost distribution by FPL category was based on
avg monthly enrollment in FFY03 (approximately 60%
<151%FPL, and 40% >151%FPL). By the end of FFY05, avg
monthly enrollment for the >151%FPL category had dropped to
30% of SCHIP. Based on the enrollment projection, the
proportion of SCHIP enrollment in the >151% FPL category will
(4 updated for 2007-2010 projection). The percent of SCHIP
children covered in the 151 to175% FPL category is expected
to continue to decrease due to regulatory changes, until these
children are no longer covered. This group comprised 24.7% of

* In FFY 2003 and prior years, the Division of Medical Assistance transferred to the Division
of Public Health monies to conduct outreach/marketing through a Reimbursable Service Agreement
(RSA). In 2004, the outreach/marketing function of the Denali KidCare Program was
transferred to the Division of Public Assistance. The Division of Health Care Services (was DMA)
transferred funding through 2004 through a RSA to the Division of Public Assistance to provide
eligibility and enrollment services in addition to outreach and marketing services which are
provided in accordance with the State of Alaska Title XXI State Plan.
In 2005, the Division of Public Assistance has its own budget component for children's health
eligibility, and the DHCS no longer has a RSA with DPA. Outreach/marketing
cost projections are inclusive in Line 18, Contractors/Brokers (e.g., enrollment contractors),
along with eligibility and enrollment cost projections for the 2005 - 2009 projections.

Note: The State share or source of funds used for this waiver is provided through General Fund appropriation,
and is not specifically received from or earmarked through IGTs or CPEs .

The federal share and state share will be somewhat skewed as the federal enhanced share cannot exceed
the amount of the federal allocation that the state receives each year. For Medicaid expansion states,
once the federal allocation has been exhausted, and the redistribution funds if any are also exhausted,
then the state reverts to using Title XIX FMAP which is lower.