

SENATE JOINT RESOLUTION NO. 7

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY SENATOR WARD

Introduced: 2/5/99

Referred: HESS, Finance

A RESOLUTION

**1 Relating to prohibiting federal claims against funds obtained by settlement of
2 tobacco litigation.**

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 WHEREAS, in November 1998, 46 states agreed to a historic settlement with the
**5 tobacco industry ending a four-year battle with the industry over treatment costs states have
6 incurred for smoking-related illnesses; and**

7 WHEREAS the 46 states could receive up to \$196,000,000,000 over a 25-year period;
8 and

9 WHEREAS, because the Master Settlement Agreement does not restrict or earmark
**10 use of the money that will be received under the settlement, the general belief is that the funds
11 may be appropriated according to state law; and**

12 WHEREAS the decision for states now is how to best use the money; and

13 WHEREAS the federal Department of Health and Human Services contends that
**14 existing Medicaid law (Sec. 1903(d), Social Security Act) compels it to recover its share of
15 third-party payments collected by states on behalf of Medicaid clients and argues that state
16 tobacco settlement funds are third-party recoveries under the provisions of the Medicaid**

1 statute;

2 **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the
3 Congress of the United States and the Clinton Administration to recognize state interests and
4 enact legislation that would prohibit the federal Department of Health and Human Services
5 from recouping the tobacco settlement funds as third-party recoveries under Medicaid law.

6 **COPIES** of this resolution shall be sent to the Honorable Ted Stevens and the
7 Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S.
8 Representative, members of the Alaska delegation in Congress.