

# Alaska State Legislature

SENATOR PETE KELLY

**SESSION:**

Alaska State Capitol  
Juneau, AK 99801  
Phone: (907) 465-3709  
Fax: (907) 465-4714



**INTERIM:**

1292 Sadler Way Suite 308  
Fairbanks, AK 99701  
Phone: (907) 451-4347  
Fax: (907) 451-4348

## **Explanations of Changes – CSSB 74(STA)**

“An Act relating to competitive bidding for medical assistance products and services; relating to verification of eligibility for public assistance programs administered by the Department of Health and Social Services; relating to eligibility for medical assistance; relating to a medical assistance reform program; relating to the duties of the Department of Health and Social Services; establishing medical assistance demonstration projects; relating to civil penalties for medical assistance fraud; relating to studies by the Department of Health and Social Services; relating to cost-containment measures for medical assistance; and providing for an effective date.”

### **Version H to Version S (SHSS)**

- Removed sections regarding health savings accounts (HSAs) for Medicaid beneficiaries and contributions to HSAs from the Permanent Fund Dividend.
- New Section 1 regarding false Medicaid claims and establishing civil penalties for fraud.
- Section 2
  - Added behavioral health for the expanded use of telemedicine (Page 3, line 14)
  - Changed the report due date to October 15 in subsection (c) (Page 4, line 7)
  - Expanded the report scope under subsection (c) regarding Medicaid reforms, savings, and costs (Page 4, line 11 through Page 5, line 9)
  - Added in a definition of “telemedicine” (Page5, lines 10-14)
- New Section 4 requiring an annual report to the legislature regarding DHSS efforts to reduce Medicaid fraud.
- Section 5
  - Allows the demonstration project to be focused on Medicaid managed care or case management
  - Changes the one or more demonstration projects from individuals enrolled in the Denali KidCare program to the entire Medicaid program.
  - Changed the start date to January 31, 2016
  - Requires the department to enter into contracts with one or more third-party for the demonstration projects.

**Version S to Version F (SSTA)**

- Expanded the title of the bill on Page 1, lines 1 – 8 to include “An Act relating to competitive bidding for medical assistance products and services; relating to verification of eligibility for public assistance programs administered by the Department of Health and Social Services; relating to eligibility for medical assistance”
- New Section 1 – Page 1, line 10 through Page 2, line 3
  - This sections allows DHSS to enter into a contract through the competitive bidding process under the State Procurement Code for durable medical equipment or specific medical services provided in the Medicaid program.
- New Section 2 – Page 2, lines 4 through 16
  - Subsection (a) directs the department to establish a computerized income, asset, and identity eligibility verification system for the purpose of verifying eligibility, eliminating duplication of public assistance payments, and deterring waste and fraud in public assistance programs.
  - Subsection (b) directs the department to enter into a competitively bid contract with a third-party vendor for the eligibility verification system. The department may also contract with a third-party vendor to provide information to facilitate reviews of recipient eligibility conducted by the department.
- Section 4 (Section 2 in Version S)
  - Page 4, line 14 through 22 – (8) redesigning the payment process - Changes specifically list payment reforms that should be included:
    - (A) premium payments for centers of excellence;
    - (B) penalties for hospital-acquired infections, readmissions, and outcome failures;
    - (C) bundled payments for specific episodes of care; and
    - (D) global payments for contracted payer, primary care managers, and case managers for a recipient or for care related to a specific diagnosis
  - Page 6, Lines 7 & 8 – adds new (14) to the annual report related to Medicaid reform. DHSS will also report on the cost, in state and federal funds, for providing optional services under AS 47.07.030(b), the Medicaid program
- New Section 5 – Page 6, lines 14 through 19
  - Requires the legislature to approve any new additional groups added to the Medicaid program on or after March 23, 2010
- Section 12 – (Section 9 in Version S)
  - At the request of Legislative Legal, made technical fixes to the conditional effect language in Subsections (a) through (e) by replacing “that section” with the specific provision reference of the bill
- Made conforming changes to renumber sections and references to specific sections