

AS 47.07.036. Cost Containment Measures Authorized.

(a) If the department finds that the costs of medical assistance for all persons eligible under this chapter will exceed the amount allocated in the state budget for a fiscal year, the department may implement cost containment measures to reduce anticipated program costs for that fiscal year as authorized under this section.

(b) The department, in implementing this section, shall take all reasonable steps to implement cost containment measures that do not eliminate program eligibility or the scope of services required or authorized under AS 47.07.020 and 47.07.030 before implementing cost containment measures under (c) of this section that directly affect program eligibility or coverage of services. The cost containment measures taken under this subsection may include new utilization review procedures, changes in provider payment rates, precertification requirements for coverage of services, and agreements with federal officials under which the federal government will assume responsibility for coverage of some individuals or some services for some individuals through such federal programs as the Indian Health Service or Medicare.

(c) If cost containment measures authorized under (b) of this section are insufficient to reduce the anticipated program costs for a fiscal year to the amount allocated in the state budget for the program for that fiscal year, the department may, to the extent authorized under federal law and the state's constitution, deny any or all optional services listed in AS 47.07.030 (b) - (d) to a person eligible for services under AS 47.07.020 or deny program eligibility to a person who is eligible for the medical assistance program under the optional coverage provisions of AS 47.07.020 (b) - (i). However, the department may not eliminate program participation of a person who is eligible for coverage under AS 47.07.020 (a), nor may the department deny coverage of a service described in AS 47.07.030 (a) for a person who is eligible for the medical assistance program under AS 47.07.020 .