

# 2024 Session Operating Budget Amendment

**Offered In:** Senate HHS Fin Subcommittee

**To:** HB 268

**Offered By:** Senator *Griesel*

**Agency:** Health

**Appropriation:** Medicaid Services

**Allocation:** Medicaid Services

## Transaction Details

**Title:** Back-Funding for Federally Qualified Health Centers

**Section:** Section 1

**Type:** IncOTI

## Line Items (Amounts are in thousands)

Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	15,000.0
Miscellaneous:	0.0
	<u>15,000.0</u>

## Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

## Funding (Amounts are in thousands)

1004 Gen Fund	15,000.0
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## Explanation

The Alaska Primary Care Association (APCA) requests an appropriation for interim support to begin to compensate Alaska Federal Qualified Health Centers (FQHC) for the Medicaid underpayment while the Department continues to work through a list of regulatory procedural payment errors continuing to impact FQHCs.

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Alaska's 29 Federally Qualified Health Centers, (also known as FQHCs, Community Health Centers or CHCs) operate 200 clinics across Alaska that offer medical, behavioral, and dental care to people in their communities -- even if they don't have insurance. Through federal legislation and regulation, the federal government set up a special way to pay these clinics when they treat a patient who has Medicaid coverage. It's called the Prospective Payment System, or PPS, and it's one payment for a collection of whole-person care and services within a visit, including translation services, transportation, and other support services.

Some Alaska FQHCs have opted to be paid under what is known as an Alternative Payment Methodology (APM), offered by the State of Alaska. Participation in the APM is voluntary, and the APM should result in a bundled payment that is equal to or more than the PPS rate.

The APCA claims these FHQC have received underpayment for years and that legal action will be taken if the legislature does not appropriate the proper funding. This amendment reimburses those payments.