

Alaska State Legislature

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Sectional Analysis – CS for Senate Bill 74

“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.”

Section 1: Allows the Department of Health and Social Services (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.

Section 2: Requires the department to establish a computerized eligibility verification system to verify eligibility and to deter waste and fraud. It also requires DHSS enter into a competitively bid contract with a third-party vendor for the eligibility verification system.

Section 3: Adds new sections establishing civil penalties for false claims for medical assistance and authorizing the Department of Health and Social Services (the department) to assess civil penalties against medical assistance providers.

Section 4: Requires DHSS to design, adopt, and implement a medical assistance (Medicaid) reform program. Requires the department to prepare and submit a report about reforms, savings, and costs related to the Medicaid program. Provides for a definition of “telemedicine.”

Section 5: Requires the legislature to approve any new additional groups added to the Medicaid program on or after March 23, 2010.

Section 6: Requires the department to design and implement a demonstration project to reduce nonurgent use of emergency departments by Medicaid recipients.

Section 7: Requires the department and the attorney general to annually prepare a report regarding fraud prevention, abuse, prosecution, and vulnerabilities in the Medicaid program.

Section 8: Requires the department to develop one or more managed care or case management demonstration projects through a contract with a third party. The managed care program would be for individuals enrolled in all Medicaid programs.

Section 9: Requires the department to conduct a study analyzing the feasibility of privatizing certain services.

Section 10: Requires the department to amend the state Medicaid plan and apply for any waivers necessary to implement the projects and programs described in the bill. Requires the Commissioner of Health and Social Services to certify to the revisor of statutes federal approval of specified measures.

Section 11: Allows the department to adopt regulations necessary to implement the changes made by the Act. The regulations may not take effect before the dates the relevant provision of the Act takes effect.

Section 12: Conditional effects.

Sections 13 - 17: Provides for effective dates for provisions that require waiver and state plan amendment approvals from the United States Department of Health and Human Services.

Section 18: Provides an immediate effective date for sections 9 – 12.