

******The following is draft language for possible reform benchmarks and timelines prepared by the office of Representative Seaton. Any dates or percentatages are suggestions only and are subject to change pending guidance from providers and the department on what is feasible.******

Sec. 3. AS 47.07.030(d) is amended to read:

(d) The department shall [MAY] establish [AS OPTIONAL SERVICES] a primary care case management system or a managed care organization contract in which certain eligible individuals are required to enroll and seek approval from a case manager or the managed care organization before receiving certain services. The department shall establish enrollment criteria and determine eligibility for services consistent with federal and state law.

Sec. 5. AS 47.07.036 is amended by adding a new subsection to read:

(d) The department shall implement cost containment measures under this section to reduce overall state costs for recipient travel. The measures implemented under this subsection must include regulations providing mechanisms to expand the use of telemedicine.

* Sec. 6. AS 47.07.050 is amended by adding a new subsection to read:

(b) The regulations adopted under this section must include a requirement that a medical services provider receiving payments under AS 47.07 use a code system established by the department to track and report to the department payments received by the provider for services provided to recipients described under AS 47.07.020(b)(16).**[Expansion population]**

* Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to read:
**MEDICAID REDESIGN; REPORTS TO LEGISLATURE; COST-SHARING AND
MANAGED CARE PLANS.**

(a) The Department of Health and Social Services shall present to the legislature on or before the 10th day of the Second Regular Session of the Twenty- Ninth Alaska State Legislature, the results of the Medicaid Redesign and Expansion Technical Assistance study, advertised under request for proposal number 2015-0600-2986, issued February 25, 2015. The department shall include in the presentation a description of a program for reforming the medical assistance program.

(b) On or before March 1, 2016, the department shall present to the legislature a plan for reducing the cost of the medical assistance program by implementing cost-sharing requirements authorized under AS 47.07.042, including cost-sharing requirements applicable to recipients of medical assistance who use hospital emergency departments for nonemergency medical services. If approved by the United States Department of Health and Human Services, the department shall implement the plan under this subsection on or before December 31, 2016.

(c) The department shall develop a plan for reducing the total cost of travel under the medical assistance program in accordance with AS 47.07.036(d), added by sec. 5 of this Act. The plan developed under this subsection must include an increase in the use of telemedicine services and must be designed to result in a reduction of 10 percent in the annual travel costs for the medical assistance program by January 1, 2018, as compared to the travel costs of fiscal year 2015 for the medical assistance program.

(d) On or before January 1, 2017, the department shall present to the legislature a plan for converting the medical assistance program into a health maintenance organization.

(e) On or before January 1, 2017, the department shall establish a program of designated providers to manage care under AS 47.07.030(d), as amended by sec. 3 of this Act,

for super-utilizers, as identified by the department, and shall present a report on the program to the legislature.

(f) The department shall deliver a copy of the reports and plans required under this section to the senate secretary and chief clerk of the house of representatives and notify the legislature that the reports and plans are available.

(g) In this section,

(1) 'department' means the Department of Health and Social Services;

(2) "medical assistance program" means the program described under AS 47.07.

* Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section to read:

MEDICAID STATE PLAN; INSTRUCTIONS. The Department of Health and Social Services shall immediately amend and submit to the United States Department of Health and Human Services for approval the state plan for medical assistance coverage as necessary to implement this Act.

Sec. 47.07.042. Recipient cost-sharing. (a) Except as provided in (b) - (d) of this section, the state plan developed under AS 47.07.040 shall impose deductible, coinsurance, and copayment requirements on persons eligible for assistance under this chapter to the maximum extent allowed under federal law and regulations. The plan must provide that health care providers shall collect the allowable charge. The department shall reduce payments to each provider by the amount of the allowable charge. A provider may not deny services because a recipient is unable to share costs, but an inability to share costs imposed under this section does not relieve the recipient of liability for the costs.

(b) The state plan developed under AS 47.07.040 shall impose a copayment requirement for inpatient hospital services in an amount that is the lesser of

(1) \$50 a day, up to a maximum of \$200 per discharge; or

(2) the maximum allowed under federal law and regulations.

(c) If the department has clear and compelling reason to believe that application of the maximum allowable charges under (a) of this section to a specific service would not reduce state expenditures or would generate savings to the state that are insignificant in relation to the total cost containment possible, then the department may waive the charges otherwise required under (a) of this section as to that specific service.

(d) In addition to the requirements established under (a) and

(b) of this section, the department may require premiums or cost-sharing contributions from recipients who are eligible for benefits under AS 47.07.020(b)(13) and whose household income is between 150 and 175 percent of the federal poverty line. If the department requires premiums or cost-sharing contributions under this subsection, the department

(1) shall adopt in regulation a sliding scale for those premiums or contributions based on household income;

(2) may not exceed the maximums allowed under federal law; and

(3) shall implement a system by which the department or its designee collects those premiums or contributions.

(e) Except as provided in (c) of this section and notwithstanding (b) of this section, the department may require premiums and other cost-sharing contributions from recipients who are eligible for assistance under AS 47.07.020(b)(15) to the maximum extent allowed by federal law. If the department requires premiums or other cost-sharing contributions under this subsection, the department shall

(1) adopt in regulation a sliding scale for those premiums or contributions based on household income; and

(2) implement a system by which the department or its designee collects the premiums or other cost-sharing contributions.