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February 22, 2016

Honorable Paul Seaton
Chairman House Health & Social Services
Homer, AK 99603

Representative Paul Seaton,

I would like to submit written comment on House Bill 227, specifically the section that pertains to the removal of the grant requirement to be able to be reimbursed by Medicaid for behavioral health services provided.

As the Executive Director of one of the largest statewide children's Behavioral Health Service providers in Alaska I support the removal of the grant requirement. Our agency has in fact advocated for well over a decade to multiple State Commissioners to eliminate the requirement that a provider organization must also be a grantee to be able to bill Medicaid. Our position on this issue is based on the fact that there is neither a benefit nor logical business reason to connect the two items and as a result it can and does result in an excess administrative burden and financial waist to both providers and the State. Some of the excess administrative burden for providers comes from the preparation of applications and quarterly reporting which require significant man-hours while providing no benefit to the State, the provider, or the recipient of services. Additionally the labor involved by State employees in this process can be assumed to be equal or greater.

There are numerous examples of the State issuing grants to providers for \$100 or less to allow them to meet the current State requirements to be eligible to bill Medicaid. This fact we believe highlights that the requirement has no meaningful value while it initiates a significant valueless paperwork burden.

In summary the elimination of the requirement will do nothing to reduce the quality of the services delivered or the assurance that Medicaid funding is properly spent, because Medicaid audits are the process to assure appropriate use of funding not the grant process.

I appreciate your consideration of our testimony and will be available to answer any questions.

Sincerely

John W Regitano
Executive Director
Family Centered Services of Alaska