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House Finance Members

The Alaska Dental Society (ADS) would like to request committee changes to SB74. In general we feel the bill is a good first step towards addressing deficiencies within the healthcare system but focuses, almost exclusively, on providers while ignoring the other major components of the healthcare system – the payers and the recipients (patients).

We believe the current bill would benefit from the following changes:

The sections detailing changes to AS 09.10 should be balanced to encourage reporting of fraud and protection for those who come forward with protections for providers. Currently, as written, the changes incentivize employees to report fraud. Our concern is there is no penalty for false allegations under this section. An employee could maliciously make a claim under this section against a provider in retaliation for being terminated or a personal relationship that turned negative without consequences. In addition, it is not clear as written, if an employer has recourse if false allegations are made or if the “whistle blower” protections extend to false allegations leaving an employer in the uncomfortable situation of being unable to terminate an employee for filing false allegations.

The changes to AS 47.05 increase the penalties for overpayments under the Medicaid system. The ADS believes the Legislature should recognize, as other states including Louisiana and Nebraska have, that identified overpayments should be balanced with underpayments. Given the large volume of claims administered by providers billing errors will occur. Considering only the overpayments, while ignoring the underpayments, is an injustice to providers. The ADS believes auditors should be equally incentivized to discover overpayments and underpayments and the balance of the underpayments and overpayments used to calculate interest and penalties.

The ADS is generally supportive of the changes to AS 17.30 dealing with the prescription database. We feel some changes would benefit the intent of this legislation, however. We believe the period of exemption from mandatory look up should be extended to 48 hours after surgery. Our hope is with implementation of this legislation there will be an opportunity to change prescribing patterns to less “prophylactic” prescriptions for pain medication post-surgery to a more “as needed” basis. Inevitably with those changes will be more after hour’s calls for pain medication leaving providers in a challenging position to do mandatory lookups. We also feel a missing component to the changes is responsibility on the part of patients. Currently providers have patients fill out detailed medical and drug histories before prescribing narcotics. A mandatory lookup is only necessary if 1. Patients cannot remember they are taking narcotics (a small percentage if it even exists) 2. Patients are lying to seek additional medication.

By criminalizing this behavior – it can be considered fraud by deceit – it provides another weapon in the arsenal to stop this behavior. While we are not suggesting it should be the first weapon used, it would provide a mechanism to identify, educate and if necessary remediate individuals engaged in this behavior.

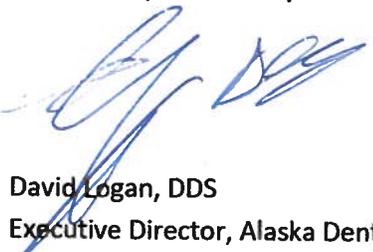
The self-audits proposed under AS 47.05.235 are difficult to evaluate. Most providers have management software to run reports but without details on how the reporting would occur – and past history from the division of utilizing forms and structure not in the industry norm – this could range anywhere from a minor inconvenience to a burden that causes providers to drop from the system.

The ADS believes the sections detailing changes to AS 47.07.030 and AS 47.030.038 would benefit from inclusion of case management including education and , if necessary, removal of benefits for “super utilizers” of controlled substances for medical assistance recipients. The removal of benefits would require approval for a test project but that is being utilized elsewhere in this legislation and should be considered as part of an overhaul of the current Medicaid system and a step towards patient accountability and controlling costs.

The ADS has detailed some small changes above towards increasing patient accountability in health care. We are disappointed, however, no changes to the current payment system administered by the State of Alaska are proposed. The current administrative burden on providers is 2 to 3 times higher for the Medicaid system than private pay systems. The proposed changes in this bill add to that burden without any mitigation.

Our primary concern, however, is the lack of any “reform” to the current system for selecting an administrator for the payment process. The problems with the current administrator, Xerox, have been well detailed. The ADS suggests formation of a review committee to examine, in a non-punitive fashion, the history of how the contract was awarded to Xerox, examine the timelines and benchmarks that were met and not met, and evaluate whether the MMIS system should be maintained and if not how to get out from under it. The findings of the committee should be reviewed by the legislature and turned into binding legislation on the administration for future contracts. The review committee should consist of members of the legislature, HSS departmental personnel and representatives of the 5 largest provider groups by Medicaid billings.

We appreciate your consideration of the proposed changes to SB74 and welcome any questions or a chance to speak directly to our proposals.



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