

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 148

BY REPRESENTATIVE TALERICO

1 Page 3, following line 6:

2 Insert a new bill section to read:

3 **"* Sec. 4.** AS 47.05.200(a), as amended by sec. 3 of this Act, is amended to read:

4 (a) The department shall annually contract for independent audits of a
5 statewide sample of all medical assistance providers in order to identify overpayments
6 and violations of criminal statutes. The audits conducted under this section may not be
7 conducted by the department or employees of the department. The number of audits
8 under this section [MAY NOT BE LESS THAN 50] each year, as a total for the
9 medical assistance programs under AS 47.07 and AS 47.08, shall be 0.75 percent
10 of all enrolled providers under the programs, adjusted annually on July 1, as
11 determined by the department, except that the number of audits under this
12 section may not be less than 75. The audits under this section must include both on-
13 site audits and desk audits and must be of a variety of provider types. The department
14 may not award a contract under this subsection to an organization that does not retain
15 persons with a significant level of expertise and recent professional practice in the
16 general areas of standard accounting principles and financial auditing and in the
17 specific areas of medical records review, investigative research, and Alaska health
18 care criminal law. The contractor, in consultation with the commissioner, shall select
19 the providers to be audited and decide the ratio of desk audits and on-site audits to the
20 total number selected. [IN IDENTIFYING PROVIDERS WHO ARE SUBJECT TO
21 AN AUDIT UNDER THIS CHAPTER, THE DEPARTMENT SHALL ATTEMPT
22 TO MINIMIZE CONCURRENT STATE OR FEDERAL AUDITS.]"

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1 Renumber the following bill sections accordingly.

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3 Page 3, following line 20:

4 Insert a new bill section to read:

5 **** Sec. 6.** AS 47.05.200(b), as amended by sec. 5 of this Act, is amended to read:

6 (b) Within 90 days after receiving each audit report from an audit conducted
7 under this section, the department shall begin administrative procedures to recoup
8 overpayments identified in the audits and shall allocate the reasonable and necessary
9 financial and human resources to ensure prompt recovery of overpayments unless the
10 attorney general has advised the commissioner in writing that a criminal investigation
11 of an audited provider has been or is about to be undertaken, in which case, the
12 commissioner shall hold the administrative procedure in abeyance until a final
13 charging decision by the attorney general has been made. The commissioner shall
14 provide copies of all audit reports to the attorney general so that the reports can be
15 screened for the purpose of bringing criminal charges. [THE DEPARTMENT MAY
16 ASSESS INTEREST PENALTIES ON ANY IDENTIFIED OVERPAYMENT.
17 INTEREST UNDER THIS SECTION SHALL BE CALCULATED USING THE
18 STATUTORY RATES FOR POST-JUDGMENT INTEREST ACCRUING FROM
19 THE DATE OF THE ISSUANCE OF THE FINAL AUDIT.]"

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21 Renumber the following bill sections accordingly.

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23 Page 7, following line 1:

24 Insert a new bill section to read:

25 **** Sec. 9.** AS 47.07.020(b), as amended by sec. 8 of this Act, is amended to read:

26 (b) In addition to the persons specified in (a) of this section, the following
27 optional groups of persons for whom the state may claim federal financial
28 participation are eligible for medical assistance:

29 (1) persons eligible for but not receiving assistance under any plan of
30 the state approved under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act,
31 Supplemental Security Income) or a federal program designated as the successor to the

1 aid to families with dependent children program;

2 (2) persons in a general hospital, skilled nursing facility, or
3 intermediate care facility, who, if they left the facility, would be eligible for assistance
4 under one of the federal programs specified in (1) of this subsection;

5 (3) persons under 21 years of age who are under supervision of the
6 department, for whom maintenance is being paid in whole or in part from public
7 funds, and who are in foster homes or private child-care institutions;

8 (4) aged, blind, or disabled persons, who, because they do not meet
9 income and resources requirements, do not receive supplemental security income
10 under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act), and who do not
11 receive a mandatory state supplement, but who are eligible, or would be eligible if
12 they were not in a skilled nursing facility or intermediate care facility to receive an
13 optional state supplementary payment;

14 (5) persons under 21 years of age who are in an institution designated
15 as an intermediate care facility for persons with intellectual and developmental
16 disabilities and who are financially eligible as determined by the standards of the
17 federal program designated as the successor to the aid to families with dependent
18 children program;

19 (6) persons in a medical or intermediate care facility whose income
20 while in the facility does not exceed 300 percent of the supplemental security income
21 benefit rate under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act) but who
22 would not be eligible for an optional state supplementary payment if they left the
23 hospital or other facility;

24 (7) persons under 21 years of age who are receiving active treatment in
25 a psychiatric hospital and who are financially eligible as determined by the standards
26 of the federal program designated as the successor to the aid to families with
27 dependent children program;

28 (8) persons under 21 years of age and not covered under (a) of this
29 section, who would be eligible for benefits under the federal program designated as
30 the successor to the aid to families with dependent children program, except that they
31 **have the care and support of both their natural and adoptive parents** [DO NOT

1 MEET THE DEPRIVATION CRITERIA UNDER 42 U.S.C. 1396u-1(b)(1)(A)(II)];

2 (9) pregnant women not covered under (a) of this section and who meet
3 the income and resource requirements of the federal program designated as the
4 successor to the aid to families with dependent children program;

5 (10) persons under 21 years of age not covered under (a) of this section
6 who the department has determined cannot be placed for adoption without medical
7 assistance because of a special need for medical or rehabilitative care and who the
8 department has determined are hard-to-place children eligible for subsidy under
9 AS 25.23.190 - 25.23.210;

10 (11) persons who can be considered under 42 U.S.C. 1396a(e)(3) (Title
11 XIX, Social Security Act, Medical Assistance) to be individuals with respect to whom
12 a supplemental security income is being paid under 42 U.S.C. 1381 - 1383c (Title
13 XVI, Social Security Act) because they meet all of the following criteria:

14 (A) they are 18 years of age or younger and qualify as disabled
15 individuals under 42 U.S.C. 1382c(a) (Title XVI, Social Security Act);

16 (B) the department has determined that

17 (i) they require a level of care provided in a hospital,
18 nursing facility, or intermediate care facility for persons with
19 intellectual and developmental disabilities;

20 (ii) it is appropriate to provide their care outside of an
21 institution; and

22 (iii) the estimated amount that would be spent for
23 medical assistance for their individual care outside an institution is not
24 greater than the estimated amount that would otherwise be expended
25 individually for medical assistance within an appropriate institution;

26 (C) if they were in a medical institution, they would be eligible
27 for medical assistance under other provisions of this chapter; and

28 (D) home and community-based services under a waiver
29 approved by the federal government are either not available to them under this
30 chapter or would be inappropriate for them;

31 (12) disabled persons, as described in 42 U.S.C.

1 1396a(a)(10)(A)(ii)(XIII), who are in families whose income, as determined under
 2 applicable federal regulations or guidelines, is less than 250 percent of the official
 3 poverty line applicable to a family of that size according to the United States
 4 Department of Health and Human Services, and who, but for earnings in excess of the
 5 limit established under 42 U.S.C. 1396d(q)(2)(B), would be considered to be
 6 individuals with respect to whom a supplemental security income is being paid under
 7 42 U.S.C. 1381 - 1383c; a person eligible for assistance under this paragraph who is
 8 not eligible under another provision of this section shall pay a premium or other cost-
 9 sharing charges according to a sliding fee scale that is based on income as established
 10 by the department in regulations;

11 (13) persons under 19 years of age who are not covered under (a) of
 12 this section and whose household income does not exceed 175 [203] percent of the
 13 federal poverty line as defined by the United States Department of Health and Human
 14 Services and revised under 42 U.S.C. 9902(2);

15 (14) pregnant women who are not covered under (a) of this section and
 16 whose household income does not exceed 175 [200] percent of the federal poverty line
 17 as defined by the United States Department of Health and Human Services and revised
 18 under 42 U.S.C. 9902(2);

19 (15) persons who have been diagnosed with breast or cervical cancer
 20 and who are eligible for coverage under 42 U.S.C. 1396a(a)(10)(A)(ii)(XVIII) [;

21 (16) PERSONS WHO ARE UNDER 65 YEARS OF AGE, WHO ARE
 22 NOT PREGNANT, WHOSE HOUSEHOLD INCOME DOES NOT EXCEED 138
 23 PERCENT OF THE FEDERAL POVERTY LINE, INCLUDING THE FIVE
 24 PERCENT INCOME DISREGARD, AS DEFINED BY THE UNITED STATES
 25 DEPARTMENT OF HEALTH AND HUMAN SERVICES AND REVISED UNDER
 26 42 U.S.C. 9902(2), AND WHO ARE ELIGIBLE UNDER 42 U.S.C.
 27 1396A(a)(10)(A)(i)(VIII), IF THE FEDERAL MEDICAL ASSISTANCE
 28 PERCENTAGE PAID TO THE STATE FOR THE COVERAGE IS NOT LESS
 29 THAN 90 PERCENT]."

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 31 Renumber the following bill sections accordingly.

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Page 7, following line 9:

Insert a new bill section to read:

**** Sec. 11.** AS 47.07.020(g), as amended by sec. 10 of this Act, is amended to read:

(g) A person's [FOR THOSE PERSONS WHOSE MEDICAID ELIGIBILITY IS NOT CALCULATED USING THE MODIFIED ADJUSTED GROSS INCOME STANDARD SET OUT IN 42 U.S.C. 1396A(e)(14), THOSE PERSONS'] eligibility for medical assistance under this chapter may not be denied or delayed on the basis of a transfer of assets for less than fair market value if the person establishes to the satisfaction of the department that the denial or delay would work an undue hardship on the person as determined on the basis of criteria in applicable federal regulations."

Renumber the following bill sections accordingly.

Page 7, following line 15:

Insert a new bill section to read:

**** Sec. 13.** AS 47.07.020(m), as amended by sec. 12 of this Act, is amended to read:

(m) Except [FOR THOSE PERSONS WHOSE MEDICAID ELIGIBILITY IS NOT CALCULATED USING THE MODIFIED ADJUSTED GROSS INCOME STANDARD SET OUT IN 42 U.S.C. 1396A(e)(14), AND, EXCEPT] as provided in (g) of this section, the department shall impose a penalty period of ineligibility for the transfer of an asset for less than fair market value by an applicant or an applicant's spouse consistent with 42 U.S.C. 1396p(c)(1)."

Renumber the following bill sections accordingly.

Page 7, following line 28:

Insert a new bill section to read:

**** Sec. 15.** AS 47.07.036(b), as amended by sec. 14 of this Act, is amended to read:

(b) The department, in implementing this section, shall take all reasonable steps to implement cost containment measures that do not eliminate program

1 eligibility or the scope of services required or authorized under AS 47.07.020 and
 2 47.07.030 before implementing cost containment measures under (c) of this section
 3 that directly affect program eligibility or coverage of services. The cost containment
 4 measures taken under this subsection may include new utilization review procedures,
 5 changes in provider payment rates, [AND] precertification requirements for coverage
 6 of services, and agreements with federal officials under which the federal
 7 government will assume responsibility for coverage of some individuals or some
 8 services for some individuals through federal programs, including the Indian
 9 Health Service or Medicare."

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 11 Renumber the following bill sections accordingly.

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 13 Page 8, following line 26:

14 Insert a new bill section to read:

15 **"* Sec. 18.** AS 47.07.900(4), as amended by sec. 17 of this Act, is amended to read:

16 (4) "clinic services" means services provided by state-approved
 17 outpatient community mental health clinics that receive grants under AS 47.30.520 -
 18 47.30.620, state-operated community mental health clinics, outpatient surgical care
 19 centers, and physician clinics;"

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 21 Renumber the following bill sections accordingly.

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 23 Page 9, following line 3:

24 Insert new bill sections to read:

25 **"* Sec. 20.** AS 47.07.900(17), as amended by sec. 19 of this Act, is amended to read:

26 (17) "rehabilitative services" means services for substance abusers and
 27 emotionally disturbed or chronically mentally ill adults provided by

28 (A) a drug or alcohol treatment center that is funded with a
 29 grant under AS 47.30.475; or

30 (B) an outpatient community mental health clinic that has a
 31 contract to provide community mental health services under AS 47.30.520

1 - 47.30.620;

2 * **Sec. 21.** AS 43.23.075(d); AS 47.05.250; AS 47.07.036(d), and 47.07.036(e) are repealed
3 July 1, 2018."

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5 Renumber the following bill sections accordingly.

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7 Page 9, line 12:

8 Delete "sec. 10"
9 Insert "sec. 16"

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11 Page 9, line 17:

12 Delete "10"
13 Insert "16"

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15 Page 9, following line 17:

16 Insert a new bill section to read:
17 **"* Sec. 24.** Section 1 of this Act is repealed July 1, 2018."

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19 Renumber the following bill sections accordingly.

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21 Page 9, line 23:

22 Delete "Sections 13 and 14"
23 Insert "Sections 21 - 23"

24
25 Page 9, line 24:

26 Delete all material and insert:
27 **"* Sec. 27.** Sections 1 - 3, 5, 7, 8, 10, 12, 14, 16, 17, and 19 of this Act take effect July 1,
28 2015.

29 * **Sec. 28.** Sections 4, 6, 9, 11, 13, 15, 18, and 20 of this Act take effect July 1, 2018."