

HB148 Summary of Changes Version A to Version H  
Prepared by the Department of Health & Social Services  
April 1, 2015

Section 1. The CS states DHSS shall contract with an independent third party to advise the department during the development of the provider tax proposal, and shall establish prevention of disease as a primary model of health care in the state.

Section 2. No changes to this section, which amends the existing AS 44.23.075 to exclude the expansion population from the current Permanent Fund Dividend “hold harmless” program.

Section 3. Adds new subsection (18) to AS 47.05.010 Duties of Department to state that DHSS shall establish guidelines for medical assistance providers to “develop health care delivery models that encourage adequate nutrition and disease prevention.”

Section 4. No changes to this section, which clarifies minimum number of audits DHSS shall perform. (Section 3 in original HB 148.)

Section 5. No changes to this section, which allows DHSS to impose interest penalties on identified overpayments using the post-judgment statutory rate. (Section 4 in original HB 148.)

Section 6. No changes to this section, which authorizes DHSS to develop provider fines through regulation for violations. (Section 5 in original HB 148.)

Section 7. No changes to this section, which amends AS 47.07.020(b) to include technical corrections related to eligibility for Medicaid authorized under the Affordable Care Act and provides the authority for DHSS to expand Medicaid to adults aged 19-64 who are not caring for dependent children, are not disabled or pregnant, and who earn at or below 138 percent of the federal poverty guidelines for Alaska including the 5% income disregard. (Section 6 in original HB 148.)

Section 8. This section originally clarified that, for a person whose Medicaid eligibility is not calculated using the modified adjusted gross income standard established in federal regulations, DHSS may not deny or delay the person’s eligibility for medical assistance 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. The CS states that DHSS may only consider information provided by a person claiming undue hardship that the department has verified through a source other than the person’s own statement. (Section 7 in original HB 148.)

Section 9. No changes to his section, which clarified that, for persons whose Medicaid eligibility is not calculated using the modified adjusted gross income standard established in federal

standards and as provided in Section 8 (above), 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 applicant's spouse consistent with federal rules (Section 8 in original HB 148.)

Section 10. New section that amends existing AS 47.07.030(d) to state the department shall (not may) establish a primary care case management system or a managed care organization contract in which certain eligible individuals, including super-utilizers as identified by the department, are required to enroll and seek approval from a case manager or the managed care organization before receiving certain services.

Section 11. New section that amends existing AS 47.07.030 by adding a new subsection (g) to require DHSS to submit an annual report to the legislature describing state costs for optional and mandatory services.

Section 12. No changes to this section, which removes language from AS 47.07.036(b) to allow cost containment measures in later sections. (Section 9 in original HB 148.)

Section 13. Amended to add demonstration projects to the list of reforms under this section. The demonstration projects would focus on innovative payment models for one or more groups of medical assistance recipients in one or more specific geographic areas. These demonstration projects may include managed care organizations, community care organizations, or patient-centered medical homes, but at least one project will be a coordinated care project that operates within a fixed budget to reduce medical cost inflation, improve the quality of health care for recipients, and results in a healthier population. DHSS shall design the managed care system to reduce the growth in medical assistance expenditures by at least two percentage points, and the system must implement alternative payment methodologies and create a network of patient-centered primary care homes. The department shall prepare a report regarding the progress of this demonstration project and shall deliver it to the legislature by February 1, 2019. (Section 10 in original HB 148.)

Sections 14 and 15. No changes to these sections, which remove the requirements that behavioral health providers be a grantee of the state in order to bill Medicaid. (Sections 11 and 12 in original HB 148.)

Section 16. New section for the CS establishing a demonstration project to reduce pre-term births. The project includes voluntary enrollment of approximately 500 recipients eligible for medical assistance. DHSS shall offer pregnancy counseling, nutritional counseling, and, as necessary, vitamin D supplementation. The project can be modeled after a project implemented in South Carolina.

Section 17. New section for the CS establishing, by January 1, 2017, a primary care case management system or a managed care organization contract for super-utilizers. Requires a report to the legislature.

Section 18. New section for the CS requiring DHSS to: present to the legislature by the tenth day of the second session of the 29<sup>th</sup> Legislature the results of the Medicaid Redesign and Expansion technical assistance study; prepare a report summarizing cost-sharing measures implemented before Oct. 1, 2015 and the effect of those measures on the state budget, with the report due by March 1, 2016; complete by Feb. 1, 2019 a report to the legislature on the results of the applications for waivers and options required in the bill, and the extent of the waivers and options in achieving the savings estimated by DHSS.

Section 19. No changes to this section, which instructs DHSS to amend any state plan it has with the federal government to be consistent with the Act. (Section 13 in original HB 148.)

Section 20. No changes, except for section numbering changes to conform with the CS. This section authorizes DHSS to engage in emergency rule-making under the AK Admin Code to implement Medicaid reform measures and the provisions of this Act. (Section 14 in original HB 148.)

Section 21. New section repealing Section 21, so that emergency rule-making authority for Sections 1 and 13 is repealed on June 30, 2017.

Section 22. No changes to this section, which instructs the Revisor of Statutes to make technical amendments to the title of AS 47.07.036 to conform to amendments in the Act. (Section 15 in original HB 148.)

Section 23. No changes except for section numbering changes to conform with the CS. (Section 16 in original HB 148.)

Section 24. The CS will delay implementation of the Medicaid expansion section of the bill to August 1, 2016, not July 1, 2016 as in the original HB 148.