



# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

### Division of Legislative Finance

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### MEMORANDUM

**DATE:** January 29, 2020

**TO:** Senator Bert Stedman, Senate Finance Co-Chair  
Senator Natasha von Imhof, Senate Finance Co-Chair  
Representative Neal Foster, House Finance Co-Chair  
Representative Jennifer Johnston, House Finance Co-Chair  
Representative Chris Tuck, Legislative Budget & Audit Chair

**FROM:** Pat Pitney  
Director of Legislative Finance Division

**SUBJECT:** Agency responses to FY20 Legislative Intent Language

This memorandum restates FY20 legislative intent (*italics*) for each agency and provides agency responses (indented) to our request for status reports. Responses indicating non-compliance or partial compliance have been identified using bold font and yellow highlighting.

## **19. Medicaid Services/ Medicaid Services**

Operating Budget (CCS SSHB 39) and Mental Health (CCS SSHB 40)

### **PARTIAL-COMPLIANCE**

*It is the intent of the legislature that the department work with the statewide professional hospital association to develop strategies and methodologies for implementation of hospital diagnosis related groups, acuity-based skilled nursing facility rates, rate reductions, and timely filing provisions to mitigate unintended consequences.*

DHSS continues to communicate and meet with Alaska State Hospital and Nursing Home Association (ASHNHA) leadership, as well as leadership at individual ASHNHA member hospitals. There will be a contract awarded for technical assistance to help with implementation options for diagnosis related groups. That contractor will be required to meet with hospital stakeholders. Additionally, DHSS intends to use the Medical Care Advisory committee to engage with their associations for involvement and input on various Medicaid initiatives.

**Legislative Fiscal Analyst Comment:** Some progress has been made, however, there is concern that meaningful engagement has not occurred between ASHNA and DHSS on most of the issues.

## **20. Medicaid Services/ Medicaid Services**

Operating Budget (CCS SSHB 39) and Mental Health (CCS SSHB 40)

*The department shall submit quarterly progress reports on cost containment efforts to the cochairs of the House and Senate Finance Committees and the Legislative Finance Division.*

DHSS submitted the second quarter report on January 15, 2020 and will provide remaining quarterly reports as requested.