

SENATE BILL NO. 108

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 3/6/03

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to payment rates under the Medicaid program for health facilities and**
2 **to budgeting, accounting, and reporting requirements for those facilities; abolishing the**
3 **Medicaid Rate Advisory Commission; and providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 47.07.070 is repealed and reenacted to read:

6 **Sec. 47.07.070. Payment rates for health facilities.** (a) The department
7 shall, by regulation, set a rate of payment to a health facility under this chapter and
8 AS 47.25.120 - 47.25.300 in accordance with 42 U.S.C. 1396 (Title XIX, Social
9 Security Act, Medical Assistance). A rate established under this section takes effect
10 under AS 44.62 (Administrative Procedure Act) but not until approved in writing by
11 the commissioner. The commissioner may delegate the performance of these
12 functions.

13 (b) In determining a rate of payment to a health facility under this section, the
14 department shall consider the appropriations made by the legislature for the

1 department's programs under this chapter and under AS 47.25.120 - 47.25.300 and
2 available federal revenue.

3 (c) In determining a rate of payment to a health facility under this section, the
4 department may consider audit and inspection results and reports relating to the
5 facility.

6 (d) This section does not apply to the minimum daily reimbursement rate
7 specified by law under AS 47.24.017 or AS 47.25.195(e) for assisted living homes.

8 * **Sec. 2.** AS 47.07.073(a) is amended to read:

9 (a) The department by regulation shall require a uniform system of
10 accounting, budgeting, and [FINANCIAL] reporting for health facilities receiving
11 [PROSPECTIVE] payments under this chapter. The regulations must provide for
12 reporting revenues, expenses, assets, liabilities, [AND] units of service, and other
13 items considered necessary by the department to implement this chapter. [THE
14 DEPARTMENT SHALL SPECIFY THE DATE THE SYSTEM BECOMES
15 EFFECTIVE FOR EACH HEALTH FACILITY.]

16 * **Sec. 3.** AS 47.07.073(c) is amended to read:

17 (c) The department may waive or modify a requirement for accounting,
18 budgeting, or [FINANCIAL] reporting for a health facility if waiver or modification is
19 [(1) NECESSARY TO AVOID EXCESSIVE COSTS TO THE
20 FACILITY; AND
21 (2)] consistent with the policies of this chapter.

22 * **Sec. 4.** AS 47.07.073(d) is amended to read:

23 (d) Notwithstanding other provisions of this section, the department may, by
24 regulation, modify the system of accounting, budgeting, and [FINANCIAL] reporting
25 required under this section for a health facility having fewer than 25 acute care beds in
26 order to reduce the operating costs of that facility.

27 * **Sec. 5.** AS 47.07.074(a) is amended to read:

28 (a) As a condition of obtaining payment under AS 47.07.070, a health facility
29 shall allow
30 (1) the department [AND THE COMMISSION] reasonable access to
31 the financial records of medical assistance beneficiaries; and

1 (2) audit and inspection of financial records by state and federal
2 agencies.

3 * **Sec. 6.** AS 39.25.110(23); AS 47.07.073(b), 47.07.110, 47.07.120, 47.07.130, 47.07.140,
4 47.07.150, 47.07.160, 47.07.170, 47.07.180, 47.07.190, and 47.07.900(6) are repealed.

5 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 REGULATIONS. To the extent that regulations in effect under AS 47.07.070 on
8 June 30, 2003, do not conflict with the requirements applicable under AS 47.07.070, as
9 amended by sec. 1 of this Act, the regulations need not be readopted in order to comply with
10 this Act.

11 * **Sec. 8.** This Act takes effect July 1, 2003.