

**HOUSE CS FOR SENATE BILL NO. 108(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-THIRD LEGISLATURE - FIRST SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 4/25/03**

**Referred: Rules**

**Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**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5 \* **Section 1.** AS 47.07.070 is repealed and reenacted to read: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 rates of payment for health facilities 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) and this section. A rate established under this  
10 section takes effect under AS 44.62 (Administrative Procedure Act) but not until  
11 approved in writing by the commissioner. The commissioner may delegate the  
12 performance of these functions.

13 (b) In determining the rates of payment for health facilities for a fiscal year,  
14 the department shall, within the limit of appropriations made by the legislature for the

1 department's programs under this chapter and under AS 47.25.120 - 47.25.300 for that  
 2 fiscal year, including anticipated available federal revenue for that fiscal year, set rates  
 3 for facilities that are based on

4 (1) reasonable costs related to patient care; and

5 (2) audit and inspection results and reports, when the audit or  
 6 inspection is conducted under AS 47.07.074.

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

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

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

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

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

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

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

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

29 (a) As a condition of obtaining payment under AS 47.07.070, a health facility  
 30 shall allow  
 31 (1) the department [AND THE COMMISSION] reasonable access to

1 the financial records of medical assistance beneficiaries; and

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

4 \* **Sec. 6.** AS 39.25.110(23); AS 47.07.073(b), 47.07.110, 47.07.120, 47.07.130, 47.07.140,  
5 47.07.150, 47.07.160, 47.07.170, 47.07.180, 47.07.190, and 47.07.900(6) are repealed.

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

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

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