

SENATE BILL NO. 150

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY SENATORS WIELECHOWSKI, French, Gardner, Ellis

Introduced: 1/31/14

Referred: Health and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to eligibility for medical assistance coverage; and providing for an
2 effective date."

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

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 MEDICAL ASSISTANCE ELIGIBILITY EXPANSION; LEGISLATIVE
7 FINDINGS. The legislature finds that

8 (1) an estimated 41,500 uninsured Alaska residents with incomes under 138
9 percent of the federal poverty line are eligible for Medicaid comprehensive health insurance
10 coverage as of January 2014;

11 (2) the federal government will cover 100 percent of the expansion costs in the
12 first three years, 2014 - 2016, between 90 and 100 percent of the expansion costs for the years
13 2017 - 2019, and 90 percent of the expansion costs in 2020 and subsequent years, which are
14 far higher than under the state's Medicaid program today;

1 (3) the expansion would decrease delays in care, increase the quality of care,
2 and improve the health of many Alaskans, particularly the most vulnerable Alaskans;

3 (4) according to research findings, if Alaska participates in the expansion,
4 scores of lives of Alaskans could be saved;

5 (5) full-time workers earning up to \$9 an hour or up to \$18.75 an hour for the
6 head of a household of four would gain access to Medicaid coverage, creating a healthier
7 workforce and relieving employers of health insurance costs;

8 (6) expanding Medicaid coverage would create approximately 4,000 new jobs
9 by 2020, with \$1,200,000,000 more in wages and salaries paid to Alaskans annually;

10 (7) for every dollar in funding from the state, an additional \$12 in new federal
11 dollars would flow to the state over the initial seven years of the expansion;

12 (8) cumulatively, from 2014 - 2020, the state would spend a projected
13 \$91,000,000 on the expansion, an increase of only 1.9 percent, while receiving
14 \$1,100,000,000 in new federal funds;

15 (9) direct state spending for the expansion would be significantly if not
16 completely offset by savings of at least \$67,000,000 made possible elsewhere in the state
17 budget;

18 (10) without considering those offsets, a Medicaid expansion would increase
19 state spending by not more than two percent, yet would increase the number of Alaskans
20 covered by Medicaid by an estimated 33 percent;

21 (11) under the expansion, the percentage of uninsured Alaskans would
22 decrease by more than half, from 21 percent to 10 percent, and uncompensated care costs and
23 bad debt would decline dramatically;

24 (12) under the expansion, substantial new resources for health care services
25 would be available to serve residents in regions throughout the state; in 2020 alone
26 \$56,400,000 in additional resources would be available to serve residents of the Anchorage
27 region, \$57,900,000 to serve residents of the Kenai Peninsula Borough and Matanuska-
28 Susitna Borough, and \$50,600,000 to serve residents of the Aleutians, Bethel, Nome, Kodiak,
29 and Fort Yukon;

30 (13) expanding health insurance coverage, thereby increasing the number of
31 low-income patients able to compensate providers for services, would

1 (A) increase the ability of providers to expand and operate in areas
2 previously considered uneconomic; and

3 (B) decrease private health insurance premiums paid by individuals in
4 Alaska by an estimated \$257 annually;

5 (14) the expansion of Medicaid in Alaska under this Act is important but
6 should be limited to the availability of federal funding of 90 percent or more of the cost of
7 expansion.

8 * **Sec. 2.** AS 47.07.020(b) is amended to read:

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

12 (1) persons eligible for but not receiving assistance under any plan of
13 the state approved under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act,
14 Supplemental Security Income) or a federal program designated as the successor to the
15 aid to families with dependent children program;

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

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

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

28 (5) persons under 21 years of age who are in an institution designated
29 as an intermediate care facility for persons with intellectual and developmental
30 disabilities and who are financially eligible as determined by the standards of the
31 federal program designated as the successor to the aid to families with dependent

1 children program;

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

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

11 (8) persons under 21 years of age and not covered under (a) of this
12 section, who would be eligible for benefits under the federal program designated as
13 the successor to the aid to families with dependent children program, except that they
14 have the care and support of both their natural and adoptive parents;

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

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

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

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

29 (B) the department has determined that

30 (i) they require a level of care provided in a hospital,
31 nursing facility, or intermediate care facility for persons with

1 intellectual and developmental disabilities;

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

4 (iii) the estimated amount that would be spent for
5 medical assistance for their individual care outside an institution is not
6 greater than the estimated amount that would otherwise be expended
7 individually for medical assistance within an appropriate institution;

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

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

13 (12) disabled persons, as described in 42 U.S.C.
14 1396a(a)(10)(A)(ii)(XIII), who are in families whose income, as determined under
15 applicable federal regulations or guidelines, is less than 250 percent of the official
16 poverty line applicable to a family of that size according to the United States
17 Department of Health and Human Services, and who, but for earnings in excess of the
18 limit established under 42 U.S.C. 1396d(q)(2)(B), would be considered to be
19 individuals with respect to whom a supplemental security income is being paid under
20 42 U.S.C. 1381 - 1383c; a person eligible for assistance under this paragraph who is
21 not eligible under another provision of this section shall pay a premium or other cost-
22 sharing charges according to a sliding fee scale that is based on income as established
23 by the department in regulations;

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

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

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

3 **(16) persons who are under 65 years of age, who are not pregnant,**
4 **whose income does not exceed 138 percent of the federal poverty line as defined**
5 **by the United States Department of Health and Human Services and revised**
6 **under 42 U.S.C. 9902(2), and who are eligible under 42 U.S.C.**
7 **1396a(a)(10)(A)(ii)(VIII), if the federal medical assistance percentage paid to the**
8 **state for the coverage is not less than 90 percent.**

9 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 MEDICAID STATE PLAN; INSTRUCTIONS. The Department of Health and Social
12 Services shall immediately amend and submit for approval the state plan for medical
13 assistance coverage consistent with this Act.

14 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).