

Introduced: 2/16/70
Referred: Health, Welfare &
Education and Finance

1 IN THE HOUSE

BY BEIRNE

2 HOUSE BILL NO. 717

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the payment of indigent hospital
7 claims."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 47 is amended by adding a new chapter to read:

10 CHAPTER 40. PAYMENT OF INDIGENT HOSPITAL CLAIMS.

11 Sec. 47.40.010. PAYMENT OF INDIGENT HOSPITAL CLAIMS. When the
12 department reimburses hospitals under this chapter, the department
13 shall, subject to available appropriations, pay to the hospital the
14 full cost of services rendered to indigent patients.

15 Sec. 47.40.020. WELFARE RECIPIENT PROVISIONS. The provisions
16 of this chapter do not apply when the indigent patient or the person
17 legally responsible for the care of the patient, is a welfare recipient
18 during the time of the hospitalization of the patient, except that when
19 the indigent patient or the person legally responsible for the care of
20 the patient, is a welfare recipient during the time of the hospitaliza-
21 tion of the patient, the department shall pay to the hospital that part
22 of the total cost for the hospital care of the patient which exceeds
23 the amount of hospital care paid from other welfare program accounts.

24 Sec. 47.40.030. FILING OF CLAIMS. A hospital filing a claim with
25 the department shall

26 (1) file a claim for each indigent patient separately, with
27 itemized detail of total cost;

28 (2) file with the claim a verified statement of qualifica-
29 tion for indigent hospital care signed by the patient, or by a parent or

1 person having custody, to the effect that he qualifies under the
2 provisions of this chapter as an indigent patient and is unable to pay
3 the cost for the care administered, and shall list all assets owned
4 by the patient or any person legally responsible for his care; this
5 statement constitutes an oath of the person signing it.

6 Sec. 47.40.040. REQUIRED ACCOUNTING PROCEDURES. (a) Hospitals
7 which receive funds from the department for the cost of services pro-
8 vided under this chapter shall meet acceptable standards of fiscal
9 accountability for public funds and shall submit a complete audit by
10 an independent, licensed auditor to the department each year as the
11 department requires.

12 (b) These hospitals shall record and report to the department
13 their financial activities according to, and demonstrate the actual
14 cost of services purchased using cost accounting procedures compatible
15 with, the standards in "Standards of Accounting and Financial Report-
16 ing for Voluntary Health and Welfare Organizations", published in 1964
17 by the National Health Council and the National Social Welfare Assembly.

18 Sec. 47.40.050. DETERMINATION OF FULL COST OF SERVICES. (a) In
19 this chapter, "full cost" of services is all expenses related directly
20 to providing the hospital services being reimbursed by the department.
21 Full cost shall be determined by the per-person, per-day cost incurred
22 by the institution or agency in the preceding fiscal year plus a pro-
23 portionate share of anticipated staff salary increments for the fiscal
24 year for which the full cost of services is being determined.

25 (b) Full cost of services does not include the following:

26 (1) expenses, including salaries and fees, incurred in
27 raising funds for the institution or agency;

28 (2) funds expended for construction, major equipment and
29 other capital expenditures;

1 (3) depreciation and replacement costs of, and costs of
2 additions to, major property and equipment if funds for these purposes
3 have not actually been set aside; and

4 (4) religious training and education.

5 Sec. 47.40.060. STATE TO RECOVER COSTS. (a) The payment of any
6 claim to a hospital on behalf of an indigent patient, creates a pre-
7 ferred claim in favor of the state against the estate of the indigent
8 patient and a lien against all real property or interest in real property
9 vested in or later acquired by the indigent patient or any person or
10 persons legally responsible for his debts for the amount of the payment
11 made to the hospital, without interest. Such claims shall be preferred
12 over all claims except charges of the last sickness and funeral of the
13 deceased and allowances made by the court for the maintenance of the
14 widow and children, taxes, municipal levies, cost of administration and
15 attorney fees.

16 (b) Proceeds recovered from such claims shall be placed in the
17 general fund.

18 (c) The department shall file a certificate of payment to the
19 hospital and recorder's office of the appropriate recording district on
20 behalf of the indigent patient. The certificate constitutes notice
21 to the public that the lien created by this chapter has attached.

22 Sec. 47.40.070. DEFINITIONS. In this chapter:

23 (1) "indigent patient" means a person who has been admitted
24 to a hospital for care, and who can normally support himself and his
25 dependents on present income and liquid assets available to him but
26 taking into consideration this income and those assets, and his require-
27 ment for other necessities of life, for himself and his dependents, is a
28 person who is unable to pay the cost of the hospital care administered;
29 the term includes a minor who has been admitted to a hospital for care,

1 and whose parent or the person having his custody is normally able to
2 support the minor on present income and liquid assets available, but,
3 taking into consideration this income and those assets and the require-
4 ments for necessities of life for himself and for his dependents, is
5 a person who cannot pay the hospital cost of the minor's care;

6 (2) "hospital" means a general or limited hospital licensed
7 as such by the Alaska Department of Health and Welfare; and

8 (3) "welfare recipient" means a person who receives assistance
9 from the Department of Health and Welfare under the provisions of the Pub-
10 lic Welfare Act of 1937.