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1 IN THE HOUSE

CS HOUSE BILL NO. 467

2
3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing financial aid for catastrophic
7 illness or injury; and providing for an effective
8 date."

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

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

11 CHAPTER 8. FINANCIAL AID FOR CATASTROPHIC ILLNESS OR INJURY.

12 Sec. 47.08.010. LEGISLATIVE FINDINGS AND PURPOSE. The legislature
13 finds that a financial need exists for low and middle income persons who
14 suffer catastrophic illness or injury and who do not qualify as indi-
15 gents for financial aid or medical care under federal or state assis-
16 tance programs for indigent persons, and whose health insurance does not
17 cover the high costs of care for medical catastrophes. The purpose of
18 this chapter is to provide aid for persons who have, in a given year,
19 spent a high percentage of their incomes and other resources for extreme
20 medical expenses.

21 Sec. 47.08.020. POWERS AND DUTIES OF DEPARTMENT. (a) The depart-
22 ment shall

23 (1) provide financial aid to persons eligible for benefits
24 allowed under this chapter;

25 (2) establish procedures and provide forms for applying for
26 benefits under this chapter;

27 (3) determine eligibility of applicants for benefits under
28 this chapter;

29 (4) determine benefits payable under this chapter;

1 (5) perform other duties necessary for the administration of
2 this chapter.

3 (b) The department may adopt regulations, subject to the Adminis-
4 trative Procedure Act (AS 44.62), necessary for carrying out the provi-
5 sions of this chapter.

6 Sec. 47.08.030. ELIGIBILITY FOR ASSISTANCE. (a) Eligibility for
7 assistance under this chapter is determined on a yearly basis. A person
8 is eligible if his medical expenses in a given year exceed \$1,000, after
9 subtracting from the medical expenses

10 (1) 20 per cent of the net income before taxes of the appli-
11 cant and persons legally responsible for the applicant's medical ex-
12 penses;

13 (2) 10 per cent of the cash or cashable assets of the appli-
14 cant and persons legally responsible for the applicant's medical ex-
15 penses;

16 (3) all health care insurance benefits and other third party
17 payments applicable to medical care from the medical expenses; and

18 (4) funds received from the Violent Crimes Compensation Board
19 which apply to medical care.

20 (b) Persons eligible for financial or medical assistance under
21 federal or state programs for indigent persons are not eligible for
22 assistance under this chapter.

23 Sec. 47.08.040. BENEFITS. (a) The department shall pay all
24 medical expenses in a given year of eligible persons exceeding by \$1,000
25 the sum of 20 per cent of the net income of the applicant or persons
26 legally responsible for the medical expenses of the applicant, 10 per
27 cent of the cash or cashable assets of the applicant or persons legally
28 responsible for the medical expenses of the applicant, all health care
29 insurance benefits and other third party payments applicable to medical

1 care received in the year in question, and funds received that year from
2 the Violent Crimes Compensation Board applicable to medical care.

3 (b) No reimbursements may be made under this chapter for medical
4 bills that have already been paid by the applicant or by persons legally
5 responsible for the medical expenses of the applicant.

6 (c) Payment for benefits provided by this chapter shall be made
7 directly to a vendor or provider of care.

8 Sec. 47.08.050. DEFINITIONS. In this chapter

9 (1) "medical expenses" means the costs of hospital inpatient
10 and outpatient care, physicians' services, skilled nursing care, drugs,
11 appliances, and other expenses the department determines by regulation
12 to be payable under this chapter; "medical expenses" does not include
13 costs of nursing home care for more than 90 days in one year;

14 (2) "cash or cashable assets" includes

15 (A) cash on hand;

16 (B) funds in savings accounts;

17 (C) government bonds;

18 (D) shares in credit unions;

19 (E) other stocks and bonds;

20 (F) annuities;

21 (G) trust funds where the funds are not restricted by
22 the terms of the trust or by the court;

23 (H) prizes or inheritances;

24 (I) notes or mortgages which are saleable or redeemable
25 upon demand;

26 (3) "department" means the Department of Health and Social
27 Services.

28 * Sec. 2. This Act takes effect July 1, 1975.