

1 IN THE SENATE

BY UEHLING

2

SENATE BILL NO. 71

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act providing for transitional medical care and  
7 child care for families that become ineligible for  
8 aid to families with dependent children because of  
9 employment; requiring the Department of Health and  
10 Social Services to make a report after reevaluating  
11 certain assistance standards; and providing for an  
12 effective date."

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

14 \* Section 1. AS 47.07.020(a) is amended to read:

15 (a) Subject to the provisions of AS 47.07.032 - 47.07.033, all  
16 [ALL] residents of the state for whom the Social Security Act requires  
17 medicaid coverage are eligible to receive medical assistance under 42  
18 U.S.C. 1396 - 1396p (Title XIX, Social Security Act).

19 \* Sec. 2. AS 47.07.020(a) is repealed and reenacted to read:

20 (a) All residents of the state for whom the Social Security Act  
21 requires medicaid coverage are eligible to receive medical assistance  
22 under 42 U.S.C. 1396 - 1396p (Title XIX, Social Security Act).

23 \* Sec. 3. AS 47.07.030 is amended by adding a new subsection to read:

24 (c) The provisions of (a) and (b) of this section do not apply  
25 to persons who receive transitional assistance under AS 47.07.032 -  
26 47.07.033.

27 \* Sec. 4. AS 47.07 is amended by adding new sections to read:

28 Sec. 47.07.032. TRANSITIONAL COVERAGE; INITIAL SIX MONTHS. (a)  
29 Notwithstanding any other provision of this chapter, the department

1 shall provide transitional medical assistance as described in this  
2 section to a family that received aid under AS 47.25.310 - 47.25.420  
3 (Aid to Families with Dependent Children), other than transitional  
4 child care assistance under AS 47.25.397, for at least three of the  
5 six months immediately preceding the month in which the family became  
6 ineligible for the aid if the family became ineligible for the aid as  
7 a result of

8 (1) increased hours of the caretaker relative's employment;  
9 (2) increased income from the caretaker relative's employ-  
10 ment; or

11 (3) a decrease in the earned income disregarded under  
12 42 U.S.C. 602(a)(8)(B)(ii)(II).

13 (b) Except as provided in (c) of this section, a family that  
14 meets the requirements of this section is eligible for transitional  
15 medical assistance, without reapplication, for the six-month period  
16 beginning immediately after the last month for which the family re-  
17 ceived aid under AS 47.25.310 - 47.25.420, other than transitional  
18 child care assistance under AS 47.25.397.

19 (c) In addition to the six-month limitation in (b) of this  
20 section, assistance under this section shall terminate at the end of  
21 the first month in which the family ceases to include a child who is,  
22 or if needy would be, a dependent child. Termination under this  
23 subsection may not take effect until the department has provided the  
24 family with notice of the grounds for the termination. The department  
25 may not terminate assistance to a child who ceases to be a dependent  
26 child until the department has determined that the child is not eligi-  
27 ble for assistance under another provision of this chapter.

28 (d) Except as provided in (e) of this section, the amount,  
29 duration, and scope of assistance provided during the six-month

1 extension period described in this section shall be the same as if the  
2 family were still receiving aid under AS 47.25.310 - 47.25.420.

3 (e) If the department determines with respect to a particular  
4 family that it would be more cost effective for the state, the depart-  
5 ment shall, instead of providing assistance as described in (d) of  
6 this section, pay a family's expenses for premiums, deductibles,  
7 coinsurance, and similar costs for health insurance or other health  
8 coverage offered by an employer of the caretaker relative or by an  
9 employer of the absent parent of a dependent child. If the department  
10 determines that coverage offered by an employer of the caretaker  
11 relative is the most cost effective alternative for the state, the  
12 department shall require the caretaker, as a condition of transitional  
13 assistance under this section, to apply for the employer coverage, but  
14 only if

15 (1) the caretaker relative is not required to make finan-  
16 cial contributions for the coverage through payroll deduction, payment  
17 of deductibles, coinsurance, or similar costs, or otherwise; and

18 (2) the department provides, directly or otherwise, for  
19 payment of a premium amount, deductible, coinsurance, or similar  
20 expense that the employee is otherwise required to pay.

21 (f) During the third month and the sixth month that a family  
22 receives transitional assistance under this section, the department  
23 shall notify the family of the family's option for additional transi-  
24 tional assistance available under AS 47.07.033. The notice must  
25 include

26 (1) in the third month notice, a statement of the reporting  
27 requirement under AS 47.07.033(a)(2);

28 (2) in the sixth month notice, a statement of the reporting  
29 requirement under AS 47.07.033(c)(3)(A);

1           (3) a statement as to whether a premium is required for the  
2 additional transitional assistance; and

3           (4) a description of other out-of-pocket expenses, bene-  
4 fits, reporting and payment procedures, and preexisting condition  
5 limitations, waiting periods, or other coverage limitations imposed  
6 under the alternative option offered under AS 47.07.033(f).

7           (g) During the sixth month that a family receives transitional  
8 assistance under this section, the department shall give the family  
9 the notice required under (f) of this section and a statement of the  
10 amount of any premium that would be required of that family for each  
11 of the first three months of additional transitional assistance under  
12 AS 47.07.033.

13           (h) In this section

14           (1) "caretaker relative" has the meaning given in 42 U.S.C.  
15 601-616;

16           (2) "dependent child" has the meaning given in AS 47.25.-  
17 410.

18           Sec. 47.07.033. TRANSITIONAL COVERAGE; SECOND SIX MONTHS. (a)

19 The department shall offer six additional months of medical assistance  
20 as described in this section to a family that

21           (1) received assistance under AS 47.07.032 during the  
22 immediately preceding six months; and

23           (2) reported to the department by the 21st day of the  
24 fourth month of assistance under AS 47.07.032 concerning the family's  
25 gross monthly earnings for the first three months of that period and  
26 the family's monthly costs for child care that was necessary for the  
27 employment of the caretaker relative during those three months.

28           (b) During the third month that a family receives assistance  
29 under this section, the department shall notify the family of the

1 reporting requirement of (c)(3)(A) of this section and give the family  
2 a statement of the amount of any premium required for the succeeding  
3 three months of assistance.

4 (c) In addition to the six-month limitation in (a) of this  
5 section, assistance under this section shall terminate

6 (1) at the close of the first month in which the family  
7 ceases to include a child who is, or if needy would be, a dependent  
8 child;

9 (2) the family fails to pay a premium required under (g) of  
10 this section;

11 (3) at the end of the first or fourth month of the six-  
12 month period if

13 (A) the family fails to report to the department by  
14 the 21st day of that month concerning, for the preceding three  
15 months, the family's gross monthly earnings and costs for child  
16 care that was necessary for the caretaker relative's employment;  
17 information reported under this subparagraph is subject to the  
18 restrictions on use and disclosure of information provided under  
19 42 U.S.C. 602(a)(9);

20 (B) the caretaker relative had no earnings in one or  
21 more of the preceding three months unless the lack of earnings  
22 was due to an involuntary loss of employment, illness, or other  
23 good cause, established to the satisfaction of the department; or

24 (C) the department determines that the family's aver-  
25 age gross monthly earnings, less costs for child care that was  
26 necessary for the caretaker relative's employment, during the  
27 immediately preceding three months exceeded 185 percent of the  
28 official poverty line for a family of that size, as defined by  
29 the federal Office of Management and Budget.

1 (d) Termination of assistance under (c) of this section may not  
2 take effect until the department has provided the family with notice  
3 of the grounds for termination. If the conditions of (c)(3)(B) of  
4 this section are the grounds for termination, the notice must also  
5 include a description of how the family may reestablish eligibility  
6 for medical assistance under other provisions of this chapter. If the  
7 conditions of (c)(1) of this section are the grounds for termination,  
8 the department may not terminate the child's coverage under this  
9 section until it determines that the child is not eligible under  
10 another provision of this chapter. If the conditions of (c)(2) or (3)  
11 of this section are the grounds for termination, the department may  
12 not terminate an individual's coverage under this section until it  
13 determines that the individual is not eligible under another provision  
14 of this chapter.

15 (e) Unless the department determines under (f) of this section  
16 that alternative coverage would be more cost effective for the state,  
17 the department shall offer to a family eligible under this section  
18 medical assistance that is the same amount, duration, and scope as  
19 would be made available to the family if it were still receiving aid  
20 under AS 47.25.310 - 47.25.420.

21 (f) If the department determines with respect to a particular  
22 family that it would be more cost effective for the state, the depart-  
23 ment shall offer a family eligible for coverage under this section,  
24 instead of the coverage described in (e) of this section, the option  
25 of being enrolled in a family option of the group health plan offered  
26 to the caretaker relative by that person's employer. If the family  
27 enrolls in an employer plan under this subsection, the department  
28 shall pay the family's expenses for premiums, deductibles, coinsur-  
29 ance, and similar costs for participation in the plan. The department

1 may not offer the option of employer coverage under this subsection  
2 unless the state ensures that maternity care and preventive pediatric  
3 care is available without charge to the family through

4 (1) payment by the department of deductibles, coinsurance,  
5 or other cost sharing for that care;

6 (2) coverage for this care by the department under this  
7 chapter without cost sharing; or

8 (3) a combination of the mechanisms described in (1) and  
9 (2) of this subsection.

10 (g) The department shall impose a premium on a family for addi-  
11 tional transitional coverage under this section to the extent permit-  
12 ted by federal law.

13 (h) In this section

14 (1) "maternity care" means services related to pregnancy,  
15 including prenatal, delivery, and postpartum services;

16 (2) "preventive pediatric care" means ambulatory preventive  
17 pediatric care, including ambulatory early and periodic screening,  
18 diagnosis, and treatment services required under 42 U.S.C. 1396d(a)-  
19 (4)(B) for each child who meets the age and date of birth requirements  
20 to be a qualified child under 42 U.S.C. 1396d(n)(2).

21 \* Sec. 5. AS 47.25.320 is amended by adding a new subsection to read:

22 (e) At least once every three years, under a schedule estab-  
23 lished by the Secretary of Health and Human Services, the department  
24 shall reevaluate the need standard and payment standard determined  
25 under this section. The department shall report the results of this  
26 reevaluation to the Secretary of Health and Human Services and to the  
27 public in the form and manner required by the secretary. The report  
28 must include a statement of

29 (1) the manner in which the need standard of the state is

1       determined;

2               (2) the relationship between the need standard and the  
3       payment standard, expressed as a percentage or in another manner  
4       determined by the secretary to be appropriate; and

5               (3) the changes in the need standard or the payment stan-  
6       dard in the preceding three-year period.

7       \* Sec. 6. AS 47.25 is amended by adding a new section to read:

8               Sec. 47.25.397. TRANSITIONAL CHILD CARE. (a) The department  
9       shall provide child care assistance determined by the department to be  
10      necessary for an individual's employment in a case where a family has  
11      ceased to receive aid to families with dependent children as a result  
12      of

13              (1) increased hours of employment;

14              (2) increased income from employment; or

15              (3) a decrease in the earned income disregarded under 42  
16      U.S.C. 602(a)(8)(B)(ii)(II).

17              (b) Notwithstanding (a) of this section, a family is eligible  
18      for assistance under this section only for a period of 12 months after  
19      the last month for which the family received aid to families with  
20      dependent children and only if the family received aid to families  
21      with dependent children in at least three of the six months immedi-  
22      ately preceding the month in which the family became ineligible for  
23      the aid.

24              (c) A family is not eligible for assistance under this section  
25      for any month beginning after

26              (1) the family no longer includes a child who is, or if  
27      needy would be, a dependent child; or

28              (2) the caretaker relative who is a member of the family

29              (A) without good cause, terminates employment; or

1 (B) fails to cooperate with the department in estab-  
2 lishing and enforcing child support obligations.

3 (d) The department may provide the child care assistance re-  
4 quired under (a) of this section by

5 (1) providing the care directly;

6 (2) arranging the care through providers by use of purchase  
7 of service contracts or vouchers;

8 (3) reimbursing a caretaker relative in the family; or

9 (4) making other arrangements the department considers  
10 appropriate.

11 (e) In determining the manner of providing assistance under (d)  
12 of this section, the department

13 (1) shall take into account the individual needs of the  
14 child;

15 (2) may not reimburse the cost of child care provided with  
16 respect to a family in an amount that is greater than the applicable  
17 local market rate, as determined by the department under applicable  
18 federal regulations.

19 (f) A family shall contribute to the costs of child care provid-  
20 ed under this section based on the family's ability to pay in accor-  
21 dance with a sliding scale formula which the department shall estab-  
22 lish by regulation.

23 (g) The department may, by regulation, set a maximum amount on  
24 the value of child care assistance provided under this section. The  
25 amount set under this subsection must meet the minimum required by  
26 federal law.

27 (h) In this section "caretaker relative" has the meaning given  
28 in 42 U.S.C. 601-616.

29 \* Sec. 7. Sections 4 and 6 of this Act apply to families who become

1 ineligible for assistance under AS 47.25.310 - 47.25.420 (Aid to Families  
2 with Dependent Children) on or after April 1, 1990, and before Septem-  
3 ber 30, 1998.

4 \* Sec. 8. AS 47.07.030(c), 47.07.032 - 47.07.033, and AS 47.25.397 are  
5 repealed.

6 \* Sec. 9. Sections 1, 3 - 4, and 6 - 7 of this Act take effect April 1,  
7 1990.

8 \* Sec. 10. Section 5 of this Act takes effect immediately under AS 01.-  
9 10.070(c).

10 \* Sec. 11. Sections 2 and 8 of this Act take effect September 30, 1998.