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1 IN THE SENATE

BY UEHLING AND STURGULEWSKI

2

SPONSOR SUBSTITUTE FOR 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 AS 47.07.020(a) is repealed and reenacted to read: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) and (d) of this section, a family  
14 that meets the requirements of this section is eligible for transi-  
15 tional medical assistance, without reapplication, for the six-month  
16 period beginning immediately after the last month for which the family  
17 received aid under AS 47.25.310 - 47.25.420, other than transitional  
18 child care assistance under AS 47.25.397.

19 (c) Notwithstanding (a) and (b) of this section, this section  
20 does not apply to an individual who is a member of a family that  
21 received aid under AS 47.25.310 - 47.25.420 if the department finds  
22 that, at any time during the last six months in which the family  
23 received the aid before being provided transitional assistance under  
24 this section, the individual was ineligible for the aid because of  
25 fraud.

26 (d) In addition to the six-month limitation in (b) of this  
27 section, assistance under this section shall terminate at the end of  
28 the first month in which the family ceases to include a child who is,  
29 or if needy would be, a dependent child. Termination under this

1 subsection may not take effect until the department has provided the  
2 family with notice of the grounds for the termination. The department  
3 may not terminate assistance to a child who ceases to be a dependent  
4 child until the department has determined that the child is not eligi-  
5 ble for assistance under another provision of this chapter.

6 (e) Except as provided in (f) of this section, the amount,  
7 duration, and scope of assistance provided during the six-month exten-  
8 sion period described in this section shall be the same as if the  
9 family were still receiving aid under AS 47.25.310 - 47.25.420.

10 (f) If the department determines with respect to a particular  
11 family that it would be more cost effective for the state, the depart-  
12 ment shall pay a family's expenses for premiums, deductibles, coinsur-  
13 ance, and similar costs for health insurance or other health coverage  
14 offered by an employer of the caretaker relative or by an employer of  
15 the absent parent of a dependent child. If the department determines  
16 that coverage offered by an employer of the caretaker relative is the  
17 most cost effective alternative for the state, the department shall  
18 require the caretaker, as a condition of transitional assistance under  
19 this section, to apply for the employer coverage, but only if

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

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

26 (g) If the department pays for coverage offered by an employer  
27 as provided in (f) of this section, the department shall treat the  
28 coverage under the employer plan as a third party liability under 42  
29 U.S.C. 1396a.

1 (h) During the third month and the sixth month that a family  
2 receives transitional assistance under this section, the department  
3 shall notify the family of the family's option for additional transi-  
4 tional assistance available under AS 47.07.033. The notice must  
5 include

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

8 (2) in the sixth month notice, a statement of the reporting  
9 requirement under AS 47.07.033(d)(3)(A);

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

12 (4) a description of other out-of-pocket expenses, bene-  
13 fits, reporting and payment procedures, and preexisting condition  
14 limitations, waiting periods, or other coverage limitations imposed  
15 under the alternative option offered under AS 47.07.033(g).

16 (i) During the sixth month that a family receives transitional  
17 assistance under this section, the department shall give the family  
18 the notice required under (h) of this section and a statement of the  
19 amount of any premium that would be required of that family for each  
20 of the first three months of additional transitional assistance under  
21 AS 47.07.033.

22 (j) In this section

23 (1) "caretaker relative" has the meaning given in 42 U.S.C.  
24 601-616;

25 (2) "dependent child" has the meaning given in AS 47.25.-  
26 410.

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

28 Except as provided in (b) of this section, the department shall offer  
29 six additional months of medical assistance as described in this

1 section to a family that

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

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

9 (b) This section does not apply to an individual who is a member  
10 of a family that received aid under AS 47.25.310 - 47.25.420 if the  
11 department finds that, at any time during the last six months in which  
12 the family received aid before being provided transitional assistance  
13 under AS 47.07.032, the individual was ineligible for the aid because  
14 of fraud.

15 (c) During the third month that a family receives assistance  
16 under this section, the department shall notify the family of the  
17 reporting requirement of (d)(3)(A) of this section and give the family  
18 a statement of the amount of any premium required for the succeeding  
19 three months of assistance.

20 (d) In addition to the six-month limitation in (a) of this  
21 section, assistance under this section shall terminate

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

25 (2) the family fails to pay a premium required under (h) of  
26 this section;

27 (3) at the end of the first or fourth month of the six-  
28 month period if

29 (A) the family fails to report to the department by

1 the 21st day of that month concerning, for the preceding three  
2 months, the family's gross monthly earnings and costs for child  
3 care that was necessary for the caretaker relative's employment;  
4 information reported under this subparagraph is subject to the  
5 restrictions on use and disclosure of information provided under  
6 42 U.S.C. 602(a)(9);

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

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

17 (e) Termination of assistance under (d) of this section may not  
18 take effect until the department has provided the family with notice  
19 of the grounds for termination. If the conditions of (d)(3)(B) of  
20 this section are the grounds for termination, the notice must also  
21 include a description of how the family may reestablish eligibility  
22 for medical assistance under other provisions of this chapter. If the  
23 conditions of (d)(1) of this section are the grounds for termination,  
24 the department may not terminate the child's coverage under this  
25 section until it determines that the child is not eligible under  
26 another provision of this chapter. If the conditions of (d)(2) or (3)  
27 of this section are the grounds for termination, the department may  
28 not terminate an individual's coverage under this section until it  
29 determines that the individual is not eligible under another provision

1 of this chapter.

2 (f) Unless the department determines under (g) of this section  
3 that alternative coverage would be more cost effective for the state,  
4 the department shall offer to a family eligible under this section  
5 medical assistance that is the same amount, duration, and scope as  
6 would be made available to the family if it were still receiving aid  
7 under AS 47.25.310 - 47.25.420.

8 (g) If the department determines with respect to a particular  
9 family that it would be more cost effective for the state, the depart-  
10 ment shall offer a family eligible for coverage under this section,  
11 instead of the coverage described in (f) of this section, the option  
12 of being enrolled in a family option of the group health plan offered  
13 to the caretaker relative by that person's employer. If the family  
14 enrolls in an employer plan under this subsection, the department  
15 shall pay the family's expenses for premiums, deductibles, coinsur-  
16 ance, and similar costs for participation in the plan. The department  
17 may not offer the option of employer coverage under this subsection  
18 unless the state ensures that maternity care and preventive pediatric  
19 care is available without charge to the family through

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

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

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

26 (h) The department shall impose a premium on a family for addi-  
27 tional transitional coverage under this section to the extent permit-  
28 ted by federal law.

29 (i) In this section

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

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

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

9 (e) At least once every three years, under a schedule estab-  
10 lished by the Secretary of Health and Human Services, the department  
11 shall reevaluate the need standard and payment standard determined  
12 under this section. The department shall report the results of this  
13 reevaluation to the Secretary of Health and Human Services and to the  
14 public in the form and manner required by the secretary. The report  
15 must include a statement of

16 (1) the manner in which the need standard of the state is  
17 determined;

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

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

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

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

29 (1) increased hours of employment;

1                   (2) increased income from employment; or  
2                   (3) a decrease in the earned income disregarded under 42  
3 U.S.C. 602(a)(8)(B)(ii)(II).  
4                   (b) Notwithstanding (a) of this section, a family is eligible  
5 for assistance under this section only for a period of 12 months after  
6 the last month for which the family received aid to families with  
7 dependent children and only if the family received aid to families  
8 with dependent children in at least three of the six months immedi-  
9 ately preceding the month in which the family became ineligible for  
10 the aid.  
11                   (c) A family is not eligible for assistance under this section  
12 for any month beginning after  
13                   (1) the family no longer includes a child who is, or if  
14 needy would be, a dependent child; or  
15                   (2) the caretaker relative who is a member of the family  
16                   (A) without good cause, terminates employment; or  
17                   (B) fails to cooperate with the department in estab-  
18 lishing and enforcing child support obligations.  
19                   (d) The department may provide the child care assistance re-  
20 quired under (a) of this section by  
21                   (1) providing the care directly;  
22                   (2) arranging the care through providers by use of purchase  
23 of service contracts or vouchers;  
24                   (3) reimbursing a caretaker relative in the family; or  
25                   (4) making other arrangements the department considers  
26 appropriate.  
27                   (e) In determining the manner of providing assistance under (d)  
28 of this section, the department  
29                   (1) shall take into account the individual needs of the

1 child;

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

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

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

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

16 \* Sec. 7. Sections 4 and 6 of this Act apply to families who become  
17 ineligible for assistance under AS 47.25.310 - 47.25.420 (Aid to Families  
18 with Dependent Children) on or after April 1, 1990, and before Septem-  
19 ber 30, 1998.

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

22 \* Sec. 9. Sections 1, 3 - 4, and 6 - 7 of this Act take effect April 1,  
23 1990.

24 \* Sec. 10. Section 5 of this Act takes effect immediately under AS 01.-  
25 10.070(c).

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