

Offered: 3/7/89  
Referred: Finance

6-0659E

Original sponsor: Health, Education and  
Social Services Committee

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

CS FOR SENATE BILL NO. 166 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to conformance between actual pay-  
7 ments and approved payment rates to health facilities  
8 for medical care under certain state medical assis-  
9 tance programs; and providing for an effective date."

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

11 \* Section 1. AS 47.07.070 is amended by adding a new subsection to  
12 read:

13 (e) When an actual rate paid by the department is reviewed at  
14 the end of the year for which the approved rate was established and  
15 the review is conducted to determine whether the actual rate paid was  
16 in conformance with the approved rate under this section, all or part  
17 of an adjustment for year-end conformance may be waived for the facil-  
18 ity if the facility provides proof of manifest injustice resulting  
19 from application of the adjustment for year-end conformance. When the  
20 adjustment for year-end conformance of the base year is waived, in  
21 whole or part, for a facility under this subsection, the amount waived  
22 may not be included as part of the base upon which the prospective  
23 rate is determined if the nonconformity affects both costs and  
24 charges. When the adjustment for year-end conformance of the base  
25 year is waived, in whole or part, for a facility under this subsec-  
26 tion, the amount waived shall be included as part of the base upon  
27 which the prospective rate is determined if the nonconformity affects  
28 only charges.

29 \* Sec. 2. TRANSITIONAL PROVISION. (a) For the services provided on or

1 after January 1, 1989, an approved prospective payment rate determined for  
2 a facility for fiscal year 1989, based on a conformance review of that  
3 facility's rate for fiscal year 1987 shall be recalculated as if the pro-  
4 visions of AS 47.07.070(e), as enacted by sec. 1 of this Act, were in  
5 effect at the time of the determination of the prospective payment rate in  
6 effect for the period. If the application of this section results in a  
7 higher prospective payment rate for a health facility than that which had  
8 previously been calculated for the facility, the difference shall be  
9 promptly remitted to the health facility. If the application of this  
10 section results in a lower prospective payment rate for a health facility  
11 for fiscal year 1989 than had previously been calculated for the facility,  
12 this section may not be applied to decrease a rate to a facility for fiscal  
13 year 1989 for any part of year-end conformance waived.

14 (b) In this section, "conformance review" means the review undertaken  
15 after the end of the year for which a facility's approved rate has been set  
16 to determine whether actual payments made to a health facility under AS 47.  
17 07 and AS 47.25.120 - 47.25.300 conformed to the payment rate approved for  
18 that health facility under AS 47.07 and to determine whether the prospec-  
19 tive payment rate for that facility should be adjusted for the next rate-  
20 setting year.

21 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).