

Original sponsor(s): HESS COMMITTEE

1 IN THE SENATE BY THE HESS COMMITTEE  
2 CS FOR SENATE BILL NO. 431 (HESS)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to health facility payment rates;  
7 and providing for an effective date."

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

9 \* Section 1. AS 47.07.070(a) is amended to read:

10 (a) The [COMMISSION SHALL ADVISE THE] department shall set [ON]  
11 the prospective rate of payment to a health facility under this chap-  
12 ter and AS 47.25.120 - 47.25.300 based on a fair rate for reasonable  
13 costs incurred by the facility. [THE DEPARTMENT SHALL SET THE RATES  
14 OF PAYMENT TO A HEALTH FACILITY.] The department shall by regulation  
15 list the factors it considers in making its rate determinations under  
16 this section. A rate set under this section does not take effect  
17 until it is approved in writing by the commissioner or a designee. If  
18 the rate approved by the commissioner or designee is not the same as  
19 the rate requested by the facility, the written approval of the rate  
20 must contain findings that justify the discrepancy [, AFTER CONSID-  
21 ERATION OF ANY RECOMMENDATIONS MADE BY THE COMMISSION].

22 \* Sec. 2. AS 47.07.075 is amended to read:

23 Sec. 47.07.075. APPLICATION OF ADMINISTRATIVE PROCEDURE ACT.  
24 Actions of the department regarding health facility payment rates  
25 under this chapter and AS 47.25.120 - 47.25.300 are subject to the  
26 provisions of the Administrative Procedure Act (AS 44.62) except as  
27 provided in (b) of this section.

28 \* Sec. 3. AS 47.07.075 is amended by adding a new subsection to read:

29 (b) The commissioner shall, by regulation, establish time limits

1 applicable to the various phases of an administrative appeal process  
2 involving an appeal of the amount of a payment rate set by the depart-  
3 ment for a facility. The time limits set under the regulations super-  
4 sede conflicting time limits in AS 44.62.330 - 44.62.630. The regu-  
5 lations must provide that

6 (1) a hearing for an appeal described in this subsection  
7 must be scheduled under AS 44.62.410 to occur no more than 120 days  
8 after written notice of rate appeal has been received by the depart-  
9 ment from a facility unless the facility requests a delay;

10 (2) the commissioner must, within 15 days after receiving  
11 the recommendation of the hearing officer, either render a decision in  
12 the case or refer the case back to a hearing officer for additional  
13 findings;

14 (3) if either time limit set under (1) or (2) of this  
15 subsection is violated, except for just cause, the case is considered  
16 to be determined in favor of the facility on all points raised in its  
17 appeal.

18 \* Sec. 4. AS 47.07.180(a) is amended to read:

19 (a) The commission shall [REVIEW PROPOSED PAYMENT RATES OF  
20 HEALTH FACILITIES AND] advise the department on policies relating to  
21 payment rates for health facilities under this chapter and AS 47.25.-  
22 120 - 47.25.300. The commission may also review the department's  
23 regulations on payment rates and recommend an alternative rate-setting  
24 system if it determines that the department's system is inadequate.

25 \* Sec. 5. AS 47.07.180(c) is repealed.

26 \* Sec. 6. This Act takes effect July 1, 1990.