

Original sponsor(s): HESS Committee

1 IN THE SENATE BY THE HESS COMMITTEE  
2 HOUSE CS FOR 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 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
8 \* Section 1. AS 47.07.070(a) is amended to read:  
9 (a) The [COMMISSION SHALL ADVISE THE] department shall set [ON]  
10 the prospective rate of payment to a health facility under this chap-  
11 ter and AS 47.25.120 - 47.25.300 based on a fair rate for reasonable  
12 costs incurred by the facility. The department may not set a rate  
13 until after a public hearing before the Medicaid Rate Advisory Commis-  
14 sion except that this hearing requirement is not applicable if a new  
15 rate is immediately necessary to afford exceptional relief to a  
16 facility as determined under regulations adopted by the department.  
17 [THE DEPARTMENT SHALL SET THE RATES OF PAYMENT TO A HEALTH FACILITY.]  
18 The department shall by regulation list the factors it considers in  
19 making its rate determinations under this section. A rate set under  
20 this section does not take effect until it is approved in writing by  
21 the commissioner of health and social services or the agency assigned  
22 by the commissioner to perform this function. The written determina-  
23 tion of a rate set by the department after a hearing must include a  
24 statement of the department's findings, a description of the basis of  
25 the findings and conclusions, a citation to the regulations supporting  
26 the findings and conclusions, and a statement of the decision [, AFTER  
27 CONSIDERATION OF ANY RECOMMENDATIONS MADE BY THE COMMISSION].  
28 \* Sec. 2. AS 47.07.070 is amended by adding a new subsection to read:  
29 (f) The commissioner of health and social services shall appoint

1 a technical advisory committee and hold public hearings on the depart-  
2 ment's rate setting regulations, rate setting methodology, and alter-  
3 native payment systems.

4 \* Sec. 3. AS 47.07.075 is amended to read:

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

10 \* Sec. 4. AS 47.07.075 is amended by adding a new subsection to read:

11 (b) The commissioner shall, by regulation, establish time limits  
12 applicable to the various phases of an administrative appeal process  
13 involving an appeal of the amount of a payment rate set by the depart-  
14 ment for a facility. The time limits set under the regulations super-  
15 sede conflicting time limits in AS 44.62.330 - 44.62.630. The regu-  
16 lations must provide that

17 (1) a hearing for an appeal described in this subsection  
18 must be scheduled under AS 44.62.410 to occur no more than 120 days  
19 after written notice of rate appeal has been received by the depart-  
20 ment from a facility unless the facility requests a delay or good  
21 cause for the delay is demonstrated to the satisfaction of the hearing  
22 officer;

23 (2) the commissioner must, within 30 days after receiving  
24 the recommendation of the hearing officer, either render a decision in  
25 the case or refer the case back to a hearing officer for additional  
26 findings;

27 (3) if either time limit set under (1) or (2) of this  
28 subsection is not met, the department shall report the noncompliance  
29 to the legislature and the governor by the following January 20 with

1 an explanation of the length of delay, reasons for the delay, and  
2 proposed corrective action by the department to ameliorate the causes  
3 of delay.

4 \* Sec. 5. AS 47.07.180(a) is amended to read:

5 (a) The commission shall [REVIEW PROPOSED PAYMENT RATES OF  
6 HEALTH FACILITIES AND] advise the department on policies relating to  
7 payment rates for health facilities under this chapter and AS 47.25.-  
8 120 - 47.25.300. The commission may also review the department's  
9 regulations on payment rates and recommend an alternative rate-setting  
10 system if it determines that the department's system is inadequate.

11 \* Sec. 6. AS 47.07.180(c) is repealed.