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424

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

078

Revision Date: _____

REQUEST

Bill/Resolution No.: SB424
 Title: An act relating to recovery of Medical Assistance expenses
 Sponsor: _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Division of Public Assistance
 Program Category Affected: Medical Assistance
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	250	275	310	350	400	475

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

No additional cost is forseen by the Department of Health & Social Services as a result of this legislation.

ANALYSIS: Attach a separate page for analysis

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 Division: Public Assistance

Phone: 465-3355
 Date: 1/19/84

Approved by Commissioner: Robert Landon Smith
 Agency: Dept. of Health & Social Services

Date: 1/31/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Analysis - An act relating to recovery of medical assistance expenses.

Current effort to identify and recover medical assistance from third party liability (TPL) requires the labor of two TPL staff positions. Recovery has increased from \$80,000 in FY79 to approximately \$300,000 in FY83. It has been the experience of present staff, though, that excessive time is spent confronting legal challenge to the State's subrogation rights. The existence of an explicit subrogation statute would remove this challenge and provide current staff additional time to identify and recover TPL currently not being identified that is estimated to be in excess of \$200,000 each year.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 8, 1984

The Honorable Jalmar Kerttula
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Kerttula:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to subrogation. The bill establishes, for the Department of Health and Social Services, a statutory right to subrogation in cases in which the department provides medical assistance for which a third party is liable.

Current Alaska statutes are silent on the department's right to recover medical assistance expenses when it is determined that a third party is liable for those expenses. Almost every claim by the department for reimbursement has been challenged, and absent a statutory basis for such claims, time-consuming and expensive legal proceedings have been required to obtain reimbursement. Consequently, the department has had to expend excessive amounts of money or forego reimbursement in many cases. The department estimates that at least several thousand dollars every year would be saved if this bill were enacted.

Additionally, the bill provides that the department will reimburse a recipient of medical assistance, in accordance with the rules of court, for the attorney fees incurred in establishing third-party liability for the medical assistance provided.

In the interest of fairness and efficiency, I urge your prompt and favorable consideration of this bill.

Sincerely,


Bill Sheffield
Governor