



STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: CSHB 98 (FIN)  
 Title: An Act clarifying the provisions of mandatory and optional medical services  
 Sponsor: Governor  
 Requestor: \_\_\_\_\_  
 Date of Request: 2/1/85

FISCAL DETAIL

Agency Affected: Health & Social Services  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program or Subprogram(s) Affected: Medical Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>REVENUE</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Rod Betit, Director *R Betit*  
 Division: Medical Assistance

Phone: 465-3355  
 Date: 2/1/85

Approved by Commissioner: John R. Poy  
 Agency: \_\_\_\_\_

Date: 2/6/85 *Jce*

Distribution (by Agency preparing fiscal note):

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

7/1/84

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 98 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to medical assistance; and providing  
7 for an effective date."

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

9 \* Section 1. AS 47.07.020(b) is amended to read:

10 (b) In addition to the persons specified in (a) of this section,  
11 the following optional groups of persons for whom the state may claim  
12 federal financial participation are eligible for medical assistance:

13 (1) persons eligible for but not receiving assistance under  
14 any plan of the state approved under 42 U.S.C. 601 - 615 (Title IV-A,  
15 Social Security Act, Aid to Families with Dependent Children) or 42  
16 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental  
17 Security Income);

18 (2) persons in a general hospital, skilled nursing facility  
19 or intermediate care facility, who, if they left the facility, would  
20 be eligible for assistance under one of the federal programs specified  
21 in (1) of this subsection;

22 (3) persons under age 21 who are [YEARS OF AGE] under  
23 supervision of the department, for whom maintenance is being paid in  
24 whole or in part from public funds, and who are in foster homes or  
25 private child-care institutions;

26 (4) aged, blind, or disabled persons, who, because they do  
27 not meet income and resources requirements, do not receive supple-  
28 mental security income under 42 U.S.C. 1381 - 1383c (Title XVI, Social  
29 Security Act), and who do not receive a mandatory state supplement

1 but who are eligible, or would be eligible if they were not in a  
2 general hospital or skilled nursing facility or intermediate care  
3 facility to receive an optional state supplementary payment;

4 (5) persons under age 21 who are [YEARS OF AGE] in an  
5 institution designated as an intermediate care facility for the  
6 mentally retarded and who are financially eligible as determined by  
7 the standards of the federal aid to families with dependent children  
8 program;

9 (6) persons in a medical or intermediate care facility  
10 whose income while in the facility does not exceed 300 percent of the  
11 supplemental security income benefit rate under 42 U.S.C. 1381 - 1383c  
12 (Title XVI, Social Security Act) but who would not be eligible for an  
13 optional state supplementary payment if they left the hospital or  
14 other facility;

15 (7) persons under age 21 who are [YEARS OF AGE] receiving  
16 active treatment in a psychiatric hospital and who are financially  
17 eligible as determined by the standards of 42 U.S.C. 601 - 615 (Title  
18 IV-A, Social Security Act, Aid to Families with Dependent Children);

19 (8) persons age five and over, but under age 21, [YEARS OF  
20 AGE] who would be eligible for benefits under the federal aid to  
21 families with dependent children program, but who do not qualify  
22 because they are not dependent children [;

23 (9) WOMEN WHO ARE PREGNANT].

24 \* Sec. 2. AS 47.07.030 is repealed and reenacted to read:

25 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. (a) The de-  
26 partment shall offer all mandatory services required under 42 U.S.C.  
27 1396 - 1396p (Title XIX of the Social Security Act).

28 (b) In addition to the mandatory services specified in (a) of  
29 this section, the department may offer only the following optional

1 services: emergency hospital services; long-term care noninstitutional  
2 services; medical supplies and equipment; clinic services; inpatient  
3 psychiatric facility services for individuals age 65 or older and  
4 individuals under age 21; physical therapy; occupational therapy;  
5 treatment of speech, hearing, and language disorders; prosthetic  
6 devices and eyeglasses; optometrists' services; intermediate care  
7 facility services; skilled nursing facility services for individuals  
8 under age 21; and reasonable transportation to and from the point of  
9 medical care.

10 \* Sec. 3. AS 47.07.035 is repealed and reenacted to read:

11 Sec. 47.07.035. PRIORITY OF MEDICAL ASSISTANCE. If the depart-  
12 ment finds that the cost of medical assistance for all persons eligi-  
13 ble under this chapter will exceed the amount allocated in the state  
14 budget for that assistance for the fiscal year, the department shall  
15 eliminate coverage for optional medical services and optionally  
16 eligible groups of individuals in the following order:

- 17 (1) emergency hospital services;
- 18 (2) long-term care noninstitutional services;
- 19 (3) medical supplies and equipment;
- 20 (4) clinic services;
- 21 (5) inpatient psychiatric facility services;
- 22 (6) intermediate care facility services for the mentally  
23 retarded;
- 24 (7) physical therapy and occupational therapy;
- 25 (8) treatment of speech, hearing, and language disorders;
- 26 (9) prosthetic devices and eyeglasses;
- 27 (10) optometrists' services;
- 28 (11) intermediate care facility services;
- 29 (12) individuals age five and over, but under age 21, who are

1 not eligible for benefits under the federal aid to families with  
2 dependent children program because they do not meet the definition of  
3 dependent children;

4 (13) individuals under age 21 under supervision of the de-  
5 partment, for whom maintenance is being paid in whole or in part from  
6 public money and who are in foster homes or private child-care insti-  
7 tutions;

8 (14) individuals in a health facility whose income while in  
9 the facility does not exceed 300 percent of the supplemental security  
10 income benefit rate under Title XVI of the Social Security Act, and  
11 who would not be eligible for the optional state supplementary payment  
12 if they left the facility;

13 (15) aged, blind, and disabled individuals who, because they  
14 do not meet the income and resource requirements, do not receive  
15 supplemental security income under Title XVI of the Social Security  
16 Act, and who are not eligible to receive a mandatory state supplement  
17 but who are eligible, or would be eligible if they were not in a  
18 general hospital or skilled nursing facility or intermediate care  
19 facility, to receive an optional state supplementary payment;

20 (16) skilled nursing facility services for persons under age  
21 21.

22 \* Sec. 4. AS 47.07.070 is amended by adding a new subsection to read:

23 (d) Notwithstanding (a) - (c) of this section, the commission  
24 shall also consider available state and federal revenue when making  
25 rate decisions.

26 \* Sec. 5. AS 47.07.900(1) is amended to read:

27 (1) "clinic services" means services provided by state-  
28 approved outpatient community mental health clinics that receive  
29 grants under AS 47.30.520 - 47.30.620, state-operated community mental

1 health clinics, outpatient surgical care center services, and physi-  
2 cian clinics;

3 \* Sec. 6. AS 47.07.900 is amended by adding a new paragraph to read:

4 (7) "emergency hospital services" means services that

5 (A) are necessary to prevent the death or serious  
6 impairment of the health of the individual; and

7 (B) because of the threat to the life or health of the  
8 individual, necessitate the use of the most accessible hospital  
9 available that is equipped to furnish the services, even if the  
10 hospital does not currently meet

11 (i) the conditions for participation under Medi-  
12 care; or

13 (ii) the definitions of inpatient or outpatient  
14 hospital services under 42 C.F.R. secs. 440.10 and 440.20.

15 \* Sec. 7. This Act takes effect immediately in accordance with AS 01.-  
16 10.070(c).

Original sponsor: Rules/Governor

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11 the following optional groups of persons for whom the state may claim  
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13 (1) persons eligible for but not receiving assistance under  
14 any plan of the state approved under 42 U.S.C. 601 - 615 (Title IV-A,  
15 Social Security Act, Aid to Families with Dependent Children) or 42  
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17 Security Income);

18 (2) persons in a general hospital, skilled nursing facility  
19 or intermediate care facility, who, if they left the facility, would  
20 be eligible for assistance under one of the federal programs specified  
21 in (1) of this subsection;

22 (3) persons under age 21 who are [YEARS OF AGE] under  
23 supervision of the department, for whom maintenance is being paid in  
24 whole or in part from public funds, and who are in foster homes or  
25 private child-care institutions;

26 (4) aged, blind, or disabled persons, who, because they do  
27 not meet income and resources requirements, do not receive supple-  
28 mental security income under 42 U.S.C. 1381 - 1383c (Title XVI, Social  
29 Security Act), and who do not receive a mandatory state supplement,

1 but who are eligible, or would be eligible if they were not in a  
2 general hospital or skilled nursing facility or intermediate care  
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5 institution designated as an intermediate care facility for the  
6 mentally retarded and who are financially eligible as determined by  
7 the standards of the federal aid to families with dependent children  
8 program;

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10 whose income while in the facility does not exceed 300 percent of the  
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14 other facility;

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16 active treatment in a psychiatric hospital and who are financially  
17 eligible as determined by the standards of 42 U.S.C. 601 - 615 (Title  
18 IV-A, Social Security Act, Aid to Families with Dependent Children);

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21 families with dependent children program, but who do not qualify  
22 because they are not dependent children [;

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15 eliminate coverage for optional medical services and optionally  
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STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 18, 1985

SUBJECT: Elimination of optional services under  
AS 47.07.035 (CSHB 98 (Fin))

TO: Representative Al Adams  
Chairman, House Finance Committee

FROM: Edward H. Hein *EHH*  
Legislative Counsel *by JB*

Enclosed is the draft Finance Committee substitute for HB 98 that your aide, Elmer Lindstrom, requested. I have inserted as a new section 4 of the bill two new subsections to be added to AS 47.07.070. This language was suggested by the Department of Health and Social Services.

It appears to me that the new language of subsection (e) creates a conflict with section 3 of the bill in that it would establish inconsistent ways of handling optional services under AS 47.07.035 in the event there is a funding shortfall. In particular, the last sentence of (e) would allow the commissioner of health and social services to eliminate services only as a "last resort." This is incompatible with the requirement in AS 47.07.035 that services be eliminated when there is a shortfall.

In the short time frame I was given to produce the draft I was unable to rewrite the language appropriately. I recommend that both sections 3 and 4 be redrafted if they are to work together properly.

EHH:lmb  
J13/002

Enclosure

Original sponsor: Rules/Governor

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22 be eligible for assistance under one of the federal programs specified  
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25 supervision of the department, for whom maintenance is being paid in  
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29 not meet income and resources requirements, do not receive

1 supplemental security income under 42 U.S.C. 1381 - 1383c (Title XVI,  
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- 29 (10) optometrists' services;

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3 not eligible for benefits under the federal aid to families with  
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7 partment, for whom maintenance is being paid in whole or in part from  
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10 (14) individuals in a health facility whose income while in  
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18 Act, and who are not eligible to receive a mandatory state supplement  
19 but who are eligible, or would be eligible if they were not in a  
20 general hospital or skilled nursing facility or intermediate care  
21 facility, to receive an optional state supplementary payment;

22 (16) skilled nursing facility services for persons under age  
23 21.

24 \* Sec. 4. AS 47.07.070 is amended by adding new subsections to read:

25 (d) Notwithstanding (a) - (c) of this section, the commission  
26 shall also consider available state and federal revenue when making  
27 rate decisions. The commission shall set rates for all facilities  
28 that do not exceed total federal and state funding available each  
29 fiscal year as determined by the commissioner of health and social

1 services. The commission shall adopt federal rate limitations if a  
2 failure to do so would jeopardize Medicaid federal financial par-  
3 ticipation.

4 (e) The commissioner of health and social services shall adopt  
5 as prospective payment rates the rates determined by the commission;  
6 but if the commissioner finds that the funding in a fiscal year is  
7 inadequate to allow the department to provide medical services au-  
8 thorized under AS 47.07.030 to all eligible persons estimated to need  
9 the services at the payment rates determined by the commission, the  
10 commissioner may adjust the payment rates prorata across all facil-  
11 ities to levels that allow the department to provide all services to  
12 all eligible persons without eliminating services under AS 47.07.035.  
13 The commissioner may not eliminate services under AS 47.07.035, except  
14 as a last resort when further reduction in the payment rate to a  
15 facility would jeopardize the ability of a facility to continue to  
16 operate.

17 \* Sec. 5. AS 47.07.900(1) is amended to read:

18 (1) "clinic services" means services provided by state-  
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20 grants under AS 47.30.520 - 47.30.620, state-operated community mental  
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26 impairment of the health of the individual; and  
27 (B) because of the threat to the life or health of the  
28 individual, necessitate the use of the most accessible hospital  
29 available that is equipped to furnish the services, even if the

1 hospital does not currently meet

2 (i) the conditions for participation under Medi-  
3 care; or

4 (ii) the definitions of inpatient or outpatient  
5 hospital services under 42 C.F.R. secs. 440.10 and 440.20.

6 \* Sec. 7. AS 47.25.320(d) is amended to read:

7 (d) If benefits under 42 U.S.C. 1381 - 1385 (Social Security Act  
8 Supplemental Security Income Program) are increased because of an  
9 increase in the cost of living, the department shall increase the  
10 monetary maximums in (a) of this section by a percentage equal to the  
11 percentage increase in benefits under 42 U.S.C. 1381 - 1385; however,  
12 if appropriated funds are insufficient to cover the costs of a bene-  
13 fits increase under this subsection, an increase need not be made in  
14 calendar years 1986 or 1987 or in any later year because of an in-  
15 crease in benefits under 42 U.S.C. 1381 - 1385 that occurs in calendar  
16 years 1986 or 1987.

17 \* Sec. 8. AS 47.25.430(b) is amended to read:

18 (b) The department shall determine the amount of assistance with  
19 regard to the resources and needs of the person and the conditions  
20 existing in each case. Assistance shall be in an amount that will  
21 provide the applicant with reasonable subsistence compatible with  
22 decency and health in accordance with standards established by the  
23 department and with the standards established under 42 U.S.C. 1381 -  
24 1385 (Title XVI, Social Security Act Supplemental Security Income  
25 Program). When benefit amounts under 42 U.S.C. 1381 - 1385 are in-  
26 creased as a result of an increase in the cost of living, the state  
27 shall pass along the increase to recipients and shall increase the  
28 amount of the state contribution to recipients by a percentage of the  
29 state contribution equal to the percentage increase in the benefit

1 amounts under 42 U.S.C. 1381 - 1385; however, if appropriated funds  
2 are insufficient to cover an increase in the amount of the state  
3 contribution to recipients under this subsection, an increase need not  
4 be made in calendar years 1986 or 1987 or in any later year because of  
5 an increase in benefits under 42 U.S.C. 1381 - 1385 that occurs in  
6 calendar years 1986 or 1987; but the department shall continue to pass  
7 along to recipients any increase in benefit amounts under 42 U.S.C.  
8 1381 - 1385. Direct payments for medical services and remedial care  
9 may not be considered in determining the maximum amount payable.

10 \* Sec. 9. This Act takes effect immediately in accordance with AS 01.-  
11 10.070(c).  
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# STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

## LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

April 22, 1985

SUBJECT: Sectional analysis of CSHB 98 (HESS)  
TO: Representative Al Adams  
Chairman, House Finance Committee  
FROM: Edward H. Hein *EHA*  
Legislative Counsel

Section 1 amends AS 47.07.020(b), which specifies who is eligible for optional coverage under Medicaid. In addition to some grammatical changes that do not effect any substantive change in the law, this section deletes coverage for pregnant women and limits coverage for certain nondependent poor children to those aged 5 through 20.

Section 2 rewrites AS 47.07.030 in order to specify that certain medical services provided under that section are optional and to conform with recent changes in federal law.

Section 3 rewrites AS 47.07.035, which establishes the order in which optional medical services are to be eliminated if insufficient funds are allocated to the medical assistance program to cover all eligible persons under the rewritten AS 47.07.035 services are eliminated from the top of the list down, rather than from the bottom up as under current law. The rewrite also rearranges the priorities for elimination of services.

Section 4 adds a new subsection to AS 47.07.070 that requires the Medicaid Rate Commission to consider the availability of federal and state revenue when making rate decisions.

Section 5 adds "outpatient surgical care center services" to the definition of "clinic services" for purposes of AS 47.07.

Section 6 adds a definition of "emergency hospital services" for purposes of AS 47.07.

Section 7 provides for an immediate effective date.

EHH:ojb  
J14/020

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPARTMENT OF LAW

POUCH K - STATE CAPITOL  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3600

OFFICE OF THE ATTORNEY GENERAL

January 29, 1985

Honorable Max Gruenberg  
Co-Chairman  
Health, Education, and Social  
Services Committee  
House of Representatives  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Department agrees w/  
law on this point.  
Basically a drafting  
error - per conversation  
w/ Beth: 3/5/85.  
- LWC

Re: HB 98 (mandatory and optional  
medical services under medi-  
caid)  
Our file no.: 377-051-85

Dear Max:

This bill resides in your committee at the moment, and we would like to request that it be amended before it is reported out. On page 2, line 24, please make the following change:


After the "(9)" delete all material and insert the following in its place: [WOMEN WHO ARE PREGNANT].

This change corrects an oversight. Under the new federal law, pregnant women are under the mandatory coverage rather than the optional coverage. Deleting them from AS 47.07.020(b)(9) removes them from the list of persons for whom there is optional coverage.

Thank you for your consideration of this matter.

Yours truly,

NORMAN C. GORSUCH  
ATTORNEY GENERAL

By:   
Arthur H. Peterson  
Assistant Attorney General

AHP:md

cc: Hon. John Pugh, Commissioner  
Dept. of Health & Social Services

Honorable Max Gruenberg  
Health, Education & Social  
Services Committee

January 29, 1985  
Page 2

Ray Gillespie  
Legislative Assistant  
Governor's Office

Linda Cerro  
Assistant Attorney General  
Juneau

BILL SHEFFIELD  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 23, 1985

The Honorable Ben Grussendorf  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the provision of mandatory and optional medical services under the state Medicaid program. This bill addresses which categories of individuals must be served, which medical services must be provided and which are optional under the Medicaid program, and in what order individuals and optional services will be eliminated in the event costs exceed state budget allocations for medical assistance.

Both the Tax Equity and Fiscal Responsibility Act of 1982 and the Deficit Reduction Act of 1984 have affected which individuals are mandatorily or optionally eligible and which medical services must or may be provided under the state Medicaid program.

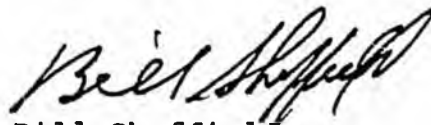
As set out in AS 47.05.010, 47.05.050; and AS 47.07.010 and 47.07.020, it is the public policy of the state to cooperate and coordinate with the United States government in providing public assistance in Alaska. While state law requires that medical assistance be provided to residents of the state eligible under Title XIX of the Social Security Act, certain provisions of state law have not yet been amended to conform with recent amendments to the Social Security Act affecting eligibility.

This bill seeks to amend portions of AS 47 concerning the provision of Medicaid services to eligible recipients in order that Alaska law comply with federal law, and to clarify the points mentioned above. For instance, the Deficit Reduction Act of 1984 requires that certain pregnant women meeting stated income guidelines receive coverage, rather than being only optionally eligible. On the other hand, skilled nursing facility care for certain otherwise eligible individuals under age 21 and emergency

hospital services are optional rather than mandatory under the federal amendments.

Because strict conformity with federal requirements is a prerequisite to the state's eligibility for federal financial participation in the state Medicaid program, it is essential that state law come into compliance. This will ensure Alaska's receipt of the full amount of federal financial participation in the state Medicaid program as well as avoid federal fiscal sanctions for program noncompliance. In this manner we will assure needy persons in the State of Alaska of uninterrupted, necessary medical care within the budgetary limits set by the legislature.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield  
Governor

03-06-10-10-00 (00-00-0-00-00-00)

## STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

09:44

12/26/84

AGENCY: DEPARTMENT OF HEALTH & SOCIAL SERVICES  
CATEGORY: SOCIAL SERVICESPROGRAM: MEDICAL ASSISTANCE  
SUB-PROGRAM: MEDICAID

EXPENDITURES & FUNDING	FISCAL YEAR 1985												
	(18) FY83 ACT	(01) FY84 ACT	(02) FY85 ATH	(03) ADJ BASE	(04) FORMULA	(05) INCREMENT	(06) REQUEST	(07) GOVERNOR	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL		241.9											
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDG													
07 GRANTS, CLMS	44441.0	57264.8	61539.5	61539.5	67239.3	5699.8	67239.3	67239.3					
08 MISC.													
** TOTAL EXPEND	44441.0	57506.7	61539.5	61539.5	67239.3	5699.8	67239.3	67239.3					
09 I-A TRANSFER			1336.4	1336.4	1802.3	465.9	1802.3	1802.3					
1002 FED RCPTS	22144.6	27404.5	29292.8	29292.8	31457.9	2155.1	31457.9	32909.5					
1003 G/F MATCH	22296.4	30102.2	32246.7	32246.7	35148.1	2901.4	35148.1	33676.5					
1005 I/A RCPTS					633.3	633.3	633.3	633.3					
15 FULL TIME													
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS													

POSITION PAPER  
House Bill 98

I. Purpose of House Bill 98

This is a rather technical "housekeeping" bill to amend Alaska statutes pertaining to the Medicaid program to bring them into conformance with Federal law. This is necessary due to major changes enacted by Congress in the Deficit Reduction Act of 1984 (Commonly referred to as DEFRA).

When a State accepts the Medicaid program, it must agree to offer certain mandatory medical services and to cover certain mandatory eligible groups (such as public assistance cash recipients). In addition, the State may choose to cover a variety of other "optional" eligible groups and to offer a variety of other "optional" medical services. When Alaska entered Medicaid in 1972, the Legislature determined that selection of optional eligible groups and medical services should rest solely with the Legislature. For that reason, current Alaska Statutes carefully set forth not only the mandatory features of Medicaid in Alaska, but also the optional features that have been selected. (Note Table I attached).

HB98 does not disturb the mix of eligible groups and medical services selected by the Legislature to date. Rather, HB98 makes technical changes to reflect that Congress has now made some of the optional eligible groups mandatory to cover. HB 98 simply seeks to place the mandatory and optional provisions in their proper place in Alaska statutes in light of Congress' changes.

Because no Medicaid services are being added or deleted, there is no fiscal impact associated with HB98.

II. Sectional Analysis:

. Section 1 (lines 10-29 pg 1, and 1-24 pg 2):

This Section makes changes to Medicaid statutes to clarify the optional groups of eligible persons covered under the Alaska Medicaid Program. Some of the previously optional groups are now mandatory to offer.

. Section 2 (lines 26-29 page 2, and 1-24 page 3):

This section distinguishes between mandatory and optional medical services covered under Medicaid in Alaska. AS 47.07.030(a) states that all mandatory medical services will be offered. AS 47.07.030(b) identifies the optional Medicaid services that have been selected by the Legislature. Taken together, (a) and (b) define a complete inventory of medical services offered under Medicaid in Alaska.

. Section 3 (lines 26-29 page 3, lines 1-29 page 4, lines 1-10 page 5):

This section identifies the order in which optional medical services and eligible groups are to be deleted if the program runs into funding difficulties. The present statute is unclear and therefore, open to misinterpretation. The present statutes also includes services which are now mandatory for Medicaid coverage under federal laws and may no longer be deleted if funding difficulties arise.

The changes proposed in HB98 do not change the order in which services and recipients would be eliminated in the event of program funding difficulties. However, the Department's Medical Care Advisory Committee is currently reviewing this prioritization and may submit request to revise the prioritization following their March 2, 1985 meeting. The Committee is primarily concerned with developing a prioritization that minimizes harm to the majority of recipients.

. Sections 4 and 5 (lines 11-28, page 5):

These two sections define new terms introduced by HB98. These new terms are found in AS 47.07.030 and in AS 47.07.035.

III. Department Position:

The Department strongly supports House Bill 98. There is no financial impact associated with passage of HB98.

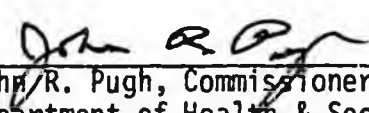
Recommended By:

  
Rod Betit, Director  
Division of Medical Assistance

Date:

2/1/85

Approved By:

  
John R. Pugh, Commissioner  
Department of Health & Social  
Services

Date:

2/6/85

TABLE I

MEDICAID  
SERVICES

A. Mandatory Services:

- .Inpatient Hospital Services
- .Outpatient Hospital Services
- .Rural Health Clinics Services
- .Other Laboratory and X-Ray Services
- .Skilled Nursing Facilities Services  
and Home Health Services for individuals  
21 and older
- .Early and Period Screening Diagnosis  
and Treatment for Individuals under 21
- .Family Planning
- .Physician Services

A. Optional Services Offered in Alaska

- .Optometrist Services
- .Clinic Services
- .Physical Therapy
- .Occupational Therapy
- .Speech, Hearing and Language Disorder
- .Prosthetic Devices
- .Eyeglasses
- .Inpatient Psychiatric Service for  
Under Age 22
- .Skilled Nursing for Under Age 21
- .Emergency Hospital Services
- .Intermediate Care Facility Services
- .Intermediate Nursing for Mentally Retarded
- .Inpatient Psychiatric Service for  
Under Age 22

C. Optional Services Not Offered in Alaska

- .Chiropractors Services
- .Other Practitioners Services
- .Private Duty Nursing
- .Dental Services
- .Prescribed Drugs
- .Dentures Services
- .Diagnostic Services
- .Screening Services
- .Preventive Services
- .Rehabilitative Services
- .Services for Age 65 or Older in TB Institutions
- .Services for Age 65 or Older in Mental  
Institution
- .Personal Care Services
- .Christian Science Nurses
- .Christian Science Sanitoria

MEDICAID  
ELIGIBLE GROUPS

A. Mandatory Eligible Groups:

- .Families who receive AFDC payments  
and children who receive adoption
- .Aged, Blind Disabled individuals who  
qualify for Social Security Income

B. Optional Eligible Groups Covered in Alaska

- .Individuals who do not receive SSI  
but qualify for Old Age Assistance
- .Institutionalized individuals under a  
special income eligibility level
- .Individuals eligible for financial  
assistance but not receiving it
- .Individuals eligible for financial  
assistance except for institutional status
- .Individuals who cannot qualify for AFDC  
because they are not dependent children

C. Optional Eligible Groups Not Covered

- .Noninstitutionalized disabled children
- .Noninstitutionalized individuals  
receiving home and community based  
under a special income eligibility level
- .The medically needy
- .Individuals who could qualify for AFDC  
if AFDC were as broad as federally  
allowed
- .Individuals eligible for assistance  
under AFDC if child care costs were  
paid from earnings

safety or the protection of the public cannot be adequately safeguarded without removal; and, when the child is removed from the family, to secure for the child adequate custody and care. (§ 2 ch 152 SLA 1976)

NOTES TO DECISIONS

**Editor's notes.** — Many of the cases cited in the notes below were decided under former AS 47.10.280.

**Protection of children is the paramount purpose governing enactment of laws pertaining to children's courts and institutions.** In re A Minor Child, Sup. Ct. Op. No. 737 (File No. 1524), 490 P.2d 658 (1971).

**Notions of benevolent protective policies cannot be used to validate departures from positive law relating to the adjudicative and dispositive phases of children's proceedings.** In re A Minor Child, Sup. Ct. Op. No. 737 (File No. 1524), 490 P.2d 658 (1971).

**Nor to justify dispensing with constitutional safeguards.** — The benevolent social theory supposedly underlying children's court acts does not

furnish justification for dispensing with constitutional safeguards. In re A Minor Child, Sup. Ct. Op. No. 737 (File No. 1524), 490 P.2d 658 (1971).

**The purpose of the supervision or treatment contemplated by the creation of the child in need of supervision [now child in need of aid] and its predecessor noncriminal delinquency was reintegration of the child into her family and resumption of parental custody including parental control.** L.A.M. v. State, Sup. Ct. Op. No. 1249 (File No. 2221), 547 P.2d 827 (1976).

**Applied in E.A. v. State, Sup. Ct. Op. No. 2289 (File Nos. 4687, 4870), 623 P.2d 1210 (1981); Rita T. v. State, Sup. Ct. Op. No. 2294 (File No. 5036), 623 P.2d 344 (1981).**

**Chapter 07. Medical Assistance for Needy Persons.**

**Section**

- 10. Purpose
- 20. Eligible persons
- 30. Medical services to be provided
- 35. Priority of services
- 40. State plan for provision of medical assistance
- 50. Implementation of the medical assistance program
- 60. Receipt of federal money
- 70. Payment to health facilities
- 71. Reports by health facilities
- 72. Report by the commission
- 73. Uniform accounting, budgeting, and financial reporting

**Section**

- 74. Audits and inspections
- 75. Application of Administrative Procedure Act
- 110. Medicaid Rate Commission established
- 120. Composition of commission
- 130. Appointment of members
- 140. Term of membership
- 150. Compensation
- 160. Officers
- 170. Meetings and quorum
- 180. Duties
- 190. Employment of personnel
- 900. Definitions

**Sec. 47.07.010. Purpose.** It is declared as a matter of public concern that the needy persons of this state receive uniform and high quality medical care, regardless of race, age, national origin, or economic standing. Accordingly, this chapter authorizes the Department of Health and Social Services to apply for participation in the national medical assistance program as provided for under 42 U.S.C. 1396 — 1396p (Title XIX, Social Security Act). (§ 1 ch 182 SLA 1972)

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§ 47.07.020 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.07.020

Collateral references. — 70 Am. Jur.  
2d, Social Security and Medicare, §§ 74 to  
76; 79 Am. Jur. 2d, Welfare Laws, §§ 38 to  
41.

81 C.J.S., Social Security, §§ 126 to 138.

**Sec. 47.07.020. Eligible persons.** (a) All residents of the state for whom the Social Security Act requires medicaid coverage are eligible to receive medical assistance under 42 U.S.C. 1396 — 1396p (Title XIX, Social Security Act).

(b) In addition to the persons specified in (a) of this section, the following optional groups of persons for whom the state may claim federal financial participation are eligible for medical assistance:

(1) persons eligible for but not receiving assistance under any plan of the state approved under 42 U.S.C. 601 — 615 (Title IV-A, Social Security Act, Aid to Families with Dependent Children) or 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act, Supplemental Security Income);

(2) persons in a general hospital, skilled nursing facility or intermediate care facility, who, if they left the facility, would be eligible for assistance under one of the federal programs specified in (1) of this subsection;

(3) persons under 21 years of age under supervision of the department for whom maintenance is being paid in whole or in part from public funds and who are in foster homes or private child-care institutions;

(4) aged, blind, or disabled persons, who, because they do not meet income and resources requirements, do not receive supplemental security income under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act), and who do not receive a mandatory state supplement, but who are eligible, or would be eligible if they were not in a general hospital or skilled nursing facility or intermediate care facility to receive an optional state supplementary payment;

(5) persons under 21 years of age in an institution designated as an intermediate care facility for the mentally retarded who are financially eligible as determined by the standards of the federal aid to families with dependent children program;

(6) persons in a medical or intermediate care facility whose income while in the facility does not exceed 300 percent of the supplemental security income benefit rate under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act) but who would not be eligible for an optional state supplementary payment if they left the hospital or other facility;

(7) persons under 21 years of age receiving active treatment in a psychiatric hospital who are financially eligible as determined by the standards of 42 U.S.C. 601 — 615 (Title IV-A, Social Security Act, Aid to Families with Dependent Children);

(8) persons under 21 years of age who would be eligible for benefits

under the federal aid to families with dependent children program, but who do not qualify because they are not dependent children;

(9) women who are pregnant.

(c) Receipt of medical assistance under this chapter is considered to be an additional benefit to these individuals and does not affect other assistance payments, federal or state, for which the recipient is eligible.

(d) Additional groups may not be added unless approved by the legislature.

(e) Notwithstanding (b) (4) of this section, a person is not eligible for medicaid benefits until a final determination is made on the eligibility of that person for benefits under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act). (§ 1 ch 182 SLA 1972; am § 1 ch 105 SLA 1974; am § 1 ch 117 SLA 1975; am § 1 ch 221 SLA 1976; am § 1 ch 11 SLA 1978; am § 1 ch 132 SLA 1982; am § 13 ch 138 SLA 1982)

Effect of amendments. — The first 1982 amendment added paragraphs (8) and (9) to subsection (b). The second 1982 amendment added subsection (e).

**Sec. 47.07.030. Medical services to be provided.** Medical services to be offered to eligible persons include inpatient hospital, outpatient hospital, rural health clinic, outpatient surgical care centers, laboratory and X-ray, refractions and eye examinations by ophthalmologists or optometrists, eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist, inpatient psychiatric hospital for persons age 65 or older and persons under age 21, skilled and intermediate nursing home, physician, nurse midwife, home health care services, early periodic screening diagnosis and treatment of persons under 21 years of age, clinic services, treatment of speech, hearing and language disorders, physical therapy, occupational therapy, prosthetic devices and medical supplies, long-term care noninstitutional services, and reasonable transportation to and from the point of medical care. Additional services may not be provided unless approved by the legislature. (§ 1 ch 182 SLA 1972; am § 1 ch 35 SLA 1973; am § 2 ch 105 SLA 1974; am § 1 ch 12 SLA 1976; am § 2 ch 221 SLA 1976; am § 1 ch 82 SLA 1978; am § 25 ch 40 SLA 1981; am § 2 ch 132 SLA 1982)

Effect of amendments. — The 1981 amendment added "nurse midwife" following "skilled and intermediate nursing home, physician" in the first sentence.

The 1982 amendment inserted "physical therapy, occupational therapy, prosthetic devices and medical supplies, long-term care noninstitutional services" near the end of the first sentence.

**Sec. 47.07.035. Priority of services.** If the funding in a fiscal year is inadequate to finance the total medical assistance program under this chapter, the department shall, to the extent that federal law and funding permits, provide medical assistance in the following order:

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§ 47.07.040 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.07.040

- (1) aged, blind, or disabled persons who
  - (A) do not receive supplemental security income under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act) because they do not meet income and resources requirements; and
  - (B) are eligible to receive an optional state supplementary payment;
- (2) persons in a medical or intermediate care facility
  - (A) whose income while in the facility does not exceed 300 percent of the supplemental security income benefit rate under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act); and
  - (B) who would not be eligible for an optional state supplementary payment if they left the facility;
- (3) persons under 21 years of age
  - (A) who are under the supervision of the department;
  - (B) whose maintenance is paid in whole or in part from public funds;and
  - (C) who are in foster homes or private child-care institutions;
- (4) persons under 21 years of age who
  - (A) receive treatment in a psychiatric hospital; and
  - (B) are financially eligible as determined by the standards of 42 U.S.C. 601 — 615 (Title IV-A, Social Security Act, Aid to Families with Dependent Children);
- (5) persons under 21 years of age who are
  - (A) in an institution designated by the department as an intermediate care facility for the mentally retarded; and
  - (B) financially eligible as determined by the standards of the federal aid to families with dependent children program;
- (6) women who are pregnant;
- (7) persons under 21 years of age who do not qualify for benefits under the federal aid to families with dependent children program because they are not dependent children;
- (8) intermediate nursing home services;
- (9) eye examinations by an ophthalmologist or optometrist; or eyeglasses prescribed by a physician skilled in the diseases of the eye or by an optometrist;
- (10) treatment of speech, hearing, or language disorders;
- (11) physical or occupational therapy;
- (12) care at an intermediate care facility for the mentally retarded;
- (13) care at an inpatient psychiatric facility;
- (14) community mental health clinic services;
- (15) surgical care center services;
- (16) nurse midwife services;
- (17) medical supplies and equipment;
- (18) long-term care noninstitutional services. (§ 3 ch 132 SLA 1982)

**Sec. 47.07.040. State plan for provision of medical assistance.**  
The department shall prepare a state plan in accordance with the

provisions of 42 U.S.C. 1396 — 1396p (Title XIX, Social Security Act, Medical Assistance) and submit it for approval to the United States Department of Health and Human Services. The plan shall designate that the Department of Health and Social Services is the single state agency to administer this plan. The department shall act for the state in any negotiations relative to the submission and approval of the plan and may make those arrangements, not inconsistent with law, as may be required under federal law to obtain and retain approval of the United States Department of Health and Human Services to secure for the state the provisions of 42 U.S.C. 1396 — 1396p (Title XIX, Social Security Act, Medical Assistance). In addition, the department shall provide a report to the legislature no later than March 15 of each year concerning the status of this program and recommendations, with supporting fiscal data, as to any changes in the coverage of eligible persons or services to be provided. (§ 1 ch 182 SLA 1972)

**Sec. 47.07.050. Implementation of the medical assistance program.** The department shall take the steps necessary to adopt those regulations, prepare necessary documentation for the state and providers and undertake the systems design that may be necessary to implement the provisions of this chapter on or before November 1, 1972. Implementation of the medical assistance program shall include appropriate controls and reporting capabilities as required by the United States Department of Health and Human Services, and the department shall make those necessary reports as required by that federal agency or as requested by the legislature. (§ 1 ch 182 SLA 1972)

**Sec. 47.07.060. Receipt of federal money.** The Department of Administration shall accept and receive all grants of money awarded to the state under 42 U.S.C. 1396 — 1396p (Title XIX, Social Security Act, Medical Assistance). All money received shall be deposited by the Department of Administration in a special account of the general fund and shall be used by the state exclusively for medical assistance and the administration of medical assistance under the provisions of this chapter. This money shall be paid from the account on a certified disbursement voucher from the department. (§ 1 ch 182 SLA 1972)

**Sec. 47.07.070. Payment to health facilities.** (a) The commission shall determine prospectively the rate of payment to a health facility under this chapter and AS 47.25.120 — 47.25.300 based on a fair rate for reasonable costs incurred by the facility. The commission shall by regulation list the factors it considers in making its rate determinations under this section.

(b) In determining a rate of payment to a health facility under this section, the commission shall consider the proportionate share of the facility's financial requirements for patient care for

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§ 47.07.071 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.07.073

est expense, maintenance and other health facility operating expenses; and

(2) education, research, and appropriate capital development.

(c) In determining a rate of payment to a health facility under this section, the commission may consider whether the rate of utilization of the facility has been reduced because of improvident or careless development of the facility. (§ 1 ch 182 SLA 1972; am § 3 ch 95 SLA 1983)

Cross references. — For legislative findings and policy relating to ch. 95, SLA 1983, see § 2, ch. 95, SLA 1983, in the Temporary and Special Acts.

Effect of amendments. — The 1983 amendment rewrote this section.

Editor's notes. — Section 8, ch. 95, SLA

1983, provides: "INTERIM PROSPECTIVE PAYMENT SYSTEM. The department shall establish an interim system of prospective payments for health facilities under this Act for the period July 1, 1983, to June 30, 1984."

**Sec. 47.07.071. Reports by health facilities.** Not later than 120 days after the end of each fiscal year of a health facility, the facility shall submit to the commission a report on the facility's financial performance during the fiscal year. (§ 4 ch 95 SLA 1983)

**Sec. 47.07.072. Report by the commission.** Not later than September 30 of each year, the commission shall submit to the governor a report on the prospective payments made under this chapter during the current fiscal year and an estimate of the prospective payments that will be made during the remainder of the current fiscal year and the next fiscal year. The report shall state the assumptions that are used as a basis for the estimates. (§ 4 ch 95 SLA 1983)

**Sec. 47.07.073. Uniform accounting, budgeting, and financial reporting.** (a) The commission by regulation shall require a uniform system of accounting, budgeting, and financial reporting for health facilities receiving prospective payments under this chapter. The regulations shall provide for reporting revenues, expenses, assets, liabilities, and units of service. The commission shall specify the date the system becomes effective for each health facility.

(b) In adopting regulations under this section, the commission shall consider

- (1) accounting, budgeting, and financial reporting procedures used by health facilities;
- (2) variations among health facilities in the types of health care services provided by health facilities;
- (3) the size and organizational structure of health facilities;
- (4) the methods used by health facilities to obtain payments; and
- (5) other factors the commission considers relevant.

(c) The commission may waive or modify a requirement for accounting, budgeting, or financial reporting for a health facility if waiver or modification is

- (1) necessary to avoid excessive costs to the facility; and
- (2) consistent with the policies of this chapter.

(d) Notwithstanding other provisions of this section, the commission may, by regulation, modify the system of accounting, budgeting, and financial reporting required under this section for a health facility having fewer than 25 acute care beds in order to reduce the operating costs of that facility. (§ 4 ch 95 SLA 1983)

**Sec. 47.07.074. Audits and inspections.** As a condition of obtaining payment under AS 47.07.070, a health facility shall allow

- (1) the department and the commission reasonable access to the financial records of medical assistance beneficiaries; and
- (2) inspection of financial records by state and federal agencies to the extent required by federal law. (§ 4 ch 95 SLA 1983)

**Sec. 47.07.075. Application of Administrative Procedure Act.** Actions of the commission under AS 47.07 and AS 47.25.120 — 47.25.300 are subject to the provisions of the Administrative Procedure Act (AS 44.62). (§ 4 ch 95 SLA 1983)

*Sec. 47.07.080. [Renumbered as AS 47.07.900.]*

**Sec. 47.07.110. Medicaid Rate Commission established.** The Medicaid Rate Commission is established in the Department of Health and Social Services. (§ 6 ch 95 SLA 1983)

**Sec. 47.07.120. Composition of commission.** The commission consists of five members as follows:

- (1) the chief executive officer of a health facility that is licensed by the state but not owned or operated by the state or federal government and that is subject to the budget review process under this chapter;
- (2) the commissioner of administration, the commissioner of health and social services, or the appointed designee of either commissioner;
- (3) a physician licensed to practice medicine in the state who is actively engaged in the practice of medicine and who is not employed by the state;
- (4) a certified public accountant with relevant experience;
- (5) a person representing consumers of health services who does not have a direct or indirect interest in an entity that provides health care services. (§ 6 ch 95 SLA 1983)

**Sec. 47.07.130. Appointment of members.** Members of the commission are appointed by the governor and serve at the pleasure of the governor. (§ 6 ch 95 SLA 1983)

**Sec. 47.07.140. Term of membership.** The term of a member of the commission appointed under AS 47.07.120(1), (3), (4), or (5) is three years. A member may not be appointed to a successive term. The terms of the members shall be staggered. A member appointed to fill a vacancy serves for the unexpired term of the member. A term shall be

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§ 47.07.150 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.07.900

measured from January 1 of the year in which the term of the vacant position begins, regardless of when the vacancy is filled. (§ 6 ch 95 SLA 1983)

**Sec. 47.07.150. Compensation.** A member of the commission serves without compensation but is entitled to per diem and travel expenses authorized by law for boards and commissions under AS 39.20.180. (§ 6 ch 95 SLA 1983)

**Sec. 47.07.160. Officers.** At the first meeting of each year, the commission shall elect a chair from among its members. (§ 6 ch 95 SLA 1983)

**Sec. 47.07.170. Meetings and quorum.** The commission shall meet as often as necessary to conduct its business. Three members of the commission constitute a quorum. (§ 6 ch 95 SLA 1983)

**Sec. 47.07.180. Duties.** The commission shall review proposed payment rates and budgets of health facilities and establish payment rates for health facilities under this chapter and AS 47.25.120 — 47.25.300. (§ 6 ch 95 SLA 1983)

**Sec. 47.07.190. Employment of personnel.** The commission may employ and determine the salary of an executive director. With the approval of the commission, the executive director may select and employ additional staff. The commission shall be assisted by the officers or personnel of the department as the commissioner of health and social services shall direct. The executive director of the commission is in the exempt service under AS 39.25. (§ 6 ch 95 SLA 1983)

**Sec. 47.07.900. Definitions.** In this chapter

(1) "clinic services" means services provided by state-approved outpatient community mental health clinics that receive grants under AS 47.30.520 — 47.30.620, state-operated community mental health clinics, and physician clinics;

(2) "commission" means the Medicaid Rate Commission;

(3) "department" means the Department of Health and Social Services;

(4) "eyeglasses" are lenses, including frames when necessary, and other aids to vision prescribed by a physician skilled in diseases of the eye, or by an optometrist, whichever the patient may select, to aid or improve vision;

(5) "health facility" includes a hospital, skilled nursing facility, intermediate care facility, intermediate care facility for the mentally retarded, rehabilitation facility, inpatient psychiatric facility, home health agency, rural health clinic, and outpatient surgical clinic;

(6) "nurse midwife" means a registered professional nurse who is certified as an advanced nurse practitioner under AS 08.68.410(1) and authorized to practice as a nurse midwife under regulations adopted in

accordance with AS 08.68.410(8). (§ 1 ch 182 SLA 1972; am § 2 ch 12 SLA 1976; am § 3 ch 221 SLA 1976; am § 26 ch 40 SLA 1981; am § 4 ch 132 SLA 1982; am §§ 5, 10 ch 95 SLA 1983)

**Revisor's notes.** — Formerly AS 47.07.080. Renumbered in 1983.

Reorganized in 1983 to alphabetize the terms defined.

**Effect of amendments.** — The 1981 amendment added paragraph (5).

The 1982 amendment rewrote paragraph (4), which formerly read: "'clinic services' means services which are

restricted to state-approved outpatient community mental health services which receive grants under AS 47.30.520 — 47.30.620 and state-operated mental health clinics."

The 1983 amendment repealed the definition of "cost settled" and added the definitions of "commission" and "health facility."

### Chapter 8. Catastrophic Illness Assistance.

**Section**

- 10. Reimbursement of providers
- 20. Catastrophic illness committee
- 30. Notice
- 40. Applications for assistance
- 50. Services excluded from coverage
- 60. Calculation of applicant's share
- 70. Standards for reimbursement to providers

**Section**

- 80. Reconsideration of decision by committee
- 90. Hearing
- 100. Finality of decisions
- 110. Extension of time limits
- 120. Recovery from a collateral source
- 130. Regulations
- 140. Definitions

**Sec. 47.08.010. Reimbursement of providers.** According to the provisions of this chapter, the Department of Health and Social Services shall reimburse providers of medical care for unpaid costs incurred in the treatment of a person suffering an illness or accident which results in financial catastrophe to the person or the person's family. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.020. Catastrophic Illness Committee.** There is created the Catastrophic Illness Committee, consisting of a medical review officer from the Department of Health and Social Services, a member appointed by the governor who has suffered a catastrophic illness, and a representative of the Department of Commerce and Economic Development appointed by the governor. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.030. Notice.** The committee shall enlist the assistance of medical providers in making the public aware of the catastrophic illness assistance program. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.040. Applications for assistance.** An application for financial assistance under this chapter may be filed by a person who has suffered catastrophic illness or by a parent, spouse, or legal guardian of that person, or by any other interested party with the written consent of the person who has suffered the catastrophic illness. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.050.** committee shall need the means that the following:

- (1) dentist or physician illness;
  - (2) elective;
  - (3) drugs;
  - (4) services unusual conditions;
  - (5) private holism treatments;
  - (6) chiropractic;
  - (7) services;
  - (8) medical Department;
  - (9) costs.
- No. 55, § 4

Effect of amendment

**Sec. 47.08.050.** frequently appropriated funds applicant's catastrophic number of payments, applicant's share covering a

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Referred: Health, Education & Social  
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BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 98

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act clarifying the provision of mandatory and  
7 optional medical services under Medicaid; and provid-  
8 ing for an effective date."

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

10 \* Section 1. AS 47.07.020(b) is amended to read:

11 (b) In addition to the persons specified in (a) of this section,  
12 the following optional groups of persons for whom the state may claim  
13 federal financial participation are eligible for medical assistance:

14 (1) persons eligible for but not receiving assistance under  
15 any plan of the state approved under 42 U.S.C. 601 -- 615 (Title IV-A,  
16 Social Security Act, Aid to Families with Dependent Children) or 42  
17 U.S.C. 1381 -- 1383c (Title XVI, Social Security Act, Supplemental  
18 Security Income);

19 (2) persons in a general hospital, skilled nursing facility  
20 or intermediate care facility, who, if they left the facility, would  
21 be eligible for assistance under one of the federal programs specified  
22 in (1) of this subsection;

23 (3) persons under age 21 who are [YEARS OF AGE] under  
24 supervision of the department, for whom maintenance is being paid in  
25 whole or in part from public funds, and who are in foster homes or  
26 private child-care institutions;

27 (4) aged, blind, or disabled persons, who, because they do  
28 not meet income and resources requirements, do not receive supple-  
29 mental security income under 42 U.S.C. 1381 -- 1383c (Title XVI,

1 Social Security Act), and who do not receive a mandatory state supple-  
2 ment, but who are eligible, or would be eligible if they were not in a  
3 general hospital or skilled nursing facility or intermediate care  
4 facility to receive an optional state supplementary payment;

5 (5) persons under age 21 who are [YEARS OF AGE] in an  
6 institution designated as an intermediate care facility for the  
7 mentally retarded and who are financially eligible as determined by  
8 the standards of the federal aid to families with dependent children  
program;

10 (6) persons in a medical or intermediate care facility  
11 whose income while in the facility does not exceed 300 percent of the  
12 supplemental security income benefit rate under 42 U.S.C. 1381 --  
13 1383c (Title XVI, Social Security Act) but who would not be eligible  
14 for an optional state supplementary payment if they left the hospital  
15 or other facility;

16 (7) persons under age 21 who are [YEARS OF AGE] receiving  
17 active treatment in a psychiatric hospital and who are financially  
18 eligible as determined by the standards of 42 U.S.C. 601 -- 615 (Title  
19 IV-A, Social Security Act, Aid to Families with Dependent Children);

20 (8) persons age five and over, but under age 21, [YEARS OF  
21 AGE] who would be eligible for benefits under the federal aid to  
22 families with dependent children program, but who do not qualify  
23 because they are not dependent children;

24 (9) women who are pregnant.

25 \* Sec. 2. AS 47.07.030 is amended to read:

26 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. (a) The de-  
27 partment shall offer all mandatory services required under Title XIX  
28 of the Social Security Act, 42 U.S.C. secs. 1396 -- 1396p [MEDICAL  
29 SERVICES TO BE OFFERED TO ELIGIBLE PERSONS INCLUDE INPATIENT HOSPITAL,

1       OUTPATIENT HOSPITAL, RURAL HEALTH CLINIC, OUTPATIENT SURGICAL CARE  
2       CENTERS, LABORATORY AND X-RAY, REFRACTIONS AND EYE EXAMINATIONS BY  
3       OPHTHALMOLOGISTS OR OPTOMETRISTS, EYEGASSES PRESCRIBED BY A PHYSICIAN  
4       SKILLED IN DISEASES OF THE EYE OR BY AN OPTOMETRIST, INPATIENT PSYCHI-  
5       ATRIC HOSPITAL FOR PERSONS AGE 65 OR OLDER AND PERSONS UNDER AGE 21,  
6       SKILLED AND INTERMEDIATE NURSING HOME, PHYSICIAN, NURSE MIDWIFE, HOME  
7       HEALTH CARE SERVICES, EARLY PERIODIC SCREENING DIAGNOSIS AND TREATMENT  
8       OF PERSONS UNDER 21 YEARS OF AGE, CLINIC SERVICES, TREATMENT OF  
9       SPEECH, HEARING AND LANGUAGE DISORDERS, PHYSICAL THERAPY, OCCUPATIONAL  
10      THERAPY, PROSTHETIC DEVICES AND MEDICAL SUPPLIES, LONG-TERM CARE  
11      NONINSTITUTIONAL SERVICES, AND REASONABLE TRANSPORTATION TO AND FROM  
12      THE POINT OF MEDICAL CARE. ADDITIONAL SERVICES MAY NOT BE PROVIDED  
13      UNLESS APPROVED BY THE LEGISLATURE].

14           (b) In addition to the mandatory services specified in (a) of  
15      this section, the department may offer only the following optional  
16      services: emergency hospital services; long-term care noninstitutional  
17      services; medical supplies and equipment; clinic services; inpatient  
18      psychiatric facility services for individuals age 65 or older and  
19      individuals under age 21; physical therapy; occupational therapy;  
20      treatment of speech, hearing, and language disorders; prosthetic  
21      devices and eyeglasses; optometrists' services; intermediate care  
22      facility services; skilled nursing facility services for individuals  
23      under age 21; and reasonable transportation to and from the point of  
24      medical care.

25      \* Sec. 3. AS 47.07.035 is repealed and reenacted to read:

26           Sec. 47.07.035. PRIORITY OF MEDICAL ASSISTANCE. (a) If the  
27      department finds that the cost of medical assistance for all persons  
28      eligible under this chapter will exceed the amount allocated in the  
29      state budget for that assistance for the fiscal year, optional medical

1 services and optionally eligible groups of individuals will cease to  
2 be eligible for coverage as described in this section.

3 (b) If funding is inadequate, coverage for optional medical  
4 services and optionally eligible groups of individuals will be elimi-  
5 nated in the following order:

- 6 (1) emergency hospital services;
- 7 (2) long-term care noninstitutional services;
- 8 (3) medical supplies and equipment;
- 9 (4) clinic services;
- 10 (5) inpatient psychiatric facility services;
- 11 (6) intermediate care facility services for the mentally  
12 retarded;
- 13 (7) physical therapy and occupational therapy;
- 14 (8) treatment of speech, hearing, and language disorders;
- 15 (9) prosthetic devices and eyeglasses;
- 16 (10) optometrists' services;
- 17 (11) intermediate care facility services;
- 18 (12) individuals age five and over, but under age 21, who are  
19 not eligible for benefits under the federal aid to families with  
20 dependent children program because they do not meet the definition of  
21 dependent children;
- 22 (13) individuals under age 21 under supervision of the  
23 department, for whom maintenance is being paid in whole or in part  
24 from public money and who are in foster homes or private child-care  
25 institutions;
- 26 (14) individuals in a health facility whose income while in  
27 the facility does not exceed 300 percent of the supplemental security  
28 income benefit rate under Title XVI of the Social Security Act, and  
29 who would not be eligible for the optional state supplementary payment

1 if they left the facility;

2 (15) aged, blind, and disabled individuals who, because they  
3 do not meet the income and resource requirements, do not receive  
4 supplemental security income under Title XVI of the Social Security  
5 Act, and who are not eligible to receive a mandatory state supplement  
6 but who are eligible, or would be eligible if they were not in a  
7 general hospital or skilled nursing facility or intermediate care  
8 facility, to receive an optional state supplementary payment;

9 (16) skilled nursing facility services for persons under age  
10 21.

11 \* Sec. 4. AS 47.07.900(1) is amended to read:

12 (1) "clinic services" means services provided by state-  
13 approved outpatient community mental health clinics that receive  
14 grants under AS 47.30.520 -- 47.30.620, state-operated community  
15 mental health clinics, outpatient surgical care center services, and  
16 physician clinics;

17 \* Sec. 5. AS 47.07.900 is amended by adding a new paragraph to read:

18 (7) "emergency hospital services" means services that  
19 (A) are necessary to prevent the death or serious  
20 impairment of the health of the individual; and

21 (B) because of the threat to the life or health of the  
22 individual, necessitate the use of the most accessible hospital  
23 available that is equipped to furnish the services, even if the  
24 hospital does not currently meet

25 (i) the conditions for participation under Medi-  
26 care; or

27 (ii) the definitions of inpatient or outpatient  
28 hospital services under 42 C.F.R. secs. 440.10 and 440.20.

29 \* Sec. 6. This Act takes effect immediately in accordance with

1 AS 01.10.070(c).