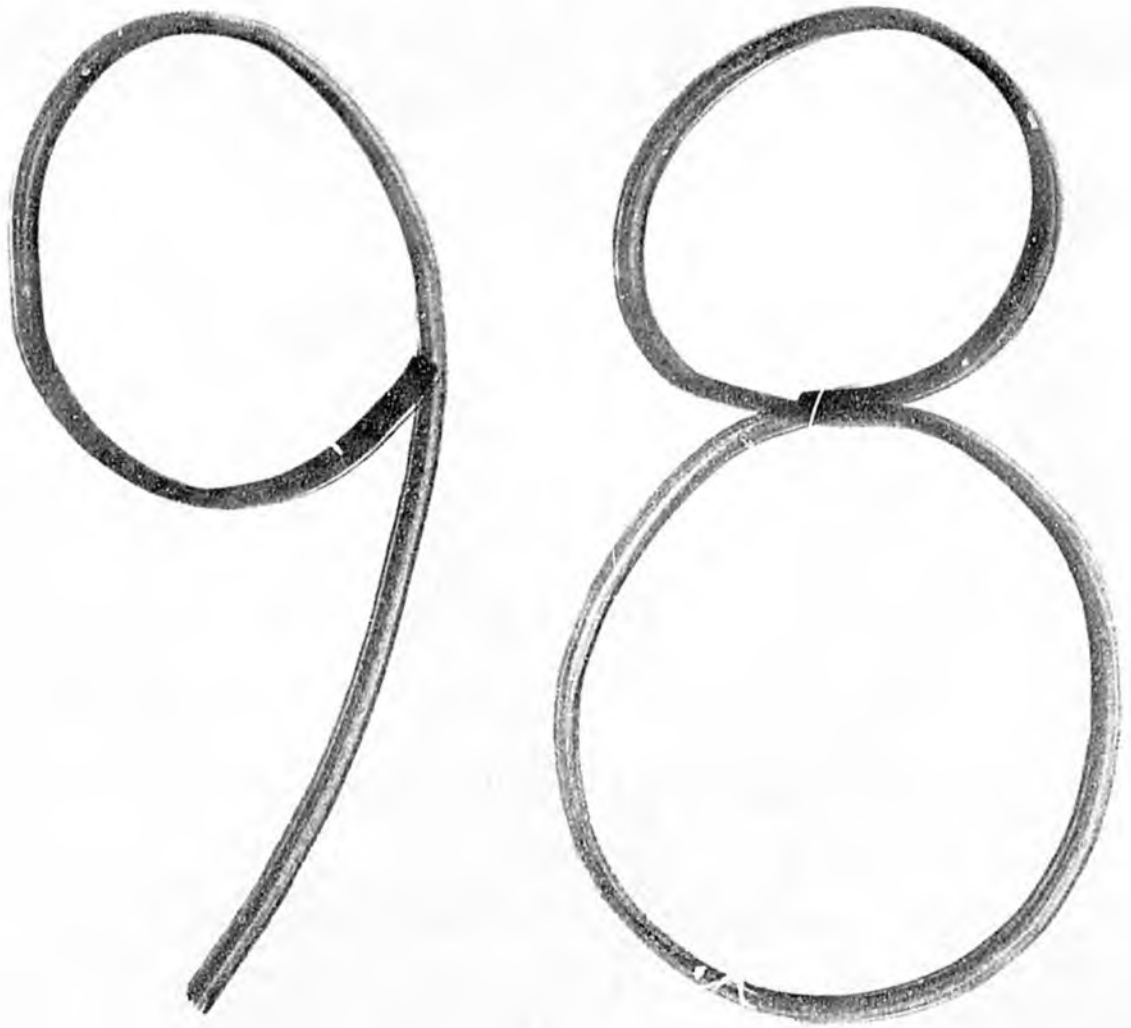


HB





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.

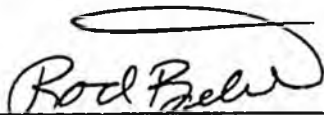
. Sections 4 and 5 (lines 11-28, page 5):

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.

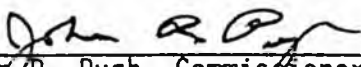
Recommended By:

  
Rod Betit, Director  
Division of Medical Assistance

Date:

2/1/85

Approved By:

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

Date:

2/4/85

TABLE I

MEDICAID SERVICES

MEDICAID ELIGIBLE GROUPS

A. Mandatory Services:

- . Inpatient Hospital Services
- . Outpatient Hospital Services
- . Rural Health Clinics Services
- . Other Laboratory and X-Ray Services
- . Skilled Nursing Facilities Services
- . Home Health Services
- . Nurse Midwife Services
- . Early and Periodic Screening Diagnosis and Treatment for Individuals under 21
- . Physician Services
- . Medical Transportation

A. Optional Services Offered in Alaska

1. Long-Term Care Noninstitutional Services
2. Medical Supplies and Equipment
3. Surgical Care Center Services
4. Clinic Services
5. Inpatient Psychiatric Service for Under Age 22
5. Inpatient Psychiatric Service for over Age 65
6. Intermediate Care Facility for Mentally Retarded
7. Physical Therapy
7. Occupational Therapy
8. Speech, Hearing and Language Disorder Treatment
9. Optometrist Services
9. Eyeglasses
10. Intermediate Care Facility for Services
  - \* Prosthetic Devices
  - \* Skilled Nursing Facility for Under Age 21
  - \* Emergency Hospital Services

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
- . Personal Care Services
- . Christian Science Nurses
- . Christian Science Sanitoria

A. Mandatory Eligible Groups:

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

B. Optional Eligible Groups Covered in Alaska

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

C. Optional Eligible Groups Not Covered

- . Noninstitutionalized disabled children
- . Noninstitutionalized individuals receiving home and community based service 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

\* These optional services and eligible groups are not currently listed in AS 47.07.035 but have been included in the revision proposed in HB98.

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

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

REQUEST

Bill/Resolution No.: HB 98  
 Title: An Act clarifying the provisions of mandatory and optional  
 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 A. Poy*  
 Agency: \_\_\_\_\_

Date: 2/6/85 *JCC*

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agencies

INTRODUCTION OF CITATIONS

The following citations were received:

Honoring - Coast Guard Auxiliary  
by Representative Marrou

Honoring - The Civil Air Patrol  
by Representative Marrou

The citations were referred to the Rules Committee for placement on the calendar.

INTRODUCTION FIRST READING AND REFERENCE  
OF HOUSE RESOLUTIONS

HJR 14

HOUSE JOINT RESOLUTION NO. 14 by Shultz:

Relating to the navigability of  
Alaska's rivers and lakes.

was read the first time and referred to the Transportation and Resources Committees.

INTRODUCTION, FIRST READING AND REFERENCE  
OF HOUSE BILLS

HB 94

HOUSE BILL NO. 94 by Taylor, Gruenberg and Sund, entitled:

"An Act relating to participation by magistrates in the judicial retirement system; and providing for an effective date."

was read the first time and referred to the Judiciary and Finance Committees.

HB 95

HOUSE BILL NO. 95 by the Judiciary Committee by request, entitled:

"An Act relating to the office of the ombudsman and to the powers and duties of the ombudsman."

was read the first time and referred to the State Affairs and Judiciary Committees.

HB 96

HOUSE BILL NO. 96 by Davis, Hurley, Koponen, Larson, Gruenberg and Szymanski, entitled:

"An Act relating to the applicability of the scholarship loan program to students attending more than one postsecondary educational institution; and providing for an effective date."

was read the first time and referred to the House Special Committee on State Loans and the Health, Education & Social Services Committee.

HB 97

HOUSE BILL NO. 97 by Duncan, entitled:

"An Act relating to government liability for damage or injury resulting from hazardous recreational activities."

was read the first time and referred to the Judiciary and Finance Committees.

HB 98

HOUSE BILL NO. 98 by the Rules Committee by request of the Governor, entitled:

"An Act clarifying the provision of mandatory and optional medical services under Medicaid; and providing for an effective date."

was read the first time and referred to the Health, Education & Social Services and Finance Committees.

A zero fiscal note was attached. The Governor's transmittal letter, dated January 23, 1985, appears below:

"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.

HB 98

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,

/s/

Bill Sheffield  
Governor"

HB 99

HOUSE BILL NO. 99 by the Rules Committee by request of the Governor, entitled:

"An Act relating to public assistance employment programs."

was read the first time and referred to the Health, Education & Social Services and Finance Committees.

HB 99

A fiscal note was attached and appears in House Journal Supplement No. 7. The Governor's transmittal letter, dated January 23, 1985, appears below:

"Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to public assistance employment programs. The bill authorizes the creation of programs that encourage public assistance applicants to work as an alternative to receiving aid.

The bill has three components: it authorizes the Department of Health and Social Services to establish employment and training programs; it allows the department to require participation in a program as a condition of eligibility or as recompense for aid payments; and it allows the department to give an applicant money or provide services that enable the applicant to participate in a program.

Under the first component, the department may establish programs that encourage persons to prepare for, seek, and retain employment so that they will not need public assistance. The Work Incentive Program administered by the Department of Labor under AS 23.15.250 has been successful and the Department of Health and Social Services needs the authority granted in this bill to enable it to adopt and administer similar programs.

The second component allows the department to mandate participation in a program it establishes as a condition of eligibility, or as recompense, for assistance. Participation in a program would give an applicant placement information, vocational skills, on-the-job training, or other assistance the applicant needs to become self-supporting.

The final component allows the department to provide an applicant with money or services the applicant needs in order to participate in employment programs (e.g. bus fare, day care), without having to reduce the applicant's assistance by the amount of money or the value of the services provided. Applicants' assistance payments need not be reduced as a consequence of receiving the money or services because the bill permits total benefits to exceed maximum payment levels.

The experience of other states indicates that training and employment programs have been successful in putting welfare applicants on their way to self-support. I urge you to adopt this bill.

Sincerely,

/s/

Bill Sheffield  
Governor"

# 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

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