COMMITTEE REPORT
SENATE

FURTHER:

3/7/86

Date 5/-/86

Mr. President

The Committee on FINANCE considered CSHB 98(FIN)

medical assistance; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass

[ ] do pass with attached amendment(s)

[✓] replace with/or adopt SCS for CS HB 98 (FIN)
[ ] new title
[✓] same title ~~and recommends~~

[ ] and attached a "LETTER OF INTENT" [✓] NEW FISCAL NOTE
9/2.3 GF SFC
9/2.3 FF
(250.0) REV

[✓] reports it back without recommendation

[ ] recommends referral to ______ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS
[signature]	[signature] No Rec
Paul Fischer [signature]	[signature] " "

[signature]
Co - Chairman

do pass
Chairman recommendation

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: ______

REQUEST
Bill/Resolution No.: SCS CSHB98(FIN)
Title: ~~An Act relating to~~ Medical Assistance
Sponsor: Rules/Governor
Requestor: ______
Date of Request: 5/2/86

FISCAL DETAIL
Agency Affected: Health and Social Service
Program Category Affected: ______
BRU, Program or Subprogram(s) Affected:
~~Medical Assistance Non-Facility/~~
~~Medicaid Non-Facility~~

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
100 PERSONAL SERVICES			45.2			
200 TRAVEL			8.6			
300 CONTRACTUAL			20.8			
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS			2000.0			
800 MISCELLANEOUS						
TOTAL OPERATING			2074.6			
CAPITAL						
REVENUE			250.0			

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND			912.3			
FEDERAL FUNDS			912.3			
OTHER						
TOTAL			1824.6			

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME			1.0			
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

(1) Funding is net after revenue to program.

(2) See attached detail financial summary.

Prepared By: Senator Frank R. FErguson
Phone: 465-4923
Division: Legislature
Date: 5/2/86

Approved by Commissioner: ______ Date: ______
Agency: ______

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

7/1/84

Fiscal Note

Summary SCS CSHB98 (HESS)

FY87

Section	Subject	FY87 Total	FY87 State
I	Six Month Law	29.2	14.6
II	Subrogation	(250.0)	(125.0)
III	Optional Needy Groups	-0-	-0-
IV	Optional Medical Services	2157.5	1078.7

A. Personal Care

(a) 190 recipients X 600 hours X $9.00/hour = 1,029.2 Total
(b) New position and associated costs = 54.6 Total

B. Chiropractor

(a) 600 recipients X $255 average = 153.0 Total
(b) One time computer costs = 20.0 Total

C. Adult Dental

(a) 2716 recipients X $331.63 = 900.7 Total

Section	Subject	FY87 Total	FY87 State
V	Priority Medical Services	-0-	-0-
VI	Medicaid Rate Commission	-0-	-0-
	Total $ Impact	1936.7	968.3

Attachment A

MEDICAID
ELIGIBLE GROUPS

A. Mandatory Eligible Groups:

- .AFDC Recipients
- .Deemed Recipients of AFDC
- .Families that lost AFDC because of employment
- .Individuals ineligible for AFDC because of requirements inapplicable under Medicaid | Win MMR
- .Individuals eligible for AFDC except for the SSA increase in 1972
- .Qualified pregnant women and children under 5 born after 9/30/83
- .Newborn children of Medicaid - eligible women
- .Children for whom adoption assistance or foster care maintenance payments are made under Title IV-E
- .The Aged, Blind, or Disabled under SSI
- .Individuals ineligible for SSI or State supplements because of requirements inapplicable under Medicaid
- ."Grandfathered" individuals

B. Optional Eligible Groups Covered in Alaska

11. Individuals under 21 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 Adult Public Assistance
14. Pregnant women

* Individuals eligible for financial assistance but not receiving it

* Individuals eligible for financial assistance except for institutional status (not listed in draft bill under .035)

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.

Attachment B

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
.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] under clinic services in .035
4. Clinic Services
5. Inpatient Psychiatric Service for Under Age 22] combined in .035
5. Inpatient Psychiatric Service for over Age 65]
6. Intermediate Care Facility for Mentally Retarded
7. Physical Therapy] combined in .035
7. Occupational Therapy]
8. Speech, Hearing and Language Disorder Treatment
9. Optometrist Services
10. Intermediate Care Facility for Services
11. Eyeglasses] combined in .035
* 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

* 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.

Attachment C

Medicaid program because they are not medical needs.

D. *Limitations, and Examples of Personal Care Services.* (1) Personal care services vary, depending on the needs and requirements of each individual patient, and based on the judgment of the patient's attending physician and/or assigned registered nurse. Generally, personal care services may include the following:

Basic personal care and grooming, including bathing, care of the hair, and assistance with clothing.

Assistance with bladder and/or bowel requirements or problems, including helping the patient to and from the bathroom, or assisting the patient with bed pan routines.

Assisting the patient with medications which are ordinarily self-administered, when ordered by the patient's physician.

Assistance with food, nutrition, and diet activities, including the preparation of meals, when required, if incidental to a medical need.

Performing such household services (if related to a medical need) as are essential to the patient's health and comfort in his home. Examples of such activities would be the necessary changing of bed linens or the rearranging of furniture to enable the patient to move about more easily in his home. Accompanying the patient to clinics, physician office visits, or other trips which are made for the purpose of obtaining medical diagnosis or treatment. Costs for both the patient and the personal care provider are reimbursable under title XIX and may include such methods of transportation as: public transportation (bus, subway, etc.); taxi fare; medical transportation when necessary (ambulance, etc.); or payment to the personal care provider for gasoline and mileage when the provider has used his or her personal automobile.

(2) Personal care services should never be confused with services of a higher level which clearly should be performed by persons with the proper professional training. Services which are not appropriate as personal care are as follows:

Insertion and sterile irrigation of catheters.

Irrigation of any body cavities which require sterile procedures.

Application of dressings, involving prescription medication and aseptic techniques, including care of mild, moderate, or severe skin care.

Giving of injections of fluids into veins, muscles, or skin.

Administering of medicine (as opposed to assisting with a self administered medication).

(3) Personal care services should also not be confused with services which would more appropriately be provided by persons who provide chore services in the home. Examples of chore services which are clearly not to be regarded as personal care are as follows:

Cleaning of floor and furniture in areas not occupied by the patient. For example, cleaning of the entire living area if the patient occupies only one small room.

Laundry, other than that incidental to the care of the patient. For example, laundering of clothing and bedding for the entire household, as opposed to simple laundering of the patient's bed smock or gown.

Shopping for groceries or household items other than items required specifically for the health and maintenance of the patient. This would not preclude a personal care provider's shopping for items needed by the patient but also used by the rest of the household.

(4) Following are examples of a case in which personal care should be authorized and cases when personal care services would be inappropriate and should not be authorized.

Case Example #1: Mrs. R is a 90-year old woman who lives alone. She has been diagnosed as having cardiac insufficiency and has a weakened heart. Mrs. R suffers from shortness of breath and frequently has trouble with swollen ankles which prevent her from getting around well. She is on a low-salt diet and takes regular medication. Mrs. R requires assistance with bathing, meal preparation, light housekeeping, and taking and maintaining her medication. Her pulse must be taken at regular intervals to monitor the effect of her heart medication, and in addition she requires assistance in getting to and from the periodic visits to her physician. Personal care services are appropriate in this case.

Case Example #2: Mrs. K is a 33-year old woman with two school-aged children. She has just been discharged from a hospital where she had a cancerous pancreas removed. During her absence from the home her two children remained at home under the care of a homemaker (title XX). Now that she has been discharged she suffers from severe diabetes and requires insulin injections and other medications, as well as assistance with the application of dressings. Authorization of personal care services would be inappropriate in the case, since Mrs. K requires more skilled medical services.

Case Example #3: Mr. J. is a 78-year old man who lives alone in a small apartment. He suffers from cardiovascular heart disease and is not able to lift or sweep. Mr. J. is able to prepare his own meals and handle his daily grooming. Twice each week a housekeeper comes to the apartment where she does the laundry and cleans the apartment. She also goes out to the store to purchase groceries and other supplies in accordance with Mr. J.'s instructions. These services are *not* medically-oriented despite the fact that Mr. J. has a medically diagnosed illness. Personal care services should *not* be authorized in this case.

E. *Plan of Care.* Personal care services are provided to prevent inappropriate institutionalization, but only if the patient does not require skilled nursing care. FFP is available for personal care services only when prescribed by a physician, and provided in accordance with each patient's individual plan of care. The plan of care is a course which is based on the physician's orders, and which typically reflects the patient's physical, psychosocial, emotional, environment[al], and personal care needs. Under current widely accepted procedures, a registered nurse will list the specific personal care tasks required to maintain the patient in his own home. The plan of care should state the expected outcome of the care, and should be reviewed by a registered nurse at a minimum interval of every sixty days.

F. *Minimum Standards for Training.* (1) Although the regulations require that a provider of personal services be "qualified", the term is not defined. It is suggested that some criteria be developed, and that it might include a training course of at least forty hours in some or all of the following areas:

Basic personal care procedures such as grooming, etc.

Bowel and bladder care.

Food, nutrition, diet planning, etc.

© 1983, Commerce Clearing House, Inc.

WORK DRAFT COPY WORK DRAFT COPY WORK DRAFT COPY

Amendments: 7, 8, 9, 10 adopted New CS to be prepared

Original sponsor: Rules/governor

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 98 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND 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 44.77 is amended by adding a new section to read:

10 Sec. 44.77.015. CLAIMS FOR MEDICAL SERVICES. (a) For the
11 purposes of filing claims for medical services provided under AS 47.07
12 or 47.25.120 - 47.25.300, "promptly," in AS 44.77.010(a), means (1)
13 within six months after the date of service, or as provided in (b) of
14 this section, if there is no third-party claim, or (2) within 12
15 months after the date of service if there is a third-party claim.
16 Except as provided in (c) of this section, a claim may not be paid if
17 it is not filed promptly; an inference to the contrary may not be
18 drawn from AS 09.10.050, AS 09.50.250 - 09.50,300, or AS 37.25.010.

19 (b) In accordance with (a) of this section, a claim may be
20 considered to be filed promptly if (1) the claim was filed more than
21 six months after the date of service because the medical provider had
22 reason to believe that the beneficiary was ineligible for service
23 under AS 47.07 or AS 47.25.120 - 47.25.300; (2) a court of competent
24 jurisdiction or an administrative hearing officer finds that the
25 beneficiary was eligible for service under AS 47.07 or AS 47.25.120 -
26 47.25.300 on the date of service; and (3) the claim is filed within
27 six months after the date that the court or administrative finding is
28 rendered. The beneficiary is responsible for notifying the medical
29 provider of the judicial or administrative finding. The department

1 shall make a good faith effort to notify the medical provider of the
2 judicial or administrative finding if the department has reason to
3 believe that services have been provided to the beneficiary.
4 (c) The commissioner of health and social services may authorize
5 payment to a medical provider of a claim not promptly filed, upon good
6 cause shown. Payments under this subsection may not exceed 50 percent
7 of the allowable charges presented in the claim.
8 (d) In this section,
9 (1) "beneficiary" means a person who is found to be eligi-
10 ble to receive medical services under AS 47.07 or AS 47.25.120 -
11 47.25.300;
12 (2) "medical provider" means a person, firm, corporation,
13 association, or institution that, on the date of service, was approved
14 to provide medical assistance, in accordance with regulations adopted
15 by the Department of Health and Social Services.
16 * Sec. 2. AS 47.05 is amended by adding a new section to read:
17 Sec. 47.05.070. THIRD PARTY LIABILITY SUBROGATION. (a) The
18 Department shall not pay medical claims that are payable by a third
19 party payor. Medical providers must attempt collection from the third
20 party payor before billing Medicaid. Prior to payment by Medicaid,
21 evidence of third-party denial or partial payment must be presented
22 with the claim.
23 (b) If the department provides or pays for medical assistance
24 for injury or illness under this title, the department is subrogated
25 to the rights of the recipient of that medical assistance for any
26 claim arising from the injury or illness and to the proceeds of an
27 insurance policy covering the injury or illness to the extent of the
28 value of the medical assistance provided.
29 (c) If a recipient of medical assistance under this title

1 settles a claim or obtains an award or judgment arising from the
2 injury or illness for which the medical assistance was received, the
3 department shall reimburse the recipient for attorney fees and costs
4 commensurate with the amount of the settlement, award, or judgment to
5 which the department is entitled under (a) of this section.
6 Regardless of the manner in which the amount of the attorney fees is
7 derived, reimbursement of attorney fees shall be in accordance with
8 the applicable rules of court governing the award of attorney fees in
9 civil matters.
10 (d) The Department is authorized to enter into contracts for the
11 collection of medical expenses already paid by Medicaid from potential
12 third party payors. The Department may pay, from the funds recovered
13 by the contractor, any amounts owing to the federal government as its
14 share of the Medicaid paid claim, and the costs of collecting the
15 funds.
16 * Sec. 3. AS 47.07.020(b) is amended to read:
17 (b) In addition to the persons specified in (a) of this section,
18 the following optional groups of persons for whom the state may claim
19 federal financial participation are eligible for medical assistance:
20 (1) persons eligible for but not receiving assistance under
21 any plan of the state approved under 42 U.S.C. 601 - 615 (Title IV-A,
22 Social Security Act, Aid to Families with Dependent Children) or 42
23 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental
24 Security Income);
25 (2) persons in a general hospital, skilled nursing facility
26 or intermediate care facility, who, if they left the facility, would
27 be eligible for assistance under one of the federal programs specified
28 in (1) of this subsection;
29 (3) persons under <u>age</u> 21 <u>who are</u> [YEARS OF AGE] under

1 supervision of the department, for whom maintenance is being paid in
2 whole or in part from public funds, and who are in foster homes or
3 private child-care institutions;

4 (4) aged, blind, or disabled persons, who, because they do
5 not meet income requirements, do not receive supplemental security
6 income under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act),
7 and who do not receive a mandatory state supplement, but who are
8 eligible, or would be eligible if they were not in a [GENERAL HOSPITAL
9 OR] skilled nursing facility or intermediate care facility to receive
10 an optional state supplementary payment;

11 (5) persons under age 21 who are [YEARS OF AGE] in an
12 institution designated as an intermediate care facility for the men-
13 tally retarded and who are financially eligible as determined by the
14 standards of the federal aid to families with dependent children
15 program;

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

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

26 (8) persons under age 21 and not covered under (a) of this
27 section, [YEARS OF AGE] who would be eligible for benefits under the
28 federal aid to families with dependent children program, except that
29 they have the care and support of both their natural and adoptive

parents [BUT WHO DO NOT QUALIFY BECAUSE THEY ARE NOT DEPENDENT CHILDREN];

(9) [WOMEN WHO ARE] pregnant women not covered under (a) of this section and who meet the income and resource requirements of the federal aid to families with dependent children program.

* Sec. 4. AS 47.07.030 is repealed and reenacted to read:

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

(b) In addition to the mandatory services specified in (a) of this section, the department may offer only the following optional services: personal care services in a recipient's home; emergency hospital services; long-term care noninstitutional services; medical supplies and equipment; clinic services; inpatient psychiatric facility services for individuals age 65 or older and individuals under age 21; physical therapy; occupational therapy; chiropractic services; treatment of speech, hearing, and language disorders; adult dental services; prosthetic devices and eyeglasses; optometrists' services; intermediate care facility services, including intermediate care facility services for the mentally retarded; skilled nursing facility services for individuals under age 21; and reasonable transportation to and from the point of medical care.

* Sec. 5. AS 47.07.035 is repealed and reenacted to read:

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

1 (1) chiropractic services;
2 (2) adult dental services;
3 (3) emergency hospital services;
4 (4) treatment of speech, hearing, and language disorders;
5 (5) optometrists' services and eyeglasses;
6 (6) occupational therapy;
7 (7) prosthetic devices;
8 (8) medical supplies and equipment;
9 (9) clinic services;
10 (10) physical therapy;
11 (11) personal care services in a recipient's home;
12 (12) long-term care noninstitutional services;
13 (13) inpatient psychiatric facility services;
14 (14) intermediate care facility services for the mentally
15 retarded;
16 (15) intermediate care facility services;
17 (16) individuals under age 21 who are not eligible for
18 benefits under the federal aid to families with dependent children
19 program because they are not deprived of one or more of their natural
20 or adoptive parents;
21 (17) skilled nursing facility services for persons under age
22 21;
23 (18) aged, blind, and disabled individuals who, because they
24 do not meet the income requirements, do not receive supplemental
25 security income under Title XVI of the Social Security Act, but who
26 are eligible, or would be eligible if they were not in a skilled
27 nursing facility or intermediate care facility, to receive an optional
28 state supplementary payment;
29 (19) individuals in a hospital, skilled nursing facility, or

1 intermediate care facility whose income while in the facility does not
2 exceed 300 percent of the supplemental security income benefit rate
3 under Title XVI of the Social Security Act, but who, because of in-
4 come, are not eligible for the optional state supplementary payment;
5 (20) individuals under age 21 under supervision of the
6 department, for whom maintenance is being paid in whole or in part
7 from public money and who are in foster homes or private child-care
8 institutions.
9 * Sec. 6. AS 47.~~07~~ (25) is amended by adding a new section to read:
10 Sec. 47.~~07~~ (25).205. PRIORITY OF GENERAL RELIEF MEDICAL ASSISTANCE.
11 If the department finds that the cost of medical assistance for all persons eligible under
12 this chapter will exceed the amount allocated in the state budget for
13 that assistance for the fiscal year, the department shall eliminate
14 coverage for medical services in the following order:
15 (1) Treatment of speech, hearing, and language disorders;
16 (2) Optometrists' services and eyeglasses;
17 (3) Occupational therapy;
18 (4) Emergency dental services for adults;
19 (5) Prosthetic devices not including dentures;
20 (6) Medical supplies and equipment;
21 (7) Physical therapy;
22 (8) Outpatient laboratory and outpatient X-ray services;
23 (9) Ambulatory surgical center services;
24 (10) Non emergency medical transportation;
25 (11) Outpatient physician services;
26 (12) Outpatient hospital services;
27 (13) Intermediate care facility services;
28 (14) Skilled nursing facility services;
29 (15) Emergency medical transportation;

(16) Pharmaceuticals
(16)17 Inpatient physician services;
(17)18 Inpatient hospital services.
* Sec. 7. AS 47.07.040 is amended to read:

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. The department, including the Medicaid Rate Commission, [AND] may make those arrangements or regulatory changes, 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 optimum federal payment under 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.

* Sec. 8. AS 47.07.070 is amended by adding a new subsection to read:

(d) In determining a rate of payment to a health facility under this section, the commission shall consider the appropriation limit set by the legislature for the department's programs under this chapter and under AS 47.25.120 - 47.25.300, and available federal revenue.

* Sec. 9. AS 47.07.180 is repealed and reenacted to read:

Sec. 47.07.180. DUTIES. (a) The commission shall review

 WORK DRAFT COPY WORK DRAFT COPY

proposed payment rates and may review budgets of health facilities and establish payment rates for health facilities under this chapter and AS 47.25.120 - 47.25.300.

(b) The commission shall consult with the department on the state plan as it relates to health facilities. The commission may not change the unit of payment without the written consent of the department.

(c) When the department enters into a substantially revised state plan under AS 47.07.040, and when, as part of the revised state plan, the commission adopts regulations which substantially change the methods used or the factors considered in determining the prospective payment rates, the commission may, at its discretion, redetermine the prospective payment rates for all facilities from the effective date of the new regulations forward. Each redetermined rate will be effective from the date of the commission's new order as to each facility.

(d) By March 1 of each year, the commission shall develop an annual estimate for the fiscal year starting the next July 1, of medical assistance program expenditures in facilities under the jurisdiction of the commission. The estimate shall consider anticipated utilization and payment rates for each facility. The methodology used by the commission to develop the estimate shall be consistent with the regulations governing the commission's rate-setting process.

* Sec. 10. AS 47.25.130 is amended by adding a new subsection to read:

(c) [~~The department shall, by regulation, establish the categories of medical care services which the department may provide to a needy person under AS 47.25.120 - 47.25.300, and any conditions applicable to those services, if the department finds that such action is necessary to ensure that, taking into consideration projected use, the medical assistance program does not exceed the funds appropriated~~

DELETE

1 ~~for the program.~~] The department may enter into competitively awarded
2 group service agreements with providers, and may require needy persons
3 under AS 47.25.120 - 47.25.300 to obtain services from these
4 designated providers.
5 * Sec. 11. 47.25.195 is amended by adding new subsections to read:
6 (d) If insufficient money is appropriated to fund medical assis-
7 tance under AS 47.25.120 - 47.25.300 when taking into consideration
8 projected use and the health facility payment rates established in
9 accordance with (b) of this section, the department may, by regu-
10 lation, establish at any time in the fiscal year a prospective pro
11 rata reduction of the facilities' established payment rates that will
12 be paid by the department for services provided by facilities under AS
13 47.25.120 - 47.25.300;
14 (e) Notwithstanding (a) - (d), the Department may enter into
15 agreements with any facility to provide services at a payment rate
16 lower than the rate established in accordance with (b) of this sec-
17 tion.
18 * Sec. 12. AS 47.07.900(1) is amended to read:
19 (1) "clinic services" means services provided by state-
20 approved outpatient community mental health clinics that receive
21 grants under AS 47.30.520 - 47.30.620, state-operated community mental
22 health clinics, <u>outpatient surgical care centers,</u> and physician clin-
23 ics;
24 * Sec. 13. AS 47.07.900 is amended by adding new paragraphs to read:
25 (7) "adult dental services" means minimum treatment for the
26 immediate relief of pain and acute infection provided by a licensed
27 dentist;
28 (8) "chiropractic services" includes only services that are
29 provided by a chiropractor licensed under AS 08.20 that consist of

1 treatment by means of manual manipulation of the spine and x-rays
2 necessary for treatment;
3 (9) "emergency hospital services" means services that
4 (A) are necessary to prevent the death or serious
5 impairment of the health of the individual; and
6 (B) because of the threat to the life or health of the
7 individual, necessitate the use of the most accessible hospital
8 available that is equipped to furnish the services, even if the
9 hospital does not currently meet
10 (i) the conditions for participation under Medi-
11 care; or
12 (ii) the definitions of inpatient or outpatient
13 hospital services under 42 C.F.R. secs. 440.10 and 440.20.
14 (10) "personal care services in a recipient's home" means
15 services prescribed by a physician in accordance with the recipient's
16 plan of treatment and provided by an individual who is
17 (A) qualified to provide the services;
18 (B) supervised by a registered nurse; and
19 (C) not a member of the recipient's family.
20 * Sec. 14. AS 44.77.010(b) is repealed.
21 * Sec. 15. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).
23
24
25
26
27
28
29

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,

Bill Sheffield
Governor

SECTIONAL ANALYSIS

SENATE CS FOR CS FOR HB 98 (FINANCE)

SECTION 1

A provision clarifying the Legislature's intent regarding the six-month limitation placed on medical providers for filing medical billings.

SECTION 2

Provisions that a) strengthen the Department's ability to recover medical payments made on behalf of a recipient who subsequently was awarded an insurance or court settlement, and b) allow the Department to enter into contingency contracts to discover more third party payments and to use part of the recoveries to pay for the contract.

SECTION 3

A provision amending Alaska Medicaid Statutes making technical changes to bring them into conformance with federal law.

SECTION 4

A provision adding personal care services, chiropractor services, and adult dental care under Medicaid.

SECTION 5

A provision clarifying the order in which optional Medicaid services will be deleted by the Department in the event of funding difficulties.

SECTION 6

A provision clarifying the order in which General Relief Medical services will be deleted if there are inadequate funds to continue all services.

SECTIONS 7, 8, and 9

Provisions clarifying the relationship between the Medicaid Rate Commission and the Department's annual budget for facilities.

SECTION 10

A provision giving the Department clear authority to solicit competitive pricing on medical services for GR Medical recipients only.

SECTION 11

A provision permitting the Department to pro-rata reduce facility GRM rates if the facility prices exceed the Department's budget taking into consideration utilization. This section also allows the Department to enter into competitive facility contracts for GRM services at rates lower than those set by the Medicaid Rate Commission.

SECTIONS 12, 13

Adds new definitions

SECTION 14

Deletes old six month billing limit.

SECTION 15

Effective date clause.

Offered: 3/7/86
Referred: Finance

Original sponsor: Rules/governor

1 IN THE HOUSE — BY THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 98 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND 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 44.77 is amended by adding a new section to read:
10 Sec. 44.77.015. CLAIMS FOR MEDICAL SERVICES. (a) For the
11 purposes of filing claims for medical services provided under AS 47.07
12 or 47.25.120 - 47.25.300, "promptly," in AS 44.77.010(a), means (1)
13 within six months after the date of service, or as provided in (b) of
14 this section, if there is no third-party claim, or (2) within 12
15 months after the date of service if there is a third-party claim.
16 Except as provided in (c) of this section, a claim may not be paid if
17 it is not filed promptly; an inference to the contrary may not be
18 drawn from AS 09.10.050, AS 09.50.250 - 09.50,300, or AS 37.25.010.
19 (b) In accordance with (a) of this section, a claim may be
20 considered to be filed promptly if (1) the claim was filed more than
21 six months after the date of service because the medical provider had
22 reason to believe that the beneficiary was ineligible for service
23 under AS 47.07 or AS 47.25.120 - 47.25.300; (2) a court of competent
24 jurisdiction or an administrative hearing officer finds that the
25 beneficiary was eligible for service under AS 47.07 or AS 47.25.120 -
26 47.25.300 on the date of service; and (3) the claim is filed within
27 six months after the date that the court or administrative finding is
28 rendered. The beneficiary is responsible for notifying the medical
29 provider of the judicial or administrative finding. The department

1 shall make a good faith effort to notify the medical provider of the
2 judicial or administrative finding if the department has reason to
3 believe that services have been provided to the beneficiary.
4 (c) The commissioner of health and social services may authorize
5 payment to a medical provider of a claim not promptly filed, upon good
6 cause shown. Payments under this subsection may not exceed 50 percent
7 of the allowable charges presented in the claim.
8 (d) In this section,
9 (1) "beneficiary" means a person who is found to be eligi-
10 ble to receive medical services under AS 47.07 or AS 47.25.120 -
11 47.25.300;
12 (2) "medical provider" means a person, firm, corporation,
13 association, or institution that, on the date of service, was approved
14 to provide medical assistance, in accordance with regulations adopted
15 by the Department of Health and Social Services.
16 * Sec. 2. AS 47.05 is amended by adding a new section to read:
17 Sec. 47.05.070. SUBROGATION. (a) If the department provides or
18 pays for medical assistance for injury or illness under this title,
19 the department is subrogated to the rights of the recipient of that
20 medical assistance for any claim arising from the injury or illness
21 and to the proceeds of an insurance policy covering the injury or
22 illness to the extent of the value of the medical assistance provided.
23 (b) If a recipient of medical assistance under this title set-
24 tles a claim or obtains an award or judgment arising from the injury
25 or illness for which the medical assistance was received, the depart-
26 ment shall reimburse the recipient for attorney fees and costs commen-
27 surate with the amount of the settlement, award. or judgment to which
28 the department is entitled under (a) of this section. Regardless of
29 the manner in which the amount of the attorney fees is derived,

1 reimbursement of attorney fees shall be in accordance with the applicable rules of court governing the award of attorney fees in civil
3 matters.
4 * Sec. 3. AS 47.07.020(b) is amended to read:
5 (b) In addition to the persons specified in (a) of this section,
6 the following optional groups of persons for whom the state may claim
7 federal financial participation are eligible for medical assistance:
8 (1) persons eligible for but not receiving assistance under
9 any plan of the state approved under 42 U.S.C. 601 - 615 (Title IV-A,
10 Social Security Act, Aid to Families with Dependent Children) or 42
11 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental
12 Security Income);
13 (2) persons in a general hospital, skilled nursing facility
14 or intermediate care facility, who, if they left the facility, would
15 be eligible for assistance under one of the federal programs specified
16 in (1) of this subsection;
17 (3) persons under age 21 who are [YEARS OF AGE] under
18 supervision of the department, for whom maintenance is being paid in
19 whole or in part from public funds, and who are in foster homes or
20 private child-care institutions;
21 (4) aged, blind, or disabled persons, who, because they do
22 not meet income requirements, do not receive supplemental security
23 income under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act),
24 and who do not receive a mandatory state supplement, but who are
25 eligible, or would be eligible if they were not in a [GENERAL HOSPITAL
26 OR] skilled nursing facility or intermediate care facility to receive
27 an optional state supplementary payment;
28 (5) persons under age 21 who are [YEARS OF AGE] in an
29 institution designated as an intermediate care facility for the

1 mentally retarded and who are financially eligible as determined by
2 the standards of the federal aid to families with dependent children
3 program;
4 (6) persons in a medical or intermediate care facility
5 whose income while in the facility does not exceed 300 percent of the
6 supplemental security income benefit rate under 42 U.S.C. 1381 - 1383c
7 (Title XVI, Social Security Act) but who would not be eligible for an
8 optional state supplementary payment if they left the hospital or
9 other facility;
10 (7) persons under age 21 who are [YEARS OF AGE] receiving
11 active treatment in a psychiatric hospital and who are financially
12 eligible as determined by the standards of 42 U.S.C. 601 - 615 (Title
13 IV-A, Social Security Act, Aid to Families with Dependent Children);
14 (8) persons under age 21 and not covered under (a) of this
15 section, [YEARS OF AGE] who would be eligible for benefits under the
16 federal aid to families with dependent children program, except that
17 they have the care and support of both their natural and adoptive
18 parents [BUT WHO DO NOT QUALIFY BECAUSE THEY ARE NOT DEPENDENT CHILD-
19 REN];
20 (9) [WOMEN WHO ARE] pregnant women not covered under (a) of
21 this section and who meet the income and resource requirements of the
22 federal aid to families with dependent children program.
23 * Sec. 4. AS 47.07.030 is repealed and reenacted to read:
24 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. (a) The de-
25 partment shall offer all mandatory services required under 42 U.S.C.
26 1396 - 1396p (Title XIX of the Social Security Act).
27 (b) In addition to the mandatory services specified in (a) of
28 this section, the department may offer only the following optional
29 services: personal care services in a recipient's home; emergency

1 reimbursement of attorney fees shall be in accordance with the applicable rules of court governing the award of attorney fees in civil matters.

4 * Sec. 3. AS 47.07.020(b) is amended to read:

5 (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:

8 (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);

13 (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;

17 (3) persons under age 21 who are [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;

21 (4) aged, blind, or disabled persons, who, because they do not meet income 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;

28 (5) persons under age 21 who are [YEARS OF AGE] in an institution designated as an intermediate care facility for the

1 hospital services; long-term care noninstitutional services; medical
2 supplies and equipment; clinic services; inpatient psychiatric facili-
3 ty services for individuals age 65 or older and individuals under age
4 21; physical therapy; occupational therapy; chiropractic services;
5 treatment of speech, hearing, and language disorders; adult dental
6 services; prosthetic devices and eyeglasses; optometrists' services;
7 intermediate care facility services, including intermediate care
8 facility services for the mentally retarded; skilled nursing facility
9 services for individuals under age 21; and reasonable transportation
10 to and from the point of medical care.
11 * Sec. 5. AS 47.07.035 is repealed and reenacted to read:
12 Sec. 47.07.035. PRIORITY OF MEDICAL ASSISTANCE. If the depart-
13 ment finds that the cost of medical assistance for all persons eligi-
14 ble under this chapter will exceed the amount allocated in the state
15 budget for that assistance for the fiscal year, the department shall
16 eliminate coverage for optional medical services and optionally eligi-
17 ble groups of individuals in the following order:
18 (1) chiropractic services;
19 (2) adult dental services;
20 (3) emergency hospital services;
21 (4) treatment of speech, hearing, and language disorders;
22 (5) optometrists' services and eyeglasses;
23 (6) occupational therapy;
24 (7) prosthetic devices;
25 (8) medical supplies and equipment;
26 (9) clinic services;
27 (10) physical therapy;
28 (11) personal care services in a recipient's home;
29 (12) long-term care noninstitutional services;

1 (13) inpatient psychiatric facility services;
2 (14) intermediate care facility services for the mentally
3 retarded;
4 (15) intermediate care facility services;
5 (16) individuals unuer age 21 who are not eligible for
6 benefits under the federal aid to families with dependent children
7 program because they are not deprived of one or more of their natural
8 or adoptive parents;
9 (17) skilled nursing facility services for persons under age
10 21;
11 (18) aged, blind, and disabled individuals who, because they
12 do not meet the income requirements, do not receive supplemental
13 security income under Title XVI of the Social Security Act, but who
14 are eligible, or would be eligible if they were not in a skilled
15 nursing facility or intermediate care facility, to receive an optional
16 state supplementary payment;
17 (19) individuals in a hospital, skilled nursing facility, or
18 intermediate care facility whose income while in the facility does not
19 exceed 300 percent of the supplemental security income benefit rate
20 under Title XVI of the Social Security Act, but who, because of in-
21 come, are not eligible for the optional state supplementary payment;
22 (20) 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 * Sec. 6. AS 47.07.040 is amended to read:
27 Sec. 47.07.040. STATE PLAN FOR PROVISION OF MEDICAL ASSISTANCE.
28 The department shall prepare a state plan in accordance with the
29 provisions of 42 U.S.C. 1396 1396p (Title XIX, Social Security Act,

1 Medical Assistance) and submit it for approval to the United States
2 Department of Health and Human Services. The plan shall designate
3 that the Department of Health and Social Services is the single state
4 agency to administer this plan. The department shall act for the
5 state in any negotiations relative to the submission and approval of
6 the plan. The department, including the Medicaid Rate Commission,
7 [AND] may make those arrangements or regulatory changes, not inconsis-
8 tent with law, as may be required under federal law to obtain and
9 retain approval of the United States Department of Health and Human
10 Services to secure for the state the optimum federal payment under the
11 provisions of 42 U.S.C. 1396 - 1396p (Title XIX, Social Security Act,
12 Medical Assistance). In addition, the department shall provide a
13 report to the legislature no later than March 15 of each year concern-
14 ing the status of this program and recommendations, with supporting
15 fiscal data, as to any changes in the coverage of eligible persons or
16 services to be provided.
17 * Sec. 7. AS 47.07.070 is amended by adding a new subsection to read:
18 (d) In determining a rate of payment to a health facility under
19 this section, the commission shall consider the appropriation limit
20 set by the legislature for the department's programs under this chap-
21 ter and under AS 47.25.120 - 47.25.300, and available federal revenue.
22 * Sec. 8. AS 47.07.180 is repealed and reenacted to read:
23 Sec. 47.07.180. DUTIES. (a) The commission shall review pro-
24 posed payment rates for health facilities under this chapter and
25 AS 47.25.120 - 47.25.300.
26 (b) The commission may review budgets of, and shall establish
27 payment rates for, health facilities under this chapter and AS 47.-
28 25.120 - 47.25. 300.
29 (c) The commission shall consult with the department on the

1 state plan as it relates to health facilities. The commission may not
2 change the unit of payment without the written consent of the depart-
3 ment.
4 (d) By March 1 of each year, the commission shall develop for
5 the fiscal year starting the next July 1 an annual estimate of medical
6 assistance program expenditures in health facilities under the juris-
7 diction of the commission. The estimate shall consider anticipated
8 utilization and payment rates for each facility. The methodology used
9 by the commission to develop the estimate shall be consistent with the
10 regulations governing the commission's rate-setting process.
11 * Sec. 9. 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 mental
15 health clinics, <u>outpatient surgical care centers,</u> and physician clin-
16 ics;
17 * Sec. 10. AS 47.07.900 is amended by adding new paragraphs to read:
18 (7) "adult dental services" means minimum treatment for the
19 immediate relief of pain and acute infection provided by a licensed
20 dentist;
21 (8) "chiropractic services" includes only services that are
22 provided by a chiropractor licensed under AS 08.20 that consist of
23 treatment by means of manual manipulation of the spine and x-rays
24 necessary for treatment;
25 (9) "emergency hospital services" means services that
26 (A) are necessary to prevent the death or serious
27 impairment of the health of the individual; and
28 (B) because of the threat to the life or health of the
29 individual, necessitate the use of the most accessible hospital

1 available that is equipped to furnish the services, even if the
2 hospital does not currently meet
3 (i) the conditions for participation under Medi-
4 care; or
5 (ii) the definitions of inpatient or outpatient
6 hospital services under 42 C.F.R. secs. 440.10 and 440.20.
7 (10) "personal care services in a recipient's home" means
8 services prescribed by a physician in accordance with the recipient's
9 plan of treatment and provided by an individual who is
10 (A) qualified to provide the services;
11 (B) supervised by a registered nurse; and
12 (C) not a member of the recipient's family.
13 * Sec. 11. AS 44.77.010(b) is repealed.
14 * Sec. 12. This Act takes effect immediately in accordance with AS 01.-
15 10.070(c).

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)

OPERATING	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
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	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Rod Betit, Director [signature] Phone: 465-3355

Division: Medical Assistance Date: 2/1/85

Approved by Commissioner: [signature] Date: 2/6/85

Agency:

Distribution (by Agency preparing fiscal note):

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST 377-051-85
Bill/Resolution No.:
Title: Mandatory and Optional services under medicaid
Sponsor: Governor
Requestor: Health & Social Services
Date of Request: 1/7/85

FISCAL DETAIL
Agency Affected: Health & Social Services
Program Category Affected: medical assistance
BRU, Program or Subprogram(s) Affected: Medicaid

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Kimberly Busch
Phone: 465-3355
Division: Medical Assistance
Date: 1/7/85

Approved by Commissioner: John R. Pugh Acting
Date: 1/7/85
Agency: Health & Social Services

Distribution (by Agency preparing fiscal note):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

Municipality of Anchorage

RECEIVED MAR 25

P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 264-4111

TONY KNOWLES, MAYOR

MUNICIPAL HEALTH & HUMAN SERVICES COMMISSION

March 17, 1986

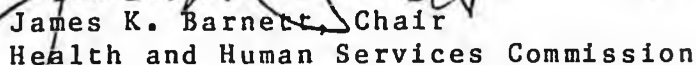
Senator Jan Faiks
Co-Chair, Senate Finance Committee
Alaska Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Dear Senator Faiks:

The Anchorage Municipal Health and Human Services Commission is charged with reviewing and making recommendations on "legislation which affects the health and social well-being of the residents" of Anchorage (Anchorage Municipal Code 4.60.060). In accordance with this responsibility, the commission reviewed and supports the passage of HB 98 - An Act Relating To Medical Assistance, and Providing an Effective Date.

The Health and Human Services Commission is in the process of developing a comprehensive plan for health and human services which will establish priorities among services. The Commission's support for this legislation does not reflect any prioritization of services and needs.

Sincerely,



James K. Barnett, Chair
Health and Human Services Commission

NC25/dPD1

cc: Brad Bradley, Commission Liaison, Anchorage Assembly
Chip Dennerlein, Intergovernmental Affairs, MOA
John F. Franklin, Commissioner of Public Safety, MOA
Jewel Jones, Director, Department of Health and Human Services
Tony Knowles, Mayor
Dave Walsh, Chair, Anchorage Assembly
Jalmar Kerttula, Senate Finance Committee, Alaska Legislature
Richard Eliason, Senate Finance Committee, Alaska Legislature
Paul Fischer, Senate Finance Committee, Alaska Legislature
Rick Halford, Senate Finance Committee, Alaska Legislature
Frank Ferguson, Senate Finance Committee, Alaska Legislature

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES

RECEIVED MAR 11 1986

P. O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3762

Senate Committee on Health, Education and Social Services

March 6, 1986

Senator John Sackett, Co-Chairman
Senator Jan Faiks, Co-Chairman
Senate Finance Committee
P.O. Box V
Juneau, AK 99811

Dear Senator Faiks and Senator Sackett:

SCS CSHB 98(HESS) proposes revisions to the administration of the Medicaid program, adds additional services under Medicaid, and gives the Medicaid Rate Commission explicit direction to consider the level of legislative appropriations in its rate setting process.

Section 4 of the bill, which adds personal care services, adult dental services and chiropractic services to the range of Medicaid services offered by the state, carries a fiscal impact of $1,057,352 in state general fund monies. Personal care and adult dental services are currently being provided under the state's General Relief Medical (GRM) program at a combined cost of $925,546.

	FY 87 ESTIMATED GRM COST	FY 87 ESTIMATED MEDICAID COST (STATE SHARE)
PERSONAL CARE SERVICES	$200,000	$527,000
ADULT DENTAL SERVICES	$725,546	$450,352
CHIROPRACTIC SERVICES	--	$ 80,000

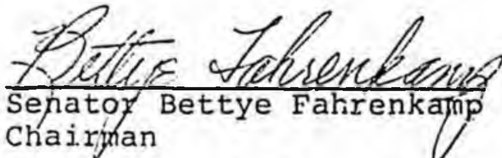
The Governor's FY 87 budget proposes reducing GRM funding from $12 million to $5 million, which would severely restrict the program's ability to meet the medical needs of the 16,690 Alaskans it served last year. Placing personal care and adult dental services under Medicaid will ensure that these services continue to be provided and will effect an overall cost savings

to the state, as the federal government will pick up 50% of the program's costs. In addition, expansion of the Medicaid program as proposed in HB 98 may prove beneficial to the state should a federal Medicaid "cap" be applied.

The Senate Committee on Health, Education and Social Services considered SCS CSHB 98(HESS) on February 4 and February 27. While testimony on the addition of services was supportive, there is recognition that funding for all of the proposed services may not be available. It is therefore the recommendation of the committee that, should a prioritization of the three services be necessary, personal care services be given highest consideration.

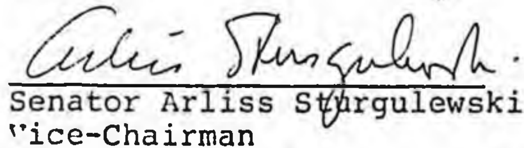
Senators, thank you for taking these comments into consideration. We would be pleased to assist you in any way during your deliberations.

Sincerely,

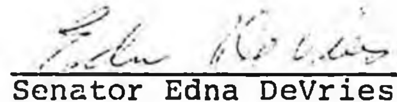


Senator Bettye Fahrenkamp
Chairman

Senator Paul Fischer



Senator Arliss Sturgulewski
Vice-Chairman



Senator Edna DeVries

Senator Joe Josephson

Offered: 4/29/85
Referred: Rules

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 <u>age</u> 21 <u>who are</u> [YEARS OF AGE] under

23 supervision of the department<u>,</u> for whom maintenance is being paid in

24 whole or in part from public funds<u>,</u> 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 physician 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 impairment of the health of the individual; and

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

11 (i) the conditions for participation under Medicare; or

13 (ii) the definitions of inpatient or outpatient 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 01.10.070(c).

COMMITTEE REPORT

SENATE

FURTHER: ~~JUDICIARY~~ Finance waived

5/10/85

Date 3-6-86

Mr. President

The Committee on HESS considered CSHB 98(Fin)

medical assistance; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass

[ ] do pass with attached amendment(s)

[X] replace with/or adopt SCS for CSHB 98 ~~(Fin)~~ (HESS)
[ ] new title
[X] same title and recommends Do Pass

[ ] and attached a "LETTER OF INTENT" [ ] NEW FISCAL NOTE

[ ] reports it back without recommendation

[ ] recommends referral to ______ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS
	Ed DeVries N.R.
Joe Josephson	
Arliss Sturgulewski	
Paul Fischer	

Bettye Fahrenkamp Do Pass
Chairman

Chairman recommendation