

COMMITTEE REPORT
SENATE

FURTHER:

4/7/86

Date _____

Mr. President

The Committee on FINANCE considered SB 364
permitting the state to pay certain untimely claims.

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 CS for _____
- new title
- same title and recommends _____
- 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

Chairman

Chairman recommendation

COMMITTEE REPORT

SENATE

FURTHER: Finance

1/27/86

Date 4/3/86

Mr. President

The Committee on JUDICIARY considered SB 364
permitting the state to pay certain untimely claims.

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 CS for SB 364 (Jud)

new title

same title and recommends _____

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

Tim Kelly

Rich Halford

3 enter

Jan Turk

Patrick Radey

Chairman

do pass
Chairman recommendation

Offered: 4/7/86
Referred: Finance

Original sponsor: DeVries

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 364 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the criteria for payment by the
7 state of claims for certain medical services."

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) or
14 (c) of this section, if there is no third-party claim, or (2) within
15 12 months after the date of service if there is a third-party claim.
16 Except as provided in (d) 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 hearing
28 officer's final decision is rendered. The beneficiary is responsible
29 for notifying the medical provider of the judicial or administrative
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COMMITTEE COPY

1 finding. If the Department of Health and Social Services has reason
2 to believe that the medical provider is unaware of the judicial or
3 administrative finding, the department shall make a good-faith effort
4 to notify the medical provider of the finding.

5 (c) In accordance with (a) of this section and for good cause
6 shown, the commissioner of health and social services may authorize
7 payment to a medical provider of a claim filed within 12 months after
8 the date of service.

9 (d) The commissioner of health and social services may authorize
10 payment to a medical provider of a claim not promptly filed, upon good
11 cause shown. Payments under this subsection may not exceed 50 percent
12 of the allowable charges presented in the claim.

13 (e) In this section,

14 (1) "beneficiary" means a person who is found to be eligi-
15 ble to receive medical services under AS 47.07 or AS 47.25.120 -
16 47.25.300;

17 (2) "medical provider" means a person, firm, corporation,
18 association, or institution that, on the date of service, was approved
19 to provide medical assistance, in accordance with regulations adopted
20 by the Department of Health and Social Services.

21 * Sec. 2. AS 46.77.010(b) is repealed.
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Introduced: 1/27/86
Referred: Judiciary

1 IN THE SENATE

BY DEVRIES

2 SENATE BILL NO. 364

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act permitting the state to pay certain untimely
7 claims."

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

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11 provided under AS 47.07 or AS 47.25.120 - 47.25.300, "promptly", in
12 (a) of this section, means within six months after the date the ser-
13 vice was provided or third-party payment was received. Except as
14 provided in (d) of this section, a [A] claim may not be paid if it is
15 not filed within that period; an inference to the contrary may not be
16 drawn from AS 09.10.050, AS 09.50.250 - 09.50.300, or AS 37.25.010.

17 * Sec. 2. AS 44.77.010 is amended by adding a new subsection to read:

18 (d) The state may pay a claim that is not presented promptly if
19 the state determines that the untimely filing either was not the fault
20 of the claimant or resulted from excusable neglect.
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STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SB364
 Title : An Act permitting the state to pay certain untimely claims.
 Sponsor : DeVries
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : Medical Assistance
 Components : Medicaid and General Relief Medical

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS		25.7	26.7	27.8	28.9	30.1
MISCELLANEOUS						
TOTAL OPERATING		25.7	26.7	27.8	28.9	30.1

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		14.6	15.2	15.8	16.4	17.1
FEDERAL FUNDS		11.1	11.5	12.0	12.5	13.0
OTHER						
TOTAL		25.7	26.7	27.8	28.9	30.1

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

The Division estimates that 100 claims by Medical Service Providers would be affected. The average cost per claim is \$256.99 across both programs.

Prepared by : *Rod Betit*
 Division : Medical Assistance Phone : 465-3355
 Date : 2/6/86

Approved by Commissioner : *John R. Pugh* Date : 2/13/86
 Agency : Department of Health & Social Services

Distribution (by Agency preparing fiscal note):

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

ALASKA STATE LEGISLATURE

14th..... Legislature 2nd Session

SENATE BILL..... NO. ...364..

By DEVRIES.....

"An Act permitting the state to pay certain untimely claims."

Introduced in the Senate ..1/27... , 19... 86

HISTORY IN THE SENATE

19 86

Read first time and referred to Committee on

1 27
2 19
4 7

Judiciary
Finance added
Reported back with *Judiciary*
recommendation that *replaced*
w/ C.S. new title, fiscal note,
5- do pass, to Finance.
Fin:

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SB364
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TEMPORARY						

ANALYSIS : Attach a separate page if necessary

The Division estimates that 100 claims by Medical Service Providers would be affected. The average cost per claim is \$256.99 across both programs.

Prepared by : *Rod Batit*, Director
 Division : Medical Assistance

Phone : 465-3355
 Date : 2/6/86

Approved by Commissioner : *John R. Poy*
 Agency : Department of Health & Social Services

Date : 2/13/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
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SB 364

POSITION PAPER

Senate Bill 364

I. Purpose of SB364

SB364 seeks to clarify the Legislature's intent regarding the six-month limitation placed on medical providers for filing medical claims.

II. Sectional Analysis

SECTION 1

This section waives the six-month filing deadline through an exclusion defined in Section 2.

SECTION 2

This section gives the state discretion to pay a claim that was not filed promptly if good cause existed for the late filing. If the filing deadline were waived, the claim would be paid in full.

III. Discussion

The Department endorses the sponsor's efforts to correct inequities in the present six-month law. The Department would recommend the following additional changes to SB364:

- (1) Language correcting those situations where the third-party payor was so late in responding to the claim that more than six months elapsed before the medical provider received the negative response. The medical provider cannot then "promptly" file the claim, and is left with no recourse.
- (2) Language correcting those situations that arise when a person has been found ineligible for Medicaid or General Relief Medical, and then successfully appeals that finding through a judicial or administrative proceeding only to discover that more than six months have elapsed since the medical services were provided. This could be corrected by permitting a medical provider to file claims within six months after the date upon which a court or administrative hearing officer finds that a person was improperly found to be ineligible for Medicaid or General Relief Medical.
- (3) Finally, while SB364 recognizes that some claims are filed late for good reasons, the Commissioner of Health & Social Services should approve payment, at no more than 50 percent of the allowed charges, of a claim not "promptly" filed, if the medical provider shows "good cause" for the failure to meet the filing deadline. This will permit partial payment of the claim, but continue to stress the importance of the filing a claim timely.

The estimated state fund impact of SB364 is \$14.6 in additional expenditures annually.

IV. Position

The Department supports SB364 as a needed clarification of the Medicaid six-month law, however, the Department recommends the changes noted in Part III of this position paper. Language for these recommended changes can be found in SECTION 1 of CS for CSHB98(HESS)

Recommended By: Rod Betit
Rod Betit, Director
Division of Medical Assistance

Date: 2/6/86

Approved By: John R. Pugh
John R. Pugh, Commissioner
Department of Health and
Social Services

Date: 2/13/86

Offered: 4/7/86
Referred: Finance

Original sponsor: DeVries

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Introduced: 1/27/86
Referred: Judiciary

1 IN THE SENATE

BY DEVRIES

2

SENATE BILL NO. 364

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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COMMITTEE REPORT
SENATE

FURTHER: Finance

1/27/86

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Rick Halford
J. Ziegler
Jan Fark

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Patrick Radey
 Chairman
Do pass
 Chairman recommendation