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6-1971E
Lauterbach
1/30/90

*Submit
as a HESS
Committee
1 Week*

BY THE HESS COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to health facility payment rates."

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

8 * Section 1. AS 47.07.070(a) is amended to read:

9 (a) The [COMMISSION SHALL ADVISE THE] department shall set, [ON]
10 the prospective rate of payment to a health facility under this chap-
11 ter and AS 47.25.120 - 47.25.300 based on a fair rate for reasonable
12 costs incurred by the facility. [THE DEPARTMENT SHALL SET THE RATES
13 OF PAYMENT TO A HEALTH FACILITY.] The department shall by regulation
14 list the factors it considers in making its rate determinations under
15 this section. A rate set under this section does not take effect
16 until it is approved in writing by the *or designee* commissioner. If the rate
17 approved by the *or designee* commissioner is not the same as the rate requested by
18 the facility, the *or designee* commissioner's written approval of the rate must
19 contain findings *[]* that justify the *[]* discrepancy *[]*, AFTER CONSIDERATION
20 OF ANY RECOMMENDATIONS MADE BY THE COMMISSION]. *Difference*

21 * Sec. 2. AS 47.07.075 is amended to read:

22 Sec. 47.07.075. APPLICATION OF ADMINISTRATIVE PROCEDURE ACT.
23 Actions of the department regarding health facility payment rates
24 under this chapter and AS 47.25.120 - 47.25.300 are subject to the
25 provisions of the Administrative Procedure Act (AS 44.62) except as
26 provided in (b) of this section.

27 * Sec. 3. AS 47.07.075 is amended by adding a new subsection to read:

28 (b) The commissioner shall, by regulation, establish time limits
29 applicable to the various phases of an administrative appeal process

1 involving an appeal of the amount of a payment rate set by the depart-
 2 ment for a facility. The time limits set under the regulations super-
 3 sede conflicting time limits in AS 44.62.330 - 44.62.630. The regu-
 4 lations must provide that

5 (1) a hearing for an appeal described in this subsection
 6 must be scheduled under AS 44.62.410 to occur no more than ¹²⁰90 days
 7 after written notice of rate appeal has been received by the depart-
 8 ~~ment from a facility,~~ *unless the facility requests the delay*

9 (2) the commissioner must, within ¹⁵10 days after receiving
 10 the recommendation of the hearing officer, either render a decision in
 11 the case or refer the case back to a hearing officer for additional
 12 findings;

13 (3) if either time limit set under (1) or (2) of this
 14 subsection is violated, *except for just cause* the case is considered to be determined in
 15 favor of the facility on all points raised in its appeal.

16 * Sec. 4. AS 47.07.180(a) is amended to read:

17 (a) The commission shall [REVIEW PROPOSED PAYMENT RATES OF
 18 HEALTH FACILITIES AND] advise the department on policies relating to
 19 payment rates for health facilities under this chapter and AS 47.25.-
 20 120 - 47.25.300. The commission may also review the department's
 21 regulations on payment rates and recommend an alternative rate-setting
 22 system if it determines that the department's system is inadequate.

23 * Sec. 5. AS 47.07.180(c) is repealed.
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