

HB

301

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred April 5, 1995

FURTHER REFERRALS:

Date of Committee Action: _____

The FINANCE Committee considered:

HB 301

HOUSE BILL NO. 301

MEDICAID FUNDING

"An Act relating to the medical assistance program; and providing for an effective date."

recommends it be replaced with the following committee substitute _____ the same title
 a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
Died in committee				

CHAIR'S SIGNATURE _____



Representative Mark Hanley

Alaska State Legislature

SPONSOR STATEMENT

House Bill No. 301

One-year Suspension of Medicaid Options List

The State of Alaska has two methods of controlling Medicaid spending:

- regulation of "amount, duration and scope"; and,
- turning on and off optional services through appropriation levels.

The Department of Health and Social Services (DHSS) has regulatory control over "amount, duration and scope." The Legislature controls funding of optional services. HB 301 has been introduced to lessen the impact of recent short-funding of the optional services list.

Medicaid provides medical coverage under two service lists: mandatory and optional. Federal law requires DHSS to provide all eligible Alaskans mandatory services. Congress allows states to provide, and will help pay for, services not on the mandated list. These services are included in Alaska's Medicaid plan through amendment of AS 47.07.035, referred to as the "options list."

Traditionally, ~~new~~ optional services or providers are added to the statute through a "last on, first off" rule. According to statute, when appropriation levels are insufficient, ~~the~~ optional service/provider listed as #1 is the first to be turned off for state/federal reimbursement. Some amendments to the options list have not occurred under the "last on, first off" rule, however. Few would dispute that our current options list is poorly prioritized, both from a health care and fiscal perspective.

The options list has not been fully funded for several fiscal years. All optional services are available to children, regardless of appropriation levels.

By having to adhere to the prioritization contained in our statutory options list, DHSS will testify that some preventive services will not be paid for under the Medicaid program, thus shifting medical costs higher up the priority list, and usually increasing costs to the state. HB 301 will allow DHSS the flexibility to re-prioritize services and providers in a more cost-effective and appropriate manner.

The one-year time frame specified in this bill will be used by DHSS and the Legislature to work together on building a better options list. The new list should be assembled using criteria for prioritization, rather than the "last on, first on" rule. Additionally, the new list should contain consistent items. Our current statute contains both services and providers. Consideration should be given to listing diagnosis, as is done on the Oregon options list.

Finally, the attached letter of intent makes clear that the Medical Assistance Division of DHSS will live within the appropriation level made in the FY96 operating budget.



Representative Mark Hanley
Alaska State Legislature

LETTER OF INTENT, HB 301

Offered in House Finance Committee by Representative Hanley

Expenditures by the Department of Health and Social Services, Division of Medical Assistance, must not exceed the FY96 appropriation level, despite the suspension of the optional services list (AS 37.07.035). No supplemental appropriation will be made to the division in FY96.

January 1, 1994, inserted "hospice care" near the end of subsection (b). The 1994 amendment, effective September 7, 1994, added subsection (d).

The third 1993 amendment, effective June 26, 1993, added subsection (c).

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) midwife services;
- (2) clinical social workers' services;
- (3) psychologists' services;
- (4) chiropractic services;
- (5) advanced nurse practitioner services;
- (6) adult dental services;
- (7) emergency hospital services;
- (8) treatment of speech, hearing, and language disorders;
- (9) optometrists' services and eyeglasses;
- (10) occupational therapy;
- (11) mammography screening;
- (12) prosthetic devices;
- (13) medical supplies and equipment;
- (14) targeted case management services;
- (15) rehabilitative services for substance abusers and emotionally disturbed or chronically mentally ill adults;
- (16) clinic services;
- (17) physical therapy;
- (18) personal care services in a recipient's home;
- (19) prescribed drugs;
- (20) hospice care;
- (21) long-term care noninstitutional services;
- (22) inpatient psychiatric facility services;
- (23) intermediate care facility services for the mentally retarded;
- (24) intermediate care facility services;
- (25) [See delayed amendment note] individuals described in AS 47.07.020(b)(11);
- (26) individuals under age 21 who are not eligible for benefits under the federal aid to families with dependent children program because they are not deprived of one or more of their natural or adoptive parents;
- (27) skilled nursing facility services for persons under age 21;
- (28) aged, blind, and disabled individuals who, because they do not meet the income requirements, do not receive supplemental security income under Title XVI of the Social Security Act, but who are eligible, or would be eligible if they were not in a skilled nursing facility or

intermediate care facility, to receive an optional state supplementary payment;

(29) individuals in a hospital, skilled nursing facility, or intermediate care facility whose income while in the facility does not exceed 300 percent of the supplemental security income benefit rate under Title XVI of the Social Security Act, but who, because of income, are not eligible for the optional state supplementary payment;

(30) individuals under age 21 under supervision of the department for whom maintenance is being paid in whole or in part from public money and who are in foster homes or private child-care institutions.

(31) individuals under age 21 who the department has determined cannot be placed for adoption without medical assistance because of a special need for medical or rehabilitative care and who the department has determined are hard-to-place children eligible for subsidy under AS 25.23.190 — 25.23.220. (§ 3 ch 132 SLA 1982; am § 2 ch 20 SLA 1986; am § 5 ch 105 SLA 1986; am § 3 ch 119 SLA 1988; am § 4 ch 45 SLA 1989; am § 38 ch 168 SLA 1990; am § 4 ch 69 SLA 1991; am § 2 ch 70 SLA 1991; am § 2 ch 38 SLA 1992; am § 2 ch 110 SLA 1992; am § 3 ch 51 SLA 1993; am § 2 ch 75 SLA 1993; am § 3 ch 76 SLA 1993)

Delayed amendment of paragraph (25). — Under Section 4, ch. 76, SLA 1993, paragraph (23) (now (25)) takes effect on the 180th day after the effective date of Medicaid plan amendments approved by the federal government under which the state would implement a waiver for home and community-based services under 42 U.S.C. 1396n for persons who are Medicaid eligible and who would otherwise require a level of care provided in a hospital, nursing facility, or intermediate care facility for the mentally retarded in the absence of home and community-based services.

Revisor's notes. — Paragraphs (14) and (15) enacted as (2) and (13) and renumbered in 1992. Renumbered again by the first 1993 amendment. Paragraph (20) was enacted as (19), paragraph (25) was enacted as (23), and paragraph (31) was enacted as (29). Renumbered in 1993.

Effect of amendments. — The first 1991 amendment, effective September 19, 1991, added paragraph (9) (now (11)) and redesignated the succeeding paragraphs accordingly.

The second 1991 amendment, effective September 19, 1991, added paragraphs (1) and (2) (now (2) and (3)) and redesignated the subsequent paragraphs accordingly.

The first 1992 amendment, effective July 1, 1992, added paragraphs (12) and (13) (now (13) and (14)) and redesignated former paragraphs (12) to (24) as paragraphs (14) to (26) (now (15) — (19), (20) — (24), and (26) — (30)).

The second 1992 amendment, effective September 20, 1992, added paragraph (4) (now (5)) and redesignated the subsequent paragraphs accordingly.

The first 1993 amendment, effective July 1, 1993, added present paragraph (1) and redesignated the subsequent paragraphs accordingly.

The second 1993 amendment, effective January 1, 1994, added present paragraph (20) and renumbered the subsequent paragraphs accordingly.

The third 1993 amendment added present paragraph (25), redesignated the subsequent paragraphs accordingly, and added paragraph (31).

Administrative Rules
For Oregon
Medical Assistance Program

OREGON HEALTH PLAN ADMINISTRATIVE RULES



Department of Human Resources

OFFICE OF MEDICAL ASSISTANCE PROGRAMS

Salem, Oregon
January 1, 1995

410-141-520 Prioritized List of Health Services

- (1) The Prioritized List of Health Services is the Health Services Commission listing of physical health services presented to the Oregon Legislative Assembly.
- (2) By this reference the Prioritized List of Health Services includes the "expanded definitions" of Ancillary Services and Preventive Services published at the end of the list.
- (3) Certain Mental Health services are only covered for payment when provided by a Mental Health Organization (MHO), Community Mental Health Program (CMHP) or authorized Fully Capitated Health Plan (FCHP) for clients residing in the designated 25% expanded mental health area. These codes are identified on their own Mental Health (MH) section of the appropriate lines on the list.
- (4) Chemical dependency services are covered for all OHP clients when provided by an FCHP or by a provider who has a letter of approval from the Office of Alcohol and Drug Abuse Programs (ODAP) and approval to bill Medicaid for CD services. These codes are identified on the Chemical Dependency (CD) section of line 181.

PRIORITIZED LIST OF HEALTH SERVICES January 1, 1995

Diagnosis: Severe/Moderate Head Injury: Hematoma/Edema with loss of consciousness
Treatment: Medical and surgical treatment
ICD-9: 850.1-850.5,851.02-851.06,851.1,851.22-851.26,851.3,851.42-851.46,851.5,
851.62-851.66,851.7,851.82-851.86,851.9
CPT: 61108,61313-61315,62140-62141,90700-90713,90716,90718-90724,90726-90799,90900-92353,
92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,
99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 1

Diagnosis: Insulin-Dependent Diabetes Mellitus
Treatment: Medical therapy
ICD-9: 250.01,250.11,250.13,250.21,250.23,250.31,250.33,250.61,250.63,251.3,775.1
CPT: 11400-11402,11420,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,
92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,
99058-99078,99175-99178,99185-99362,99375-99440,99499,9982D
Line: 2

Diagnosis: Peritonitis
Treatment: Medical and surgical treatment
ICD-9: 567,569,83,777.6
CPT: 49060,49420,49040,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,
92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,
99058-99078,99175-99178,99185-99362,99375-99440,99499,9982D
Line: 3

Diagnosis: Acute Glomerulonephritis: with lesion of rapidly progressive Glomerulonephritis
Treatment: Medical therapy including dialysis
ICD-9: 580.4
CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,
93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,
99175-99178,99185-99362,99375-99440,99499
Line: 4

Diagnosis: Pneumothorax and Hemothorax
Treatment: Tube thoracostomy/thoracotomy, medical therapy
ICD-9: 511.8,512,860,998.81
CPT: 32020,32500,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,
92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,
99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 5

MH = Codes covered for payment only when provided by a MHO, CMHP or authorized FCHP for a client residing in the 25% expanded mental health area.

Diagnosis: Hernia with obstruction and/or gangrene; uncomplicated hernias under age 18
 Treatment: Repair
 ICD-9: 550-553,728.84
 CPT: 39502-39541,43330-43331,44050,44346,49250,49500-49611,51500,55540,57556,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
 Line: 6

Diagnosis: Addison's disease
 Treatment: Medical therapy
 ICD-9: 255.4,255.5
 CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
 Line: 7

Diagnosis: Flail chest
 Treatment: Medical and surgical treatment
 ICD-9: 807.4,998.81
 CPT: 21800-21825,32905,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
 Line: 8

Diagnosis: Appendicitis
 Treatment: Appendectomy
 ICD-9: 540-543
 CPT: 44900-44960,49020
 Line: 9

Diagnosis: Ruptured spleen
 Treatment: Repair/splenectomy/incision
 ICD-9: 865
 CPT: 38100,38115
 Line: 10

Diagnosis: Tuberculosis
 Treatment: Medical therapy
 ICD-9: 010-012,031.0
 CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
 Line: 11

Diagnosis: Deep open wound of neck, including larynx; fracture of larynx or trachea, open
 Treatment: Repair
 ICD-9: 807.5-807.6,874
 CPT: 12001-12007,13101,13131-13150,21493-21495,31584-31586,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
 Line: 12

Diagnosis: Croup syndrome, epiglottitis, acute laryngotracheitis
 Treatment: Medical therapy, intubation, tracheotomy
 ICD-9: 464.1-464.4
 CPT: 31600,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
 Line: 13

Diagnosis: Pneumococcal pneumonia, other bacterial pneumonia, bronchopneumonia, influenza with pneumonia
 Treatment: Medical therapy
 ICD-9: 020.3-020.5,022.1,073.0,481-483,485-486,487.0,507,508.0
 CPT: 31645,43246,43830,43832,44300,44372-44373,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
 Line: 14

Diagnosis: Whooping cough
Treatment: Medical therapy
ICD-9: 032-033
CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,
93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-
99178,99185-99362,99375-99440,99499
Line: 15

Diagnosis: Rupture of papillary muscle
Treatment: Medical and surgical treatment
ICD-9: 429.5-429.6
CPT: 33542,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,
93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-
99178,99185-99362,99375-99440,99499
Line: 16

Diagnosis: Coagulation defects
Treatment: Medical therapy
ICD-9: 286.0-286.5,286.7-286.9,719.1
CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,
93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-
99178,99185-99362,99375-99440,99499
Line: 17

Diagnosis: Dissecting or ruptured aortic aneurysm
Treatment: Surgical treatment
ICD-9: 441.0-441.1,441.3,441.5
CPT: 33320-33350,33690,33803,33860-33877,33916,34520,35081-35103,35301-35311,35331-35351,
35450-35515,35526-35531,35536-35551,35560-35563,35601-35616,35626-35646,35651,35663,
35870-35875,36825-36830,36834,90700-90713,90716,90718-90724,90726-90799,90900-92353,
92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-
99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 18

Diagnosis: Injury to major blood vessels of upper extremity
Treatment: Ligation
ICD-9: 903
CPT: 37618
Line: .9

Diagnosis: Intestinal obstruction w/o mention of hernia; foreign body in stomach, intestines, colon & rectum
Treatment: Excision, medical therapy
ICD-9: 560.0,560.2,560.8-560.9,935.2,936-938
CPT: 44005-44010,44020-44025,44050,44110-44130,44139-44144,90700-90713,90716,90718-90724,
90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,
97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 20

Diagnosis: Non-dissecting aneurysm without rupture
Treatment: Surgical treatment
ICD-9: 441.2,441.4,441.9,442
CPT: 33320-33350,33860-33877,33916,35001-35081,35091,35102,35111-35162,35188,35301-35311,
35331-35351,35450-35515,35526-35531,35536-35551,35560-35563,35601-35616,35626-35646,
35651,35663,35875,36825-36830,36834,37565-37606,37618,61680-61692,61700,61712,90070-
90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,
95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-
99362,99375-99440,99499
Line: 21

Diagnosis: Ruptured viscus
Treatment: Repair
ICD-9: 530.4,569.3,569.4,569.89,862.22
CPT: 43405,44602-44805,45560,57268-57270,90700-90713,90716,90718-90724,90726-90799,
90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,
97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 22

Diagnosis: Acute bacterial meningitis
Treatment: Medical therapy
ICD-9: 036.0-036.1,036.3-036.9,320
CPT: 61000-61070,61107,61210-61215,90700-90713,90716,90718-90724,90726-90799,90900-
92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,
99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 23

MH = Codes covered for payment only when provided by a MHO, CMHP or authorized FCHP for a client residing in the 25% expanded mental health area:

Diagnosis: Varicose veins of lower extremities
Treatment: Stripping/sclerotherapy
ICD-9: 454.459
CPT: 36468-36471,37700,37720-37735,37760,37780-37799,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 715

Diagnosis: Vulval varices
Treatment: Vascular surgery
ICD-9: 456.6
CPT: 37799,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 716

Diagnosis: Chronic pancreatitis
Treatment: Surgical treatment
ICD-9: 577.1
CPT: 48000,48999
Line: 717

Diagnosis: Chronic prostatitis, other disorders of prostate
Treatment: Medical therapy
ICD-9: 601.1,602,608.1
CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 718

Diagnosis: Plantar fascial fibromatosis
Treatment: Medical therapy
ICD-9: 728.1,728.71
CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97250,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499,9330M
Line: 719

Diagnosis: Cancer of various sites with distant metastases where treatment will not result in a 5% 5 year survival
Treatment: Curative medical and surgical treatment
ICD-9: 140-198
CPT: 11600-11646,38720-38724,41110-41114,41130,42120,42842-42845,42880,47610,47420-47425,58951,61500,61510,61518-61521,61546-61548,77261-77799,79000-79999,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 720

Diagnosis: Agenesis of lung
Treatment: Medical therapy
ICD-9: 748.5
CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97250,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499,9982D
Line: 721

Diagnosis: Disease of capillaries
Treatment: Excision
ICD-9: 448.1-448.9
CPT: 11400-11426
Line: 722

Diagnosis: Benign polyps of vocal cords
Treatment: Medical therapy
ICD-9: 478.4
CPT: 31540-31541,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 723

Diagnosis: Fractures of ribs and sternum, closed
Treatment: Medical therapy
ICD-9: 807.0,807.2
CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 724

MH = Codes covered for payment only when provided by a MHO, CMHP or authorized FCHP for a client residing in the 25% expanded mental health area.

Diagnosis: Diseases of thymus gland
 Treatment: Medical therapy
 ICD-9: 254
 CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
 Line: 725

Diagnosis: Dental services (marginal improvement)
 Treatment: Restorative dental service
 ICD-9: N/A
 CPT: 01204-01205,03410,03421,03425-03426,03430,03450,03470,03920,04249-04250,04261-04271,06780,06940,07271-07272,07993-07994,09910,09940,09952
 Line: 726

Diagnosis: Anti-social personality disorder
 Treatment: Medical/psychotherapy
 ICD-9: 301.7
 CPT: 90862,90870,90871,99052,99221-99275,99291
 MH: 90801-90857,90880-90899,BA007,BA008,BA009,BA010,BA107,BA108,BA109,BA110
 Line: 727

Diagnosis: Sebaceous cyst
 Treatment: Medical therapy
 ICD-9: 685.1,706.2,744.47
 CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
 Line: 728

Diagnosis: Central retinal artery occlusion
 Treatment: Paracentesis of aqueous
 ICD-9: 362.31-362.32
 CPT: 67015,67500-67505
 Line: 729

Diagnosis: Oral aphthae
 Treatment: Medical therapy
 ICD-9: 528.2
 CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
 Line: 730

Diagnosis: Sublingual, scrotal, and pelvic varices
 Treatment: Venous injection, vascular surgery
 ICD-9: 456.3-456.5
 CPT: 36470,37799,55530-55535,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
 Line: 731

Diagnosis: Superficial wounds without infection and contusions
 Treatment: Medical therapy
 ICD-9: 910.0,910.2,910.4,910.6,910.8,911.0,911.2,911.4,911.6,911.8,912.0,912.2,912.4,912.6,912.8,913.0,913.2,913.4,913.6,913.8,914.0,914.2,914.4,914.6,914.8,915.0,915.2,915.4,915.6,915.8,916.0,916.2,916.4,916.6,916.8,917.0,917.2,917.4,917.6,917.8,919.0,919.2,919.4,919.6,919.8,920-924,608.8
 CPT: 10140,11740,12001-12014,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
 Line: 732

Diagnosis: Unspecified retinal vascular occlusion; central retinal vein occlusion
 Treatment: Laser surgery
 ICD-9: 362.30,362.35
 CPT: 67228
 Line: 733

Diagnosis: Vitiligo, congenital pigmentary anomalies of skin
 Treatment: Medical and surgical treatment
 ICD-9: 709.0,757.3,757.9
 CPT: 11920-11922,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
 Line: 734

MH = Codes covered for payment only when provided by a MHO, CMHP or authorized FCHP for a client residing in the 25% expanded mental health area.

Diagnosis: Benign neoplasm of external female genital organs
Treatment: Excision
ICD-9: 221.1-221.9
CPT: 56440,56501,57130-57135
Line: 735

Diagnosis: Benign neoplasm of male genital organs: testis, prostate, epididymis
Treatment: Medical therapy
ICD-9: 222.0,222.2,222.3,222.8,222.9
CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 736

Diagnosis: Xerosis
Treatment: Medical therapy
ICD-9: 706.8
CPT: 11000-11052,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 737

Diagnosis: Sarcoidosis
Treatment: Medical therapy
ICD-9: 135
CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 738

Diagnosis: Congenital cystic lung - severe
Treatment: Lung resection
ICD-9: 748.4
CPT: 32500
Line: 739

Diagnosis: Ichthyosis
Treatment: Medical therapy
ICD-9: 757.1
CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 740

Diagnosis: Lymphedema
Treatment: Medical therapy, other operation on lymph channel
ICD-9: 457
CPT: 38300-38308,38380-38382,38542-38555,38700-38760,90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 741

Diagnosis: Other aplastic anemias
Treatment: Medical therapy
ICD-9: 284.9
CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 742

Diagnosis: Tubal dysfunction and other causes of infertility
Treatment: In-vitro fertilization, gift
ICD-9: 256
CPT: 56970-58976
Line: 743

Diagnosis: Hepatorenal syndrome
Treatment: Medical therapy
ICD-9: 572.4
CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075,95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 744

MH = Codes covered for payment only when provided by a MHO, CMHP or authorized FCHP for a client residing in the 25% expanded mental health area.

Diagnosis: Spastic dysphonia
Treatment: Medical therapy
ICD-9: 478.79
CPT: 90700-90713,90716,90718-90724,90726-90799,90900-92353,92358-92371,92502-92977,93000-95075, 95115-97260,97265-97541,97700-97750,97799,99025-99054,99058-99078,99175-99178,99185-99362,99375-99440,99499
Line: 745

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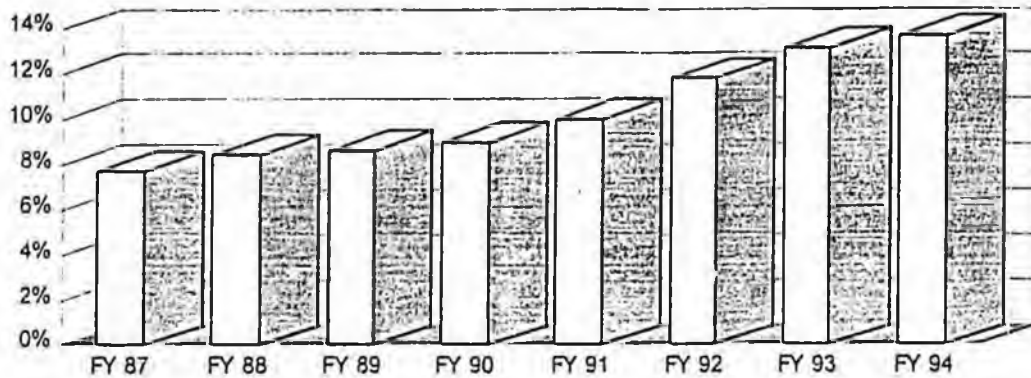
MH = Codes covered for payment only when provided by a MHO, CMHP or authorized FCHP for a client residing in the 25% expanded mental health area.

Division of Medical Assistance



Prepared by
The Division of Medical Assistance
P.O. Box 110660
Juneau, Alaska 99811-0660

MEDICAID ELIGIBLES AS A
PERCENTAGE OF THE POPULATION



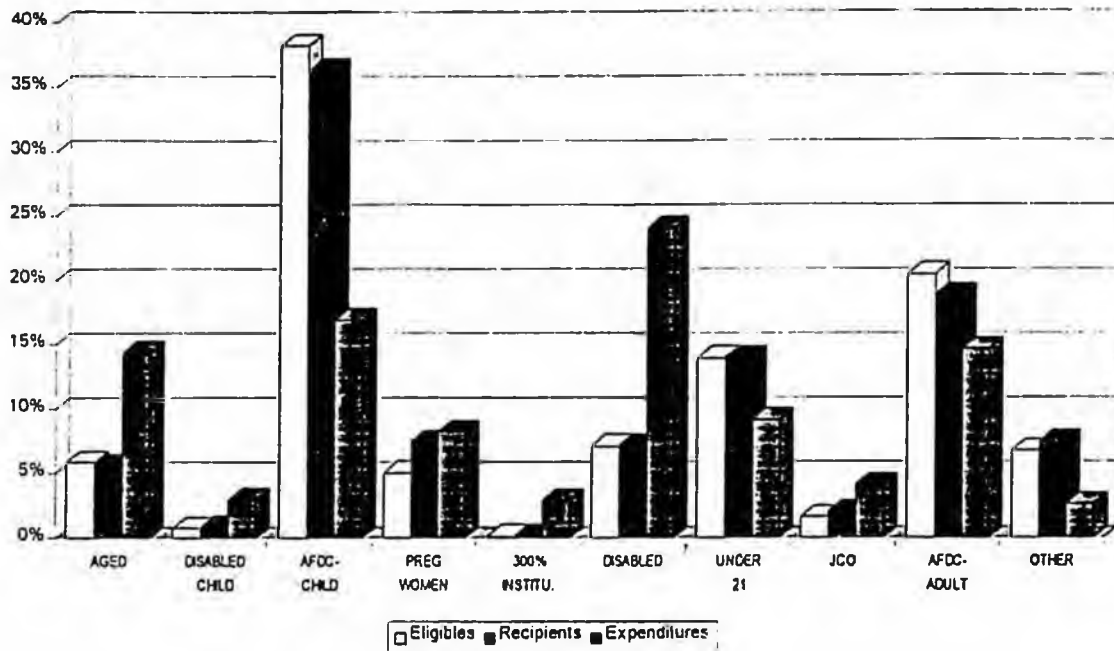
Fiscal Year	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>
Percent	8%	8%	9%	9%	10%	12%	13%	14%
Eligibles	41,559	44,872	46,090	49,839	57,251	69,286	78,418	83,920
State Pop	537,800	531,000	534,400	553,600	570,300	586,900	599,200	612,500

The chart above shows the percentage of population covered by Medicaid in Alaska for the last eight (8) years. In 1987 the program provided coverage for 8% of the state's population. In 1994 the portion of the population covered by Medicaid was 14%. Medicaid has more and more become the means for extending coverage for health care to people who can't find coverage elsewhere.

There has been growth in the program due to increased costs, but a substantial part of the growth is due to addition of new eligibility groups and new provider groups added by Congress. Congressional emphasis for Medicaid coverage during the past decade has been on increasing services for pregnant women and children to gain the obvious quality of life and financial advantages that preventive care offers for these groups. Much of what began as optional coverage for children and pregnant women in now a mandatory coverage by federal law.

Interestingly, while 14% of the population depends upon this health care financing program to pay for medical care, the program represents about 8% of the State's total operating budget for FY 95.

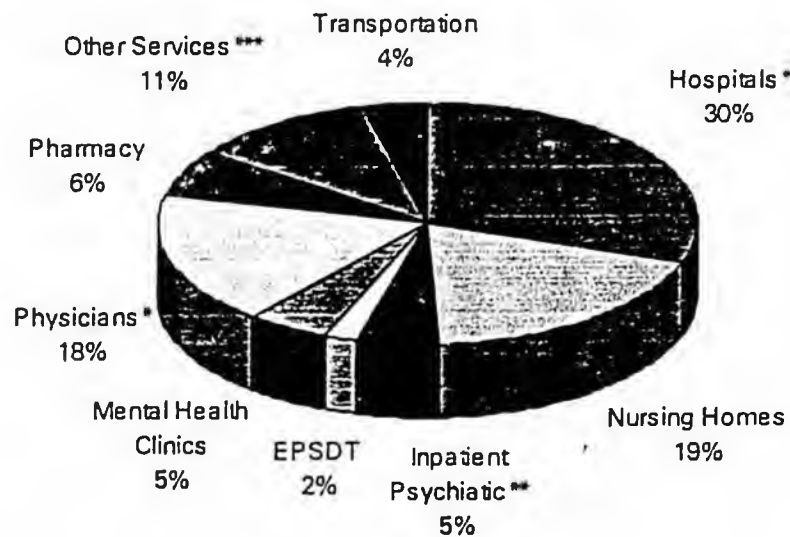
FY94 Medicaid Eligibles, Recipients, and Expenditures By Categories of Assistance



	ELIGIBLES		RECIPIENTS		EXPENDITURES	
AGED	4,888	6%	4,423	6%	\$35,053,816	14%
DISABLED CHILD	616	1%	624	1%	7216461	3%
AFDC-CHILD	32,148	38%	28,587	36%	41,137,654	17%
PREG WOMEN	4,236	5%	5,903	8%	20,012,994	8%
300% INSTTU.	133	0%	156	0%	7026616	3%
DISABLED	5,979	7%	5,604	7%	58,492,399	24%
UNDER 21	11,704	14%	11,027	14%	22,323,148	9%
JCO	1,370	2%	1,595	2%	9,942,089	4%
AFDC-ADULT	17,209	21%	14,849	19%	35,617,684	15%
OTHER	5,637	7%	5,840	7%	6,288,219	3%
TOTAL	83,920	100%	78,608	100%	\$243,111,080	100%

- ◆ Children receiving AFDC are the single largest group on Medicaid, accounting for over 35 percent of all Medicaid eligible individuals.
- ◆ Disabled adults are the group that accounts for the highest percentage of Medicaid spending, accounting for over 20 percent of all Medicaid spending.
- ◆ Five categories--the aged, disabled children, pregnant women, people in institutions, disabled adults, and children in court-ordered state custody--account for a higher percentage of Medicaid spending than they do Medicaid eligibles.
- ◆ Four categories--AFDC adults, AFDC children, other children under age 21, and other Medicaid--account for a lower percentage of Medicaid spending than they do Medicaid eligibles.

FY94 Medicaid Expenditures by Category of Service



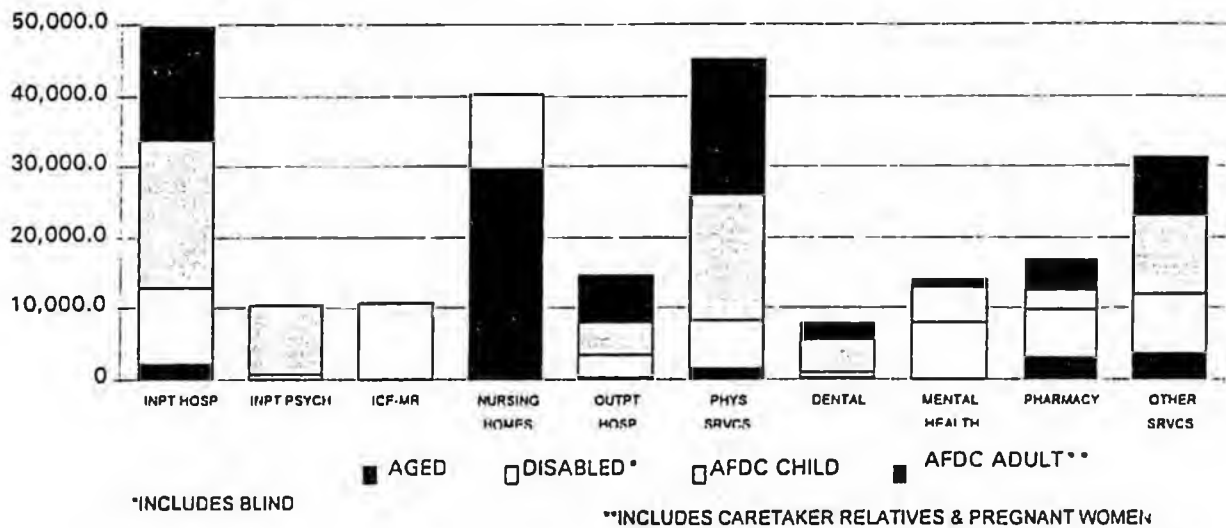
- ◆ Thirty percent of Medicaid payments go to hospitals.
- ◆ Nursing homes receive 19 percent of Medicaid payments.
- ◆ Physicians receive 18 percent of all Medicaid payments.

* Includes IHS

** Includes \$3.7 million General Match funds for APH and Harborview in DMHDD budget

***Includes RSA's, Medicare Buy-In and TPL Recovery Contracts

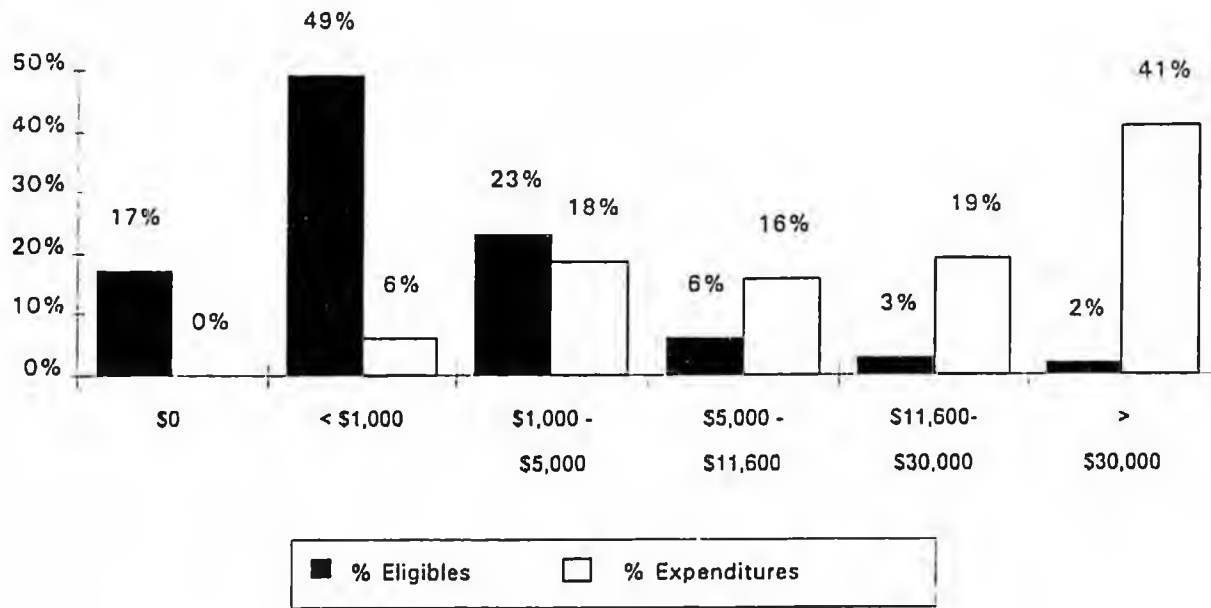
FY94 Medicaid Expenditures by Categories of Services and Assistance



- ◆ Nursing home expenditures on the aged are the largest single service/assistance category of Medicaid spending. Medicaid spent almost \$30 million on nursing home services for the aged.
- ◆ AFDC recipients, both children and adults, account for the largest amounts of Medicaid spending on hospitals, physician services, and dental care.
- ◆ The disabled account for the most spending on mental health services, pharmacy services, and intermediate care facilities for the mentally retarded.

FY 94 MEDICAID

Expenditure Distribution by Eligibles



Expend Category	Eligibles	% Eligibles	Expenditure	% Expend	Average Annual Expenditure Per Eligibles
\$0	14,307	17%	\$0	0%	\$0
< \$1,000	41,218	49%	\$14,562,015	6%	\$353
\$1,000 - \$5,000	19,524	23%	\$44,000,629	18%	\$2,254
\$5,000 - \$11,600	4,997	6%	\$37,364,512	16%	\$7,477
\$11,600-\$30,000	2,487	3%	\$45,578,387	19%	\$18,327
> \$30,000	1,387	2%	\$97,358,311	41%	\$70,193
Totals	83,920	100%	\$238,863,853	100%	\$2,846

Medical Assistance

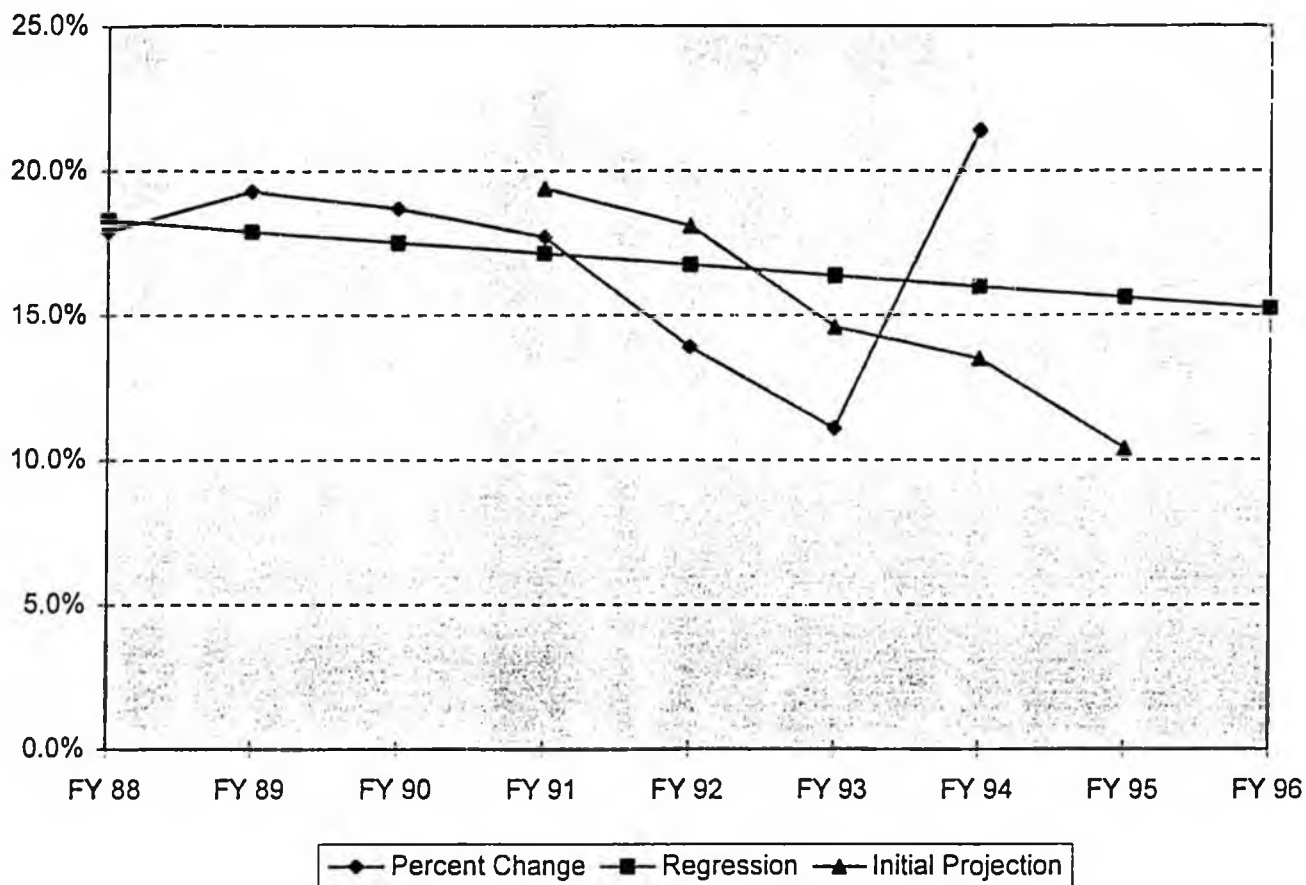


TABLE OF MEDICAID PRIORITIES - AS 47.07.035
(Lowest to Highest)
Adult Services Only

Service	FY96 Recipients	Gov Total Funds	04/10/95 Cumulative Balance
1. Direct Entry Midwives	0	0	0
2. Clinical Social Workers	0	0	0
3. Psychologists	0	0	0
4. Chiropractic	1,637	426,862	426,862
5. Advanced Nurse Practitioners	50	123,000	549,862
6. Adult Dental	7,256	3,657,541	4,207,403
7. Emergency Hospital Services	0	0	4,207,403
8. Speech, Hearing, & Language Disorders	1,218	417,678	4,625,081
9. Optometrist Service & Eyeglasses	8,407	464,826	5,089,907
10. Occupational Therapy	73	25,453	5,115,360
11. Mammography	135	18,580	5,133,940
12. Prosthetic Devices	0	0	5,133,940
13. Medical Supplies & Equipment	1,116	1,210,642	6,344,582
14. Targeted Case Management (S Abuse & MH)	913	1,878,960	8,223,542
15. Rehabilitative Services (Sub Abuse & MH)	1,163	11,123,316	19,346,858
16. Clinic Services Includes Mental Health Clinics	3,638	10,198,159	29,545,017
17. Physical Therapy	529	303,035	29,848,052
18. Personal Care	782	3,387,727	33,235,779
19. Prescribed Drugs	21,550	16,657,259	49,893,038
20. Hospice Care	0	0	49,893,038
21. Non-Institutional Long Term Care (Includes Home & Community Based Waivers)	0 652	0 13,629,800	49,893,038 63,522,838
22. Inpatient Psychiatric Services	0	10,224,760	73,747,598
23. Intermediate Care for the Mentally Retarded	76	10,672,760	84,420,358
24. Intermediate Care Services	682	40,758,842	125,179,200
25. Medically Complex Children's Services (TEFRA & OBRA)	235	4,246,711	129,425,911
26. Individuals Under 21 Not Eligible for AFDC	115	380,243	129,806,154
27. Skilled Nursing Services for Individuals Under 21	9	541,277	130,347,431
28. Aged, Blind and Disabled Individuals	11,538	132,013,571	262,361,002
29. Individuals in a Hospital, Skilled or Intermediate Care at 300% SSI Level	168	8,355,634	270,716,636
30. Individuals Under 21 Under supervision of the Department	1,792	12,315,146	283,031,782
31. Subsidized Adoptions	19	42,100	283,073,882

18. Includes Alaska Psychiatric Institute.

19. Includes Harborview Developmental Center.

26,28-31 Are Eligibility Groups. The cost shown are included in the above optional services as well as the mandatory medicaid Services.



HB 301

April 21, 1995

Representative Mark Hanley
Alaska House of Representatives
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Hanley:

I am writing to you on behalf of the Building Bridges Steering Committee regarding HB 301. As you are aware, the Building Bridges group is an organization of community mental health providers, consumers and family members who advocate for services and programs that meet the needs of the mentally ill. Having reviewed HB 301, we would like to share our thoughts and preferred solutions with you regarding the problems the bill addresses.

We understand and share your concerns regarding the need to contain the cost of the state's medical assistance program. Accordingly, we support the movement of the state's program to a managed care system which necessarily balances the elements of desired service outcomes with cost containment. We support a system of care that appropriately places emphasis on outpatient services, which are less costly and community based. At the same time, we recognize that it will take time to plan and implement a full managed care system in this state, and that cost containment must be dealt with during the interim, an issue HB 301 attempts to address.

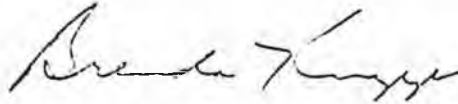
We are also aware that Medicaid cost containment utilizing the optional services priority list currently provided in statute could be extremely destructive to our existing community mental health programs. However, we do not believe that it would be in anyone's best interest for the Department of Health and Social Services to have unlimited authority to develop an alternative method of

prioritization without adequate opportunity for public participation. Therefore, before any changes in the existing priorities are made, we urge that public participation in the process be provided for and offer our organization as a participant.

Thank you for your consideration in this urgent matter.

Sincerely,

Copy: Karen Perdue
Commissioner, H&SS

A handwritten signature in cursive script, appearing to read "Brenda Knapp".

Brenda Knapp
Building Bridges Steering Committee Member

Members of the Building Bridges Campaign for Mental Health

Northern Region

Copper River Mental Health Center
Fairbanks Community Mental Health Center
Family Centered Services of Alaska
Four Rivers Counseling Center
KNA Community Counseling Center
Manilaq Counseling Services
North Slope Borough Community Counseling Center
Norton Sound Community Mental Health Center
Railbelt Mental Health & Addictions Program
Tanana Chiefs Conference Counseling Center
Tok Area Mental Health Center
Yukon Flats Care Center
Yukon-Koyukuk Mental Health & Alcohol Program
Yukon-Tanana Community Mental Health & Substance Abuse Programs

Statewide Advocacy Organizations

Alaska Alliance for the Mentally Ill
Mental Health Association in Alaska
Mental Health Consumers of Alaska
Disability Law Center of Alaska

Southcentral Region

Aleutians East Health Department
Alaska Specialized Education & Training Services
Anchorage Center for Families
Bethel Community Services
Bristol Bay Area Health Corporation
Central Peninsula Counseling Services
Kodiak Island Borough Mental Health Center
Life Quest
Seward Life Action Council
South Peninsula Community Mental Health Center
Southcentral Counseling Center
The ARC of Anchorage
Yukon Kuskokwim Health Corporation CMHC
Valdez Counseling Center

Southeast Region

COHO Mental Health Services, Inc.
Community Connections
Gateway Center for Human Services
Island Counseling Services
Juneau Alliance for the Mentally Ill
Juneau Community Mental Health Center
Juneau Youth Services, Inc.
Lynn Canal Counseling Center
Petersburg Mental Health Services, Inc.
SEARCH-Behavioral Health Services Division
Sound Alternatives
Wrangell Mental Health Services, Inc.



Alaska State Legislature

Please enter into the record my testimony to the House Finance
committee name
committee on HB 301 , dated April 21, 1995
bill/subject

Testimony from Carol Anne Chesitis, PO Box 155, Anchor Point, AK
99556 Phone 235-6191

RE: HB 301

Page 1 of 2

Directives?

1) cuts that include medical supplies, physical therapy & equipment (This includes WHEELCHAIRS)

Physical therapy aides in the level of function. in many cases help further deterioration of the body

Equipment helps keep folks in their homes - wheelchairs give individual mobility ^{and freedom} and a way to maintain some sense of usefulness

2) AFDC cuts by \$6 million affects families where a member has a disability and cannot work -

How are these families to survive?
What are they to do? Break up their families? What would you do if you were in their place?

Page 2 of 2

3) Re-closing of DFYS offices in rural Alaska

These folks do a tremendous service for their communities.

As a care provider, I have seen the results of their work. They know many of our folks depend on them as their only link to the system. We need to keep these offices open without them many of our older folks will fall between the cracks.

Thank you for your time & consideration

Carol Anne ~~Christie~~

PCA/CNA
Alzheimer's Respite
Provider