

SB

149

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: April 28, 1997

FURTHER REFERRALS:

Finance

Date of Committee Action: 5/6/97

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

SB 149

SENATE BILL NO. 149

HEALTH CARE FACILITY AUDITS & REPORTS

"An Act relating to reports and audits concerning health care facilities; and providing for an effective date."

recommends it be replaced the same title
 with the following committee substitute _____ 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) H+SS/4-4-97

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Paul Ryan</i>	<input checked="" type="checkbox"/>			
<i>Carolyn</i>	<input checked="" type="checkbox"/>			
<i>Don Bunde</i>	<input checked="" type="checkbox"/>			
<i>Brian D. Porter</i>	<input checked="" type="checkbox"/>			
<i>John Leary</i>			<input checked="" type="checkbox"/>	
<i>John Leary</i>	<input checked="" type="checkbox"/>			
<i>Tom Price</i>			<input checked="" type="checkbox"/>	

CHAIR'S SIGNATURE *Don Bunde*

Alaska State Legislature



Senator Gary Wilken, Chairman
Senator Loren Leman, Vice Chairman
Senator Lyda Green
Senator Jerry Ward
Senator Johnny Ellis

State Capitol
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Senate Committee on Health, Education and Social Services

SENATE HESS COMMITTEE SPONSOR STATEMENT

SB 149 - Health Care Facility Audits & Reports

SB 149 clarifies that Medicaid audits may be used in the Medicaid rate setting process. This is a necessary clarification, since a recent rate appeal decision prevented the State from being able to set rates based on 1993 and 1994 Medicaid audits.

In addition to this, SB 149 repeals a State filing deadline that has been superseded by Federal deadlines. Even though the Alaska Department of Health & Social Services requires facilities to file a year-end report within 120 days after the year's end, it is often difficult for facilities to obtain needed documents from Federal payment intermediaries such as Blue Cross of Washington & Alaska in that time, since the Federal Government does not require filing for up to five months past the end of the year. This discrepancy in State and Federal deadlines has created a need for the 120-day deadline to be changed. SB 149 allows the Commissioner to change the State deadline to match the Federal one.

Finally, SB 149 adds language that acknowledges that it is not necessary for DHSS to audit every facility every year for Medicaid. Since facilities are audited by their independent C.P.A.'s every year, there should be no reason for DHSS to duplicate that audit effort, providing that the facility in question has no history of audit problems and the amount of Medicaid paid to that facility is not material compared to the total Medicaid budget. This acknowledgment is a first step in helping to facilitate a process which could be designed to reduce the administrative burden that DHSS and the facilities experience in auditing every facility every year, whether there is need to or not.

This bill has the support of the Administration, and the Alaska State Hospital and Nursing Home Association.

ALASKA STATE

HOSPITAL & NURSING HOME

ASSOCIATION

POSITION PAPER

SENATE BILL 149 Health Care Facility Audits & Reports

March 27, 1997

"An Act relating to, reports and audits of health facilities; and providing for an effective date."

WHY SUPPORT THE MEDICAID AUDIT BILL?

1. It clarifies that Medicaid audits may be used in the Medicaid rate setting process.
 - Federal law requires that states perform Medicaid audits.
 - Recent rate appeal decisions state that Medicaid audits done in 1993 and 1994 may not be used to set rates.
 - This bill is not designed to overturn those decisions but rather to clarify future application.
2. It repeals a State filing deadline that has been superseded by Federal deadlines. Under State law, facilities must file a year end report with the Alaska Department of Health & Social Services (DHSS) within 120 days after year end. As a result of Federal deadline changes, facilities no longer receive the documents they need from Federal payment intermediaries (Blue Cross of Washington & Alaska) until five months after year end. Since those documents must be filed as part of the year end report to the State, the 120 day deadline no longer works.
3. It adds language that acknowledges that it is not required for DHSS to audit every facility every year for Medicaid. They are all audited by their independent C.P.A.'s every year and we believe it would be appropriate for Medicaid audits to be done less frequently. If there is no history of audit problems with a facility and the amount of Medicaid paid to that facility is not material compared to the total Medicaid budget, a process could be designed to reduce the administrative burden related to the audit activity.
4. The Department of Health and Social Services and the Alaska State Hospital and Nursing Home Association jointly support the bill as a measure to ensure proper operation of the Medicaid rate setting process.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

1
Bill Version: SB 149
(S) Publish Date: 4-4-97
Dept. Affected: Health and Social Services
BRU: Medical Assistance
Component: Medicaid Facilities
COMPONENT SERIAL NO. 230
See also (SN#): _____

Revision Date: _____
Title: An Act relating to rates, reports, and inspections of health facilities under AS 47.07.
Sponsor: Senate HESS
Requestor: Senate HESS

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY98	FY99	FY00	FY01	FY02	FY03
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

POSITIONS	FY98	FY99	FY00	FY01	FY02	FY03
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

The attached bill amends AS 47.07.074 to clarify that the Department of Health and Social Services is authorized to consider the department's audits of financial and statistical information submitted by health care facilities, for the purpose of establishing Medicaid payment rates for such facilities. This bill also addresses the timing of the submission of reports by health facilities, and provides that Medicaid audits may be conducted less than annually on health care facilities.

Prepared by: Jack Nielson *BJ*
Division: Medical Assistance/MRAC
Approved by Commissioner: Karen Perdue, Commissioner *KPerdue*
Agency: Department of Health & Social Services

Phone: 562-1996
Date: 03/23/97
Date: 4-2-97

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