

**SB**

**149**

# 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						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITION :**

POSITION	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 *AS*  
Division: Medical Assistance/MRAC  
Approved by Commissioner: Karen Perdue, Commissioner *[Signature]*  
Agency: Department of Health & Social Services

Phone: 562-1996  
Date: 03/28/97  
Date: 4-2-97

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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.