

SB

108

SFIN

FILE

REPORTED OUT
 APR 04 2003
 SENATE FINANCE
 COMMITTEE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/28/03

FURTHER:

DATE TURNED
 IN TO OFFICE: 4 April 2003

Finance Committee considered SENATE BILL NO. 108

SB 108 HEALTH FACILITY MEDICAID RATES/ADV. COM'N

"An Act relating to payment rates under the Medicaid program for health facilities and to budgeting, accounting, and reporting requirements for those facilities; abolishing the Medicaid Rate Advisory Commission; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
H&SS	3/3/03	(9.6)		#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>				
<i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

FISCAL NOTE

REPORTED OUT

 APR 04 2003

 SENATE FINANCE
 COMMITTEE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 108
 (S) Publish Date: 3/6/03
 Dept. Affected: Health & Social Services
 BRU: Medical Assistance Admin
 Component: Health Purchasing Group

Revision Date/Time (Note if correction):
 Title: MEDICAID FACILITY PAYMENT RATES

Sponsor: RULES
 Requester: GOVERNOR

Component No. 243

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel	(6.5)	(6.5)	(7.0)	(7.5)	(8.0)	(8.0)
Contractual	(3.1)	(3.1)	(3.2)	(3.5)	(3.6)	(3.6)
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	(9.6)	(9.6)	(10.2)	(11.0)	(11.6)	(11.6)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	(4.8)	(4.8)	(5.1)	(5.5)	(5.8)	(5.8)
1003 GF Match	(4.8)	(4.8)	(5.1)	(5.5)	(5.8)	(5.8)
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify type-do not abbreviate)						
TOTAL	(9.6)	(9.6)	(10.2)	(11.0)	(11.6)	(11.6)

Estimate of any current year (FY2003) cost: _____
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

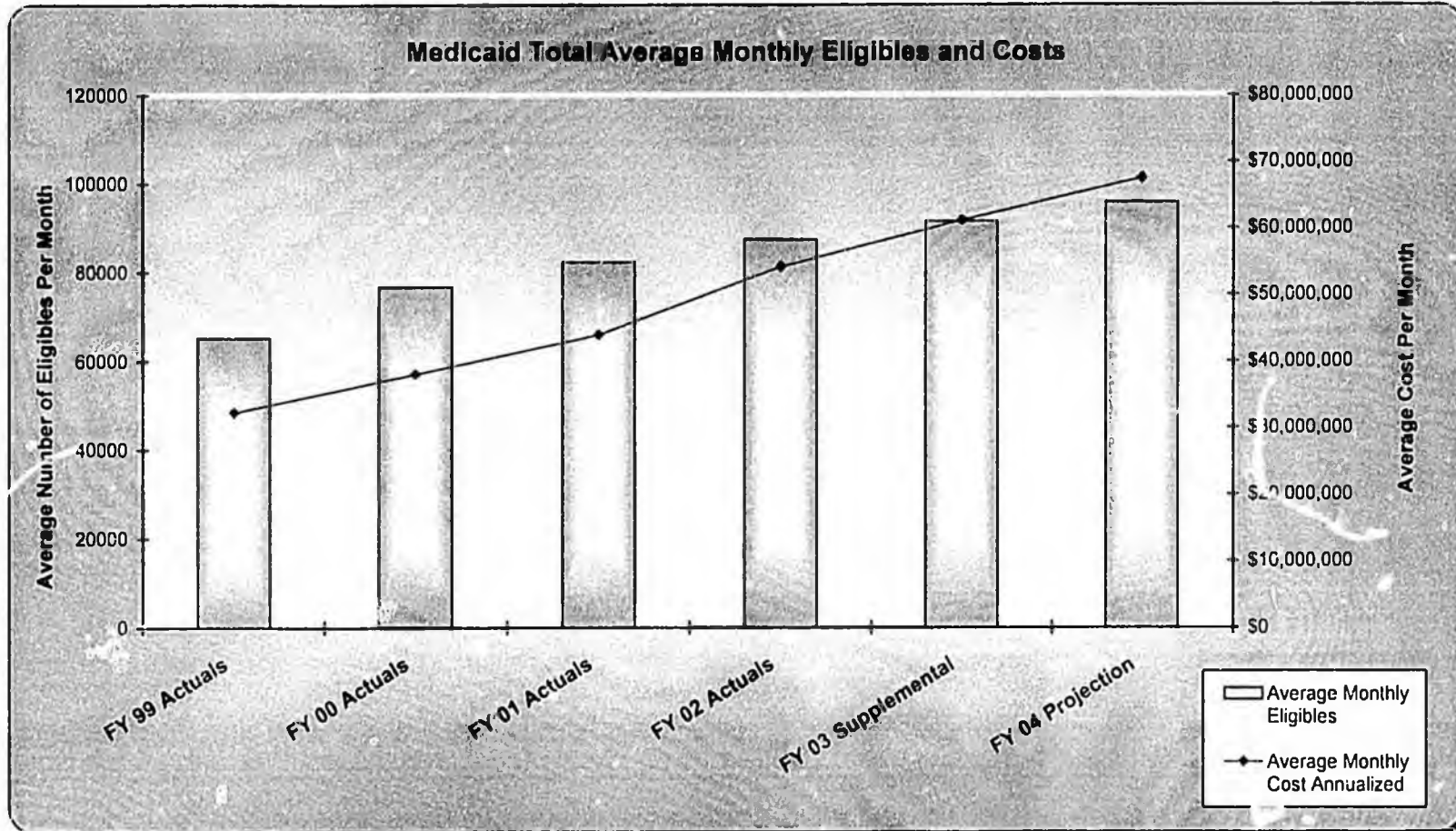
Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
 This bill would eliminate the need for expenditures that support commission members' travel, per diem and other related support costs; and contractual funding for issuing public notices and court reporting services.

Prepared by: Virginia Stonkus Phone 465-1166
 Division: Medical Assistance Date/Time 03/03/2003
 Approved by: Joel S. Gilbertson, Commissioner Date 03/03/2003
 Agency: Department of Health and Social Services

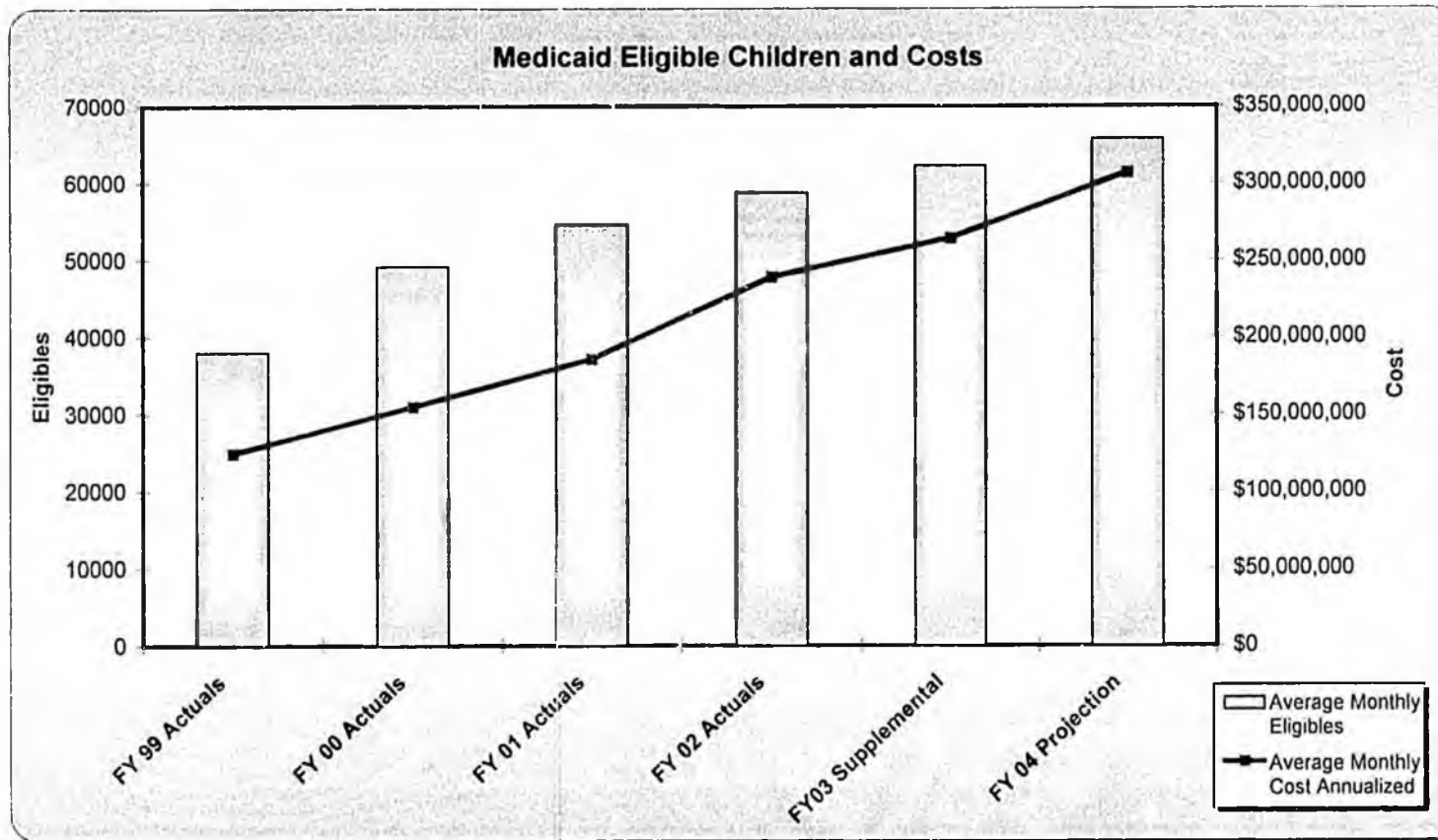
COMMITTEE COPY

Supplied by DHSS
4/2/03



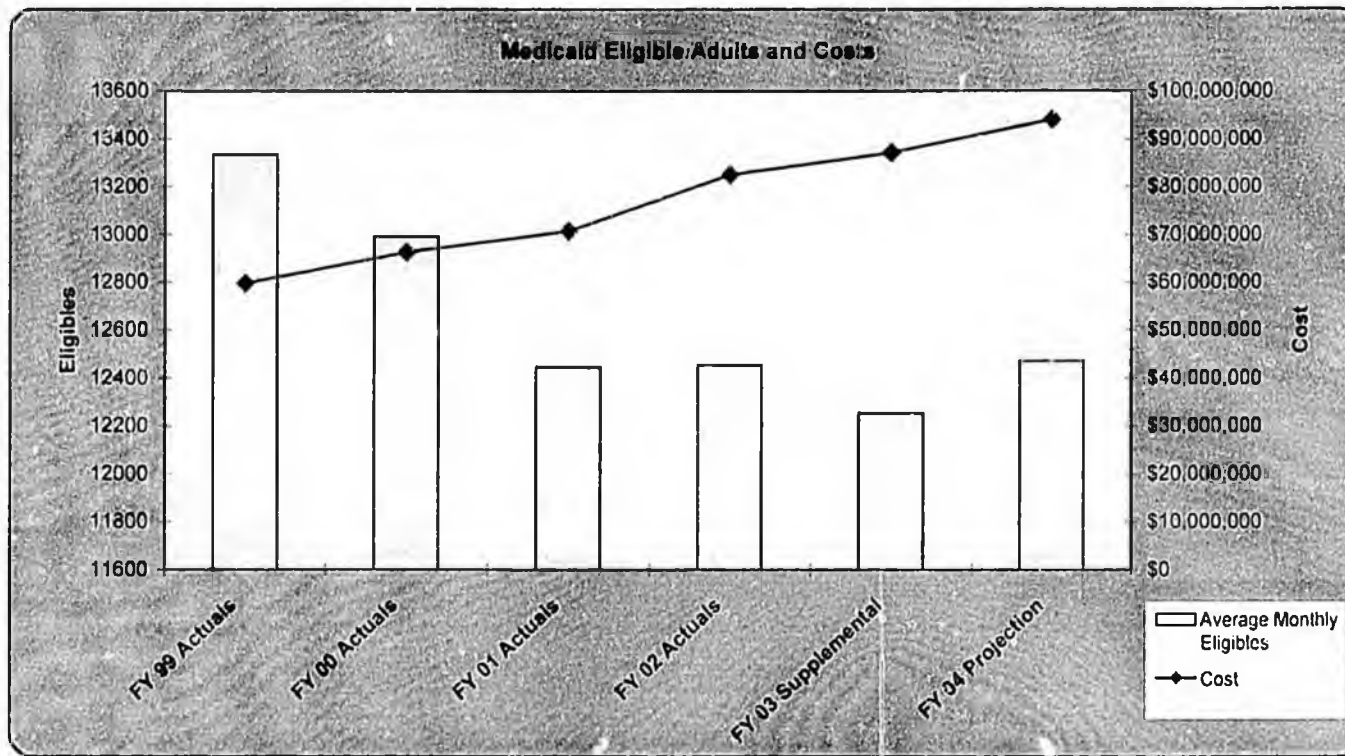
Total Services

	Average Monthly Eligibles	Eligible Rate of Growth	Average Monthly Cost Annualized	Expenditure Rate of Growth	Average CPMPM	CPMPM Rate of Growth	CPMP - Cost Per Member Per Month
FY 99 Actuals	65,151	4.42%	386,905,778	20.52%	\$494.88		Rate of Growth from Actuals
FY 00 Actuals	76,664	17.67%	455,591,782	17.75%	\$495.23	0.07%	Rate of Growth from Actuals
FY 01 Actuals	82,274	7.32%	525,843,557	15.42%	\$532.62	7.55%	Rate of Growth from Actuals
FY 02 Actuals	87,364	6.19%	648,959,983	23.41%	\$619.02	16.22%	Rate of Growth from Actuals
FY 03 Supplemental	91,521	4.76%	732,264,731	12.84%	\$666.75	7.71%	Rate of Growth from Actuals
FY 04 Projection	95,842	6.13%	808,894,135	12.58%	\$703.32	5.48%	Rate of Growth from Updated Projection



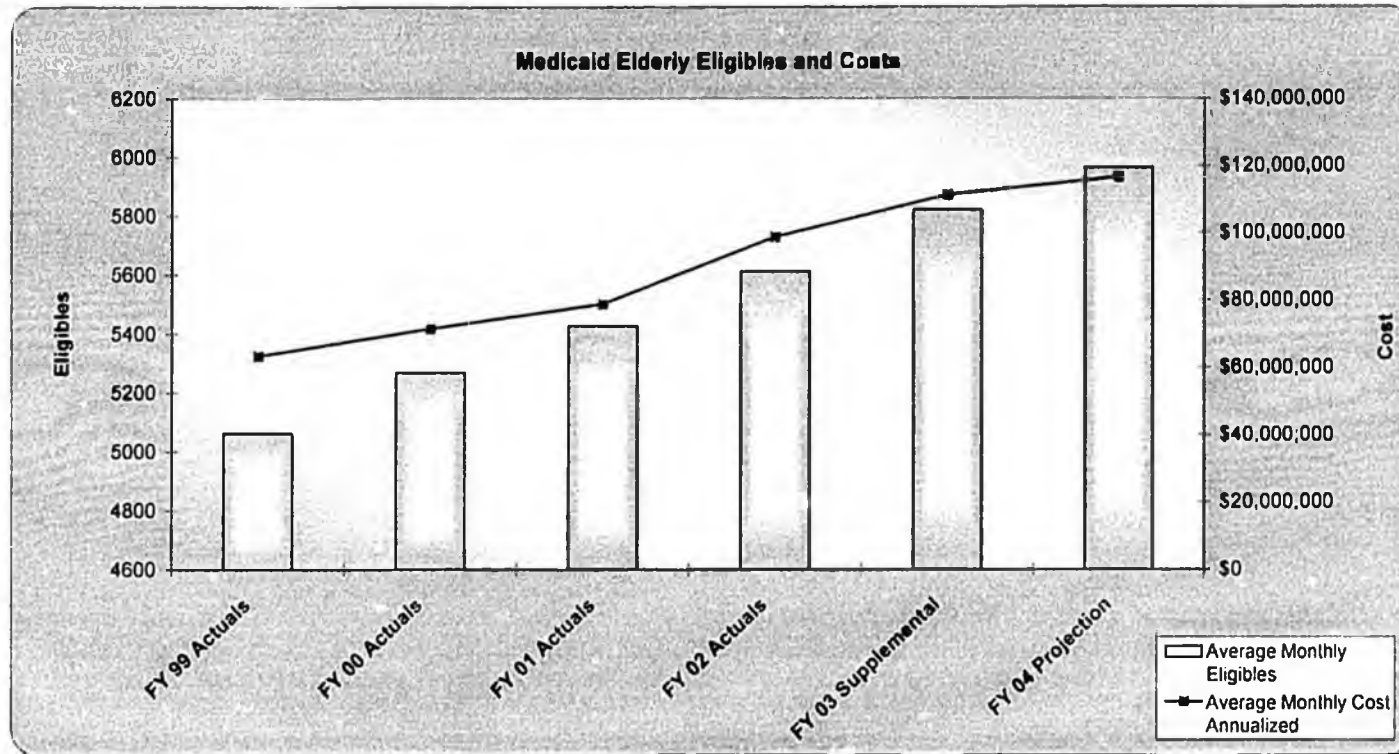
Total Children

	Average Monthly Eligibles	Eligible Rate of Growth	Average Monthly Cost Annualized	Expenditure Rate of Growth	Average CPMPM	CPMPM Rate of Growth	CPMP - Cost Per Member Per Month
FY 99 Actuals	38,001	5.23%	\$124,329,223	22.33%	\$272.65		Rate of Growth from Actuals
FY 00 Actuals	49,155	29.35%	\$154,625,058	24.37%	\$262.14	-3.65%	Rate of Growth from Actuals
FY 01 Actuals	54,602	11.08%	\$185,453,865	19.94%	\$283.05	7.98%	Rate of Growth from Actuals
FY 02 Actuals	56,749	7.59%	\$238,317,428	28.77%	\$331.47	17.10%	Rate of Growth from Actuals
FY 03 Supplemental	62,268	5.99%	\$264,071,492	10.57%	\$353.41	6.62%	Rate of Growth from Actuals
FY 04 Projection	65,735	6.72%	\$306,716,404	19.95%	\$388.83	10.02%	Rate of Growth from Updated Projection



Adult Totals

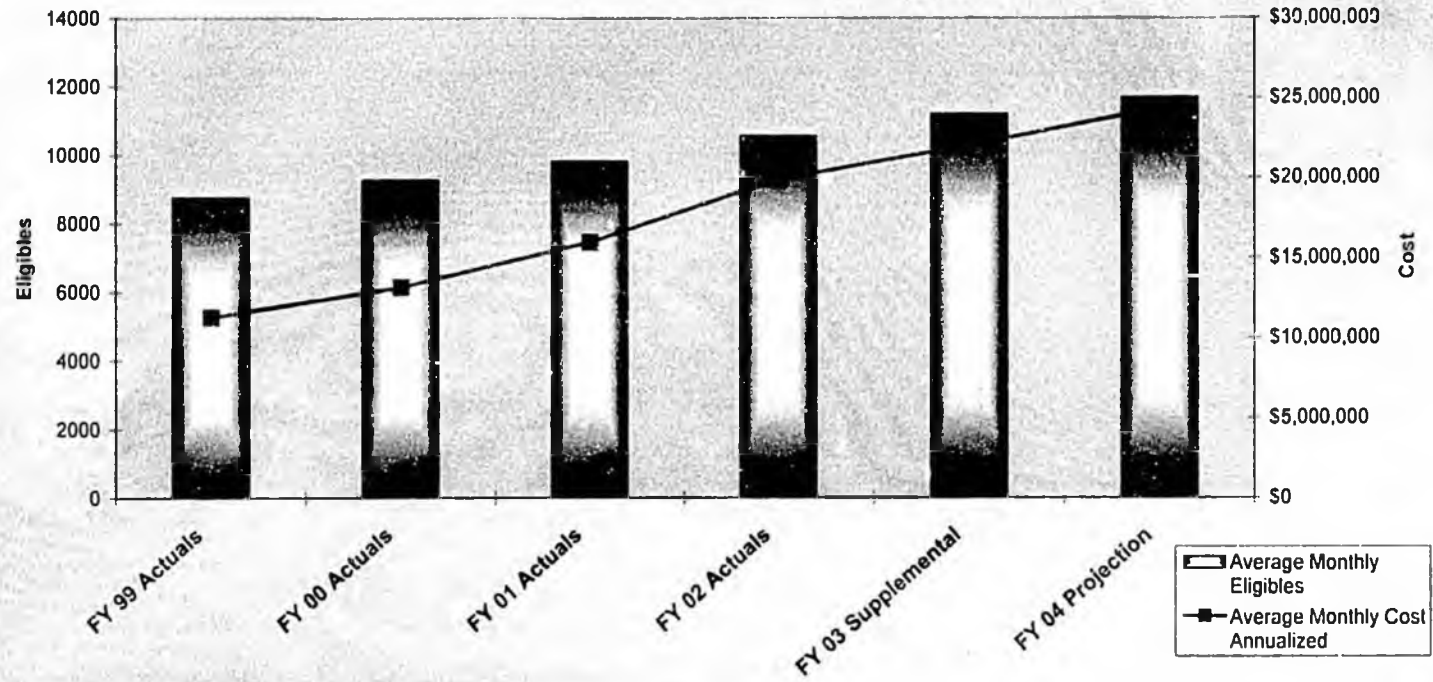
	Average Monthly Eligibles	Eligible Rate of Growth	Average Monthly Cost Annualized	Expenditure Rate of Growth	Average CPNIPM	CPMPM Rate of Growth	CPMP - Cost Per Member Per Month
FY 99 Actuals	13,333	1.04%	\$372,870,000	1.25%	\$372.87		Rate of Growth from Actuals
FY 00 Actuals	12,990	-2.57%	\$424,810,000	1.00%	\$424.81	13.93%	Rate of Growth from Actuals
FY 01 Actuals	12,445	-4.20%	\$473,330,000	6.34%	\$473.33	11.42%	Rate of Growth from Actuals
FY 02 Actuals	12,454	0.07%	\$552,120,000	16.73%	\$552.12	16.65%	Rate of Growth from Actuals
FY 03 Supplemental	12,252	-1.62%	\$592,460,000	5.57%	\$592.46	7.31%	Rate of Growth from Actuals
FY 04 Projection	12,471	3.95%	\$628,210,000	4.45%	\$628.21	6.03%	Rate of Growth from Updated Projections



Total Elderly

	Average Monthly Eligibles	Eligible Rate of Growth	Average Monthly Cost Annualized	Expenditure Rate of Growth	Average CPMPM	CPMPM Rate of Growth	CPMP - Cost Per Member Per Month
FY 99 Actuals	5,062	2.83%	\$63,259,319	13.00%	\$1,041.52		Rate of Growth from Actuals
FY 00 Actuals	5,268	4.00%	\$71,391,112	12.84%	\$1,129.36	8.43%	Rate of Growth from Actuals
FY 01 Actuals	5,426	3.00%	\$76,749,739	10.29%	\$1,209.33	7.08%	Rate of Growth from Actuals
FY 02 Actuals	5,612	3.42%	\$98,074,218	25.32%	\$1,462.78	20.98%	Rate of Growth from Actuals
FY 03 Supplemental	5,821	3.73%	\$111,181,414	6.86%	\$1,591.79	8.82%	Rate of Growth from Actuals
FY 04 Projection	5,964	3.82%	\$116,414,726	10.40%	\$1,626.54	2.11%	Rate of Growth from Updated Projection

Medicaid Disabled Eligibles and Costs



Total Disabled

	Average Monthly Eligibles	Eligible Rate of Growth	Average Monthly Cost Annualized	Expenditure Rate of Growth	Average CPMPM	CPMPM Rate of Growth	CPMP - Cost Per Member Per Month
FY 99 Actuals	8,755	7.30%	\$135,081,248	25.59%	\$1,265.83		Rate of Growth from Actuals
FY 00 Actuals	9,251	5.67%	\$157,357,426	16.48%	\$1,417.49	10.24%	Rate of Growth from Actuals
FY 01 Actuals	9,801	5.95%	\$190,954,747	21.35%	\$1,623.54	14.54%	Rate of Growth from Actuals
FY 02 Actuals	10,550	7.64%	\$238,329,216	24.81%	\$1,982.56	15.95%	Rate of Growth from Actuals
FY 03 Supplemental	11,180	5.97%	\$269,904,865	10.41%	\$2,011.82	6.87%	Rate of Growth from Actuals
FY 04 Projection	11,672	6.40%	\$291,754,050	11.11%	\$2,082.94	3.54%	Rate of Growth from Updated Projection

FRANK H. MURKOWSKI
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March 5, 2003

The Honorable Gene Therriault
President of the Senate
Alaska State Legislature
State Capitol, Room 107
Juneau, AK 99801-1182

Dear President Therriault:

Under the authority of article III, section 18, of the Alaska Constitution, I am transmitting a bill to provide greater flexibility to the Department of Health and Social Services to set Medicaid payment rates for Alaska's hospitals, nursing home and other health care facilities.

The proposed bill would eliminate the Medicaid Rate Advisory Commission and place the responsibility for calculating and setting Medicaid payment rates for health care facilities under the general authority of the Department of Health and Social Services.

Historically, the Medicaid facility rate setting process has been extremely cumbersome and costly for both the state and health care facilities. The current rate-setting process is both a barrier to effective cost containment as well as problematic for assuring adequate reimbursement for Alaska's diverse mix of health care facilities.

Passage of this legislation will allow the department to develop in regulation a more flexible, cost-effective rate setting process that will, for the first time, allow the department to explicitly take into account the appropriations made by the legislature for the Medicaid program when setting rates.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in black ink that reads "Frank H. Murkowski".

Frank H. Murkowski
Governor

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 3/6/03

FURTHER: Finance

Date of 5-Day Notice: 3-20-03
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3.26.03

Health, Education and Social Services Committee considered

SENATE BILL NO. 108

SB 108 HEALTH FACILITY MEDICAID RATES/ADV. COM'N

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Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
HSS	3/03	✓		1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	DO NOT PASS	NO REC	AMEND
<i>David Green</i> Green	✓			
<i>Michael Guess</i> Guess			✓	
<i>Paul Dyr...</i> * Dyr...	✓			
<i>Sam Wilkin</i> Wilkin	✓		error 4/11/03	
<i>Betty Davis</i> Davis			✓	
CHAIR:				

SITE: ANCHORAGE LIO

COMMITTEE: SFIN

DATE: 4-2-03

SUBJECT OF MEETING:

SB 108

UPDATE #:

P R I N T YOUR NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

**DO YOU WANT
TO TESTIFY?
Y OR N**

Jack Nielsen		DHSS	Ans ?s
Email address:			SB 108
Julia Tucker		A. G. office	Ans ?s
Email address:			SB 108
Email address:			
Email address:			
Email address:			
Email address:			
Email address:			