

SB

109

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
 APR 04 2003
 SENATE FINANCE
 COMMITTEE

DATE: 3/28/03

FURTHER:

DATE TURNED
 IN TO OFFICE: 4 April 2003

Finance Committee considered SENATE BILL NO. 109

SB 109 MEDICAID COST CONTAINMENT & PRIORITY LIST

"An Act repealing the statute that sets priorities for the Department of Health and Social Services to apply to administration of the medical assistance program when there are insufficient funds allocated in the state budget for that program; authorizing the department to make cost containment decisions that may include decisions about eligibility of persons and availability of services under the medical assistance program; 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	3/4/03		✓	# 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>	✓			

APR 04 2003

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 109
 (S) Publish Date: 3/6/03
 Dept. Affected: Health & Social Services

SENATE FINANCE
COMMITTEE

Revision Date/Time (Note if correction):
 Title MEDICAID PRIORITIES WHEN FUNDS INSUFFICIENT

BRU Medical Assistance
 Component Medicaid Services

Sponsor RULES
 Requester GOVERNOR

Component No. 2077

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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)
 Under current law, if insufficient funds are allocated to fully-fund the Medicaid program, the department is directed to eliminate optional Medicaid services based on a priority list that is woefully out-of-date. The existing list is not an effective management tool and, if used, would needlessly result in the denial of necessary and cost-effective services to Alaskans in need of health care.
 The proposed bill would replace this obsolescent language with broad general authority for the department to undertake cost containment based on three key principles.

Prepared by: Virginia Stonkus Phone 465-1166
 Division Medical Assistance Date/Time 03/03/2003
 Approved by: Joel S. Gilbertson, Commissioner Date 03/04/2003
 Agency Department of Health and Social Services

COMMITTEE COPY

ANALYSIS CONTINUATION

First, the department must pursue all other reasonable cost containment measures before eliminating any eligibility groups or services.

Second, the department should aggressively pursue strategies to maximize federal financial participation in the Medicaid program.

Third, cost containment decisions should be made in a manner that best reflect the needs and interests of eligible Medicaid recipients.

The imperative of slowing the growth of state funding for Medicaid while at the same time maintaining health care coverage for needy Alaskans is an issue that can no longer be avoided. Passage of this legislation will give the department some of the tools that it needs to meet this challenge.

FRANK H. MURKOWSKI
GOVERNOR

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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 implement cost containment strategies for the Medicaid program.

Under current law, if funds appropriated to the Medicaid program are insufficient for a given fiscal year, the department is directed to eliminate optional Medicaid services based on a priority list that is woefully out-of-date. The existing list is not an effective management tool and if used, would needlessly result in the denial of necessary and cost-effective services to Alaskans in need of health care.

The proposed bill would replace this obsolescent language with authority for the department to undertake cost containment based on three key principles.

First, the department must pursue all other reasonable cost containment measures before eliminating any eligibility groups or services.

Second, the department should aggressively pursue strategies to maximize federal financial participation in the Medicaid program.

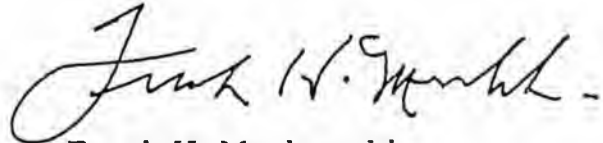
Third, cost containment decisions should be made in a manner that best reflect the needs and interests of eligible Medicaid recipients.

The Honorable Gene Merriault
March 5, 2003
Page 2

The imperative of slowing the growth of state funding for Medicaid while at the same time maintaining health care coverage for needy Alaskans is an issue that can no longer be avoided. Passage of this legislation will give the department additional tools to meet this challenge.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in cursive script, reading "Frank H. Murkowski". The signature is written in dark ink and is positioned above the printed name and title.

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. 109

SB 109 MEDICAID COST CONTAINMENT & PRIORITY LIST

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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		X	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>Greg Wilken</i> Wilken	✓			
<i>Bettye Davis</i> Davis			✓	
<i>Luke Green</i> Green	✓			
<i>Frank Gress</i> Gress			✓	
<i>Frank Dyson</i> *Dyson				
CHAIR:				