

SB

108

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

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March 6, 2003

Honorable Fred Dyson
Chairman
Senate Health, Education, and Social Services Committee
Alaska State Capitol; Rm. 121
Juneau, AK 99801

Dear Senator Dyson,

The Department of Health and Social Services respectfully requests a hearing in the Senate Health, Education, and Social Services Committee on Senate Bill 108 "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."

This bill will provide greater flexibility to the Department of Health and Social Services to set Medicaid payment rates for Alaska's hospitals, nursing homes and other health care facilities. Changes in federal law in the past few years providing more flexibility in rate setting have not been taken advantage of in Alaska due to our own inflexible statute.

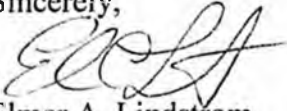
The proposed bill would eliminate the Medicaid Rate Advisory Commission (MRAC). Since the MRAC currently acts in an advisory capacity and the Commissioner has ultimate authority to set rates, elimination of the Commission and its attendant costs is appropriate.

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. A fiscal note should be on file with the committee.

Honorable Fred Dyson
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Your favorable consideration of this request will be appreciated.

Sincerely,



Elmer A. Lindstrom
Special Assistant to the Commissioner

Cc: Mike Tibbles, Legislative Director
Office of the Governor

Virginia Stonkus, Acting Director
Division of Medical Assistance

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 108
(S) Publish Date: 3/6/03

Revision Date/Time (Note if correction):

Title: MEDICAID FACILITY PAYMENT RATES

Dept. Affected: Health & Social Services

BRU: Medical Assistance Admin

Component: Health Purchasing Group

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

Division: Medical Assistance

Phone: 465-1166

Date/Time: 03/03/2003

Approved by: Joel S. Gilbertson, Commissioner

Date: 03/03/2003

Agency: Department of Health and Social Services

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 3/6/03

FURTHER: Finance

Date of 5-Day Notice: _____
(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

"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#
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>Lynda Green</i> Green	✓			
<i>Michael J. Guess</i> Guess			✓	
<i>Paul J. Dyson</i> Dyson	✓			
<i>Ken Wilken</i> Wilken	✓		error 4/11/03	
<i>Bettye Davis</i> Davis			✓	
CHAIR:				