

Leg. Finance - Finance Comte Files (1971-72) 8879

SCR 37, SB 45, SCR 47, SB 56

153



RECORDS



CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date

INTER-AGENCY ROUTING SLIP

TO: Senate Finance Committee
ATTN: Chairman Butrovich

January 11, 1972

REMARKS:

FROM: Emylou Secretary of Senate DATE: 1/11/72

Please return to the Secretary all SENATE RESOLUTIONS; SENATE CONCURRENT RESOLUTIONS; HOUSE CONCURRENT RESOLUTIONS; SENATE JOINT RESOLUTIONS; and HOUSE JOINT RESOLUTIONS except those listed below which amend the Constitutions:

SJR 1 - Indictment by grand jury	In Judiciary
SJR 2 - Limiting legislators holding other office	In Rules
SJR 32 - Continuing revenue fund	In State Affairs
HJR 2 - Increasing membership legislature	In Judiciary

C. S. AB 19 Zuepler



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James O. Smith
Signature of Camera Operator

4/4/89
Date

The Legislature of the State of Alaska
 FISCAL NOTE
 Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: Senate Bill 45
 Title: An Act appropriating to the Department of Health and Welfare
 Requested by: Legislative Finance Date: 1/10/72
 Return Date Requested: 1/18/72
 Agency: Department of Health & Social Services Program: Division of Public Health

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	8	8	8	8	8	8
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND	8	8	8	8	8	8
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill was apparently initiated by the Arctic Retarded Children Association. It was not initiated by this Department and we are unable to say what purpose the funds were asked for or whether they are still needed.

IV. ATTACHMENTS

V. DATE: 1/19/72 PREPARED BY: J. McCabe MD.

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE
of ALASKA

MEMORANDUM

TO:

Legislative Finance
Room 407
Capitol Building

DATE: January 19, 1972

FROM:

Frederick McGinnis *F.M.C.G.*
Commissioner
Department of Health & Social Services

SUBJECT: SB 45

The Department has reviewed SB 45, at your request, and offers the following comment.

1. The legislation was not proposed by this Department and apparently, reflected an approach to members of the Legislature by representatives of the Arctic Association for Retarded Children, specifically for a pre-school program for school term 70-71.
2. This Department cannot speak to the present position of AARC on this matter; however, your attention is invited to the fact that one half of the term for which the money was to be appropriated has passed and other sources of funding may have been secured or adjustments made in their program.

FM:JFM:mm

STATE OF ALASKA

WILLIAM A. EGAN, Governor

DEPARTMENT OF HEALTH AND WELFARE

OFFICE OF THE COMMISSIONER

POUCH H - JUNEAU 99801

MEMORANDUM

TO: The Honorable John Butrovich
Chairman, Senate Finance Committee

FROM: Robert A. (Bert) Hall, Commissioner
Department of Health and Welfare *Hall*

SUBJECT: Senate Bill 45

DATE: January 28, 1971

As requested, information pertaining to Senate Bill 45 is furnished.

Alaska Statute 14.30.180 enacted in 1970 establishes local and State-operated school responsibility for "competent education services for the exceptional children of legal school age." "Exceptional children" means retarded, handicapped or gifted children. 1970 HB 653 would have lowered permissively, but not mandatorily, the legal school age to three years. This was not passed. Thus, the responsibility for education of exceptional children below age six is most specifically delineated by AS 14.30.180.

Alaska Statute 47.20.010 authorizes the Alaska Department of Health and Welfare to provide financial assistance and professional guidance to parents' groups "for providing special services, evaluation, and special training required by exceptional children." In Sec. 47.20.040 services are limited to "the exceptional children of the State who do not come within laws relating to education or training because of their age or severity of handicap."

The Department of Health and Welfare provides evaluation of exceptional children through its Child Study Center in Anchorage, its Mental Health Division, and its Crippled Children's Services program.

The Department also provides financial assistance to four parents organizations in the State to pay for teacher salaries for special classes for the mentally retarded. These organizations are:

Juneau Association for Retarded Children
 Arctic Association for Retarded Children (Fairbanks)
 Alaska Treatment Center (Anchorage, formerly Alaska
 Crippled Children and Adults affiliate)
 Alaska Retarded Children Association (Anchorage)

Funding to the Juneau and Fairbanks organizations is granted directly from the Section of Child Health, Division of Public Health, Department of Health and Welfare and is shown in the following table:

<u>FY 1970</u>	<u>Authorized</u>	<u>Expended</u>
Juneau	\$ 2,700	\$ 2,700
Fairbanks	<u>7,500</u>	<u>7,797</u>
Total	\$10,200	\$ 10,497

<u>FY 1971</u>	<u>Authorized</u>	<u>Expended as of 12/31/70</u>	<u>Remaining this year</u>
Juneau	\$ 7,500	\$ 4,132	\$ 3,368
Fairbanks	<u>7,500</u>	<u>5,061</u>	<u>2,439</u>
Total	\$15,000	\$ 9,913	\$ 5,807

FY 1972 Approved by Governor's Review Board

Juneau	\$12,500	Increase	\$ 5,000
Fairbanks	<u>15,800</u>	"	<u>8,300</u>
Total	\$28,300	"	\$13,300

Alaska Treatment Center and Anchorage Retarded Children's Association

Funding to the Alaska Treatment Center (ATC) and the Anchorage Retarded Children's Association (ARCA) in Anchorage is through a grant to the Greater Anchorage Area Borough Health Department.

<u>FY 1970</u>	<u>Authorized</u>
ATC	\$35,700
ARCA	\$25,000

FY 1971

A total grant of \$125,000 to the GAAB-HD for Exceptional Children was

approved by the Legislature. Of this, \$36,100 was earmarked for ATC (House Journal Supplement #207). The distribution of the remaining \$88,900 was not specified. ATC had requested \$71,850, and ARCA had requested \$43,000.

FY 1972 Approved by Governor's Review Board

ATC	\$77,015
ARCA	\$62,985

The funds appropriated by Senate Bill 45 would raise the level of funding to the Arctic Association for Retarded Children to the level requested in the FY 1972 Budget.

Your attention is invited to the fact that Senate Bill 46 appropriates \$21,000 to the Department of Education to provide two teachers to teach retarded pre-school children. This would appreciably raise next year's funding for the Association.

RAH:JFM:smb

1 IN THE SENATE

BY YOUNG

2 SENATE BILL NO. 45

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Department of Health and
7 Welfare; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. The sum of \$8,180 is appropriated from the general fund to
10 the Department of Health and Welfare, division of public health, for the
11 purpose of providing additional funding for the operation of the Arctic
12 Association for Retarded Children pre-school classes in Fairbanks for the
13 school term 1970-71.

14 * Sec. 2. This Act takes effect on the day after its passage and approval
15 or on the day it becomes law without approval.

STATE OF ALASKA

WILLIAM A. EGAN, Governor

DEPARTMENT OF HEALTH AND WELFARE

OFFICE OF THE COMMISSIONER

POUCH II - JUNEAU 99801

MEMORANDUM

TO: The Honorable John Butrovich
Chairman, Senate Finance Committee

FROM: Robert A. (Bert) Hall, Commissioner
Department of Health and Welfare *all*

SUBJECT: Senate Bill 45

DATE: January 28, 1971

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RAH:JFM:smb



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James D. Smith
Signature of Camera Operator

4/4/89
Date

INTER-AGENCY ROUTING SLIP

TO: Senate Finance Committee
ATTN: Chairman Butrovich

January 11, 1972

REMARKS:

FROM: Emylou Secretary of Senate DATE: 1/11/72

Please return to the Secretary all SENATE RESOLUTIONS; SENATE CONCURRENT RESOLUTIONS; HOUSE CONCURRENT RESOLUTIONS; SENATE JOINT RESOLUTIONS; and HOUSE JOINT RESOLUTIONS except those listed below which amend the Constitutions:

SJR 1 - Indictment by grand jury	In Judiciary
SJR 2 - Limiting legislators holding other office	In Rules
SJR 32 - Continuing revenue fund	In State Affairs
HJR 2 - Increasing membership legislature	In Judiciary

Introduced: 4/24/71
Referred: Finance

1 IN THE SENATE

BY BRADSHAW AND RAY

2 SENATE CONCURRENT RESOLUTION NO. 47

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 Relating to the construction and leas-
6 ing of office buildings for the
7 Department of Labor.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 WHEREAS the leasing of office space by the state in Anchorage and
10 Juneau from private persons or corporations provides only an interim rela-
11 tively high cost solution to space need requirements of state agencies; and

12 WHEREAS direct construction by or on behalf of the state of necessary
13 office space is less costly and provides a permanent solution to space need
14 requirements; and

15 WHEREAS the state Department of Labor has an immediate need for
16 additional office space in Anchorage and Juneau, and the United States
17 Department of Labor will participate in payment of costs necessary for this
18 space; and

19 WHEREAS construction of buildings by either a nonprofit corporation
20 or the Alaska State Housing Authority borrowing the funds through bonds
21 issued for the purpose and meeting payments on the bonds through lease
22 rentals received from the state as tenant would provide the space at less
23 cost than through leases from private sources;

24 BE IT RESOLVED by the Alaska Legislature that leases or agreements
25 for the use of space for the Department of Labor in Anchorage and Juneau
26 providing for payments by the state in excess of \$12,000 annually is
27 approved under AS 37.05.280; and be it

28 FURTHER RESOLVED that a nonprofit corporation, to be created for the
29 purposes of this Resolution, and the sale of bonds by the corporation to

1 provide the funds to acquire and construct the premises providing the
2 space are approved. The State Bond Committee shall on behalf of the state
3 specifically approve the corporation, the members of the corporation, and
4 the leases or agreements entered into.

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James D. Smith
Signature of Camera Operator

4/4/89
Date

REF: 42771
S. 1000
10/15/72

Committee Report

S E N A T E

_____ Date

Mr. President:

The Committee on _____ has had _____
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that
CS for _____ do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

_____ CHAIRMAN

STATE
of ALASKA

MEMORANDUM

TO: [The Honorable John Butrovich
Chairman, Senate Finance Committee

DATE: April 21, 1972

FROM: 
Frederick McGinnis, Commissioner
Department of Health & Social Services

SUBJECT: Title XIX (Medicaid)

As you know, the Department of Health and Social Services has been involved in a major effort to determine the fiscal and program impact if the State should elect to adopt the Title XIX (Medicaid). Senate Bill 56 which presently is in the Senate Finance Committee would direct the implementation of Title XIX (Medicaid).

On April 20, 1972 at a joint meeting of the Senate and House Health, Welfare, and Education Committees, the Department made a major presentation concerning Medicaid. The presentation included substantial information relative to the budget impact of the proposed program.

Attached for your review is information furnished the committee members at the hearing.

FM:JFM:smb
Attachment

POSITION PAPER RELATIVE TO

SENATE BILL 56

After a comprehensive study and review regarding the feasibility of a Title XIX program the Department has concluded that the State would gain considerably in Federal matching money. The State, on a full fiscal year basis, depending upon the options selected, will gain anywhere from \$3,000,000 to \$4,200,000.

The Department recommends the adoption of Senate Bill 56 with some changes.

: Chapter 7. MEDICAL ASSISTANCE FOR THE FINANCIALLY NEEDY

Sec. 47.07.010 PURPOSE.

It is declared as matter of public concern that the financially needy persons of this State receive uniform and high-quality medical care, regardless of race, age, national origin, or economic standing. Accordingly, this chapter authorizes the Department of Health and Social Services to apply for participation in the national medical assistance program as provided for under Title XIX of the Federal Social Security Act. In addition, the Department is directed to take such steps as necessary to promote maximum public awareness of the availability of, and to facilitate application for, the provision of this medical assistance.

Sec. 47.07.020 ELIGIBLE PERSONS.

Any resident of the State of Alaska who is eligible to receive financial assistance under Titles I, IV, X, and XIV of the Social Security Act is to be also considered eligible to receive medical assistance under Title XIX. Receipt of medical assistance is deemed to be an incremental benefit to these individuals and shall not affect any payments for which the recipient is eligible.

Sec. 47.07.030 MEDICAL SERVICES TO BE PROVIDED

Medical services to be offered to eligible persons shall include:

1. Inpatient hospital services.
2. Outpatient hospital services

- 3 Laboratory services
- 4 Skilled Nursing home services
- 5 Physicians services

*Intermediate
Nursing Homes.*

6. Home health care services

7-1-70

7. Diagnostic medical screening services to include dental services for children under six years of age.

Regulation 2-7-72 (status have option; 1. under 21)

8. Reasonable transportation services to and from the point of medical care.

admin. Requirement - not req. 2 children's law or until 7-1-73.

It is recognized that additional medical services are allowed under Title XIX and may in the future be desirable for the financially needy citizens of Alaska. Accordingly, this section may be changed by action of the Legislature.

Sec. 47.07.040 STATE PLAN FOR PROVISION OF MEDICAL ASSISTANCE UNDER TITLE XIX

The Department shall prepare a State Plan in accordance to the provisions of Title XIX and submit it for approval to the U. S. Department of Health, Education, and Welfare. The plan shall designate that the Alaska Department of Health and Social Services is the single State agency to supervise the administration of this plan. The Department shall act for the State in any negotiations relative to the submission and approval of the plan and may make those arrangements, not inconsistent with law, as may be required by or pursuant to federal law to obtain and retain approval of the U. S. Department of Health, Education, and Welfare to secure for the State the provisions of Title XIX of the Federal

Social Security Act.

Sec. 47.07.050 IMPLEMENTATION OF THE MEDICAL ASSISTANCE PROGRAM.

The Department shall take such steps necessary to make those rules and regulations, prepare necessary documentation for the State and providers and undertake such systems design as may be necessary to implement the provisions of this chapter on or before November 1, 1972.

Implementation of the medical assistance program shall include appropriate controls and reporting capabilities as required by the U. S. Department of Health, Education, and Welfare, and shall make those necessary reports as required by that federal agency or requested by the Alaska State Legislature.

Sec. 47.07.060 RECEIPT OF FEDERAL MONIES.

The Department of Administration shall accept and receive any and all grants of money awarded to the State under Title XIX of the Federal Social Security Act. All money so received shall be deposited by the Department of Administration in a special account of the State Treasurer and shall be used by the State exclusively for medical assistance and the administration of medical assistance under the provision of this chapter.

All money shall be paid from the Special account on a certified disbursement voucher from the Department of _____.

Sec. 47.07.070 DEFINITIONS.

DEPARTMENT: Department of Health and Social Services.

This act shall take effect on date of passage.

Legislature of the State of Alaska
FISCAL NOTE
Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: SB 56
 Title: XIX (Medicaid)
 Requested by: _____ Date: 4/19/77
 Return Date Requested: _____
 Agency: _____ Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Aging, Disabled, Family Program

A. EXPENDITURE: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES		384.3	441.9	508.2	584.4	672.1
200 TRAVEL		31.0	38.8	48.5	60.6	75.8
300 CONTRACTUAL		8,616.4	9,908.9	11,394.2	13,102.8	15,068.2
400 COMMODITIES		16.4	20.5	25.6	32.0	40.0
500 EQUIPMENT		36.9	46.1	57.6	72.0	90.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
900 Inter-Agency Charges		143.7	165.3	190.1	218.6	90.0
TOTAL *		9,228.7	10,621.5	12,221.2	14,070.4	16,036.1

B. FUNDING: (Thousands of dollars)

GENERAL FUND	4,588.5	5,310.7	6,110.6	7,035.2	8,018.0
FEDERAL FUNDS	4,640.2	5,310.8	6,110.6	7,035.2	8,018.1
OTHER					

C. POSITIONS:

PERMANENT/TEMPORARY	/	26 /	33 /	41 /	51 /	64 /
MAN MONTHS (P./T.)	/	312 /	396 /	492 /	612 /	768 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

If Title XIX is enacted savings to the State will be as follows:

15% utilization	\$4,270,900
50% utilization	\$3,759,200
100% utilization	\$3,017,900

The above is possible because of a change in Federal matching percentage for assistance grants in OAA, AB, AD and AFDC from 30% to 50% available under Title XIX.

Persons served under Title XIX 18,480 at 100% utilization

Categorical persons served current program 4,000**

Non-categorical persons served current program 4,000

IV. ATTACHMENTS

V. DATE: 4-19-77 PREPARED BY: [Signature]

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

* Assumption used for all total - 6% cost increase per year + 12% caseload increase per year.

** These 4000 persons are included in the 18,480 persons served under XIX.

BOTH MEDICARE and MEDICAID

HELP PAY MEDICAL BILLS

BOTH MEDICARE and MEDICAID

ARE PART OF THE
SOCIAL SECURITY ACT.

MEDICARE - Title 18

MEDICAID - Title 19

MEDICARE and MEDICAID

WORK TOGETHER.

BUT
MEDICARE

and

MEDICAID

are

NOT

THE SAME

MEDICARE

IS FOR PEOPLE
65 OR OLDER

ALMOST EVERYBODY 65
OR OLDER - RICH OR POOR
CAN HAVE MEDICARE

SOME PEOPLE 65 OR OLDER
CAN HAVE BOTH
MEDICARE AND MEDICAID

MEDICAID

IS FOR CERTAIN KINDS OF
NEEDY AND LOW - INCOME PEOPLE :

- ° THE AGED (65 OR OLDER)
- ° THE BLIND
- ° THE DISABLED
- ° MEMBERS OF FAMILIES WITH
DEPENDENT CHILDREN

SOME STATES ALSO INCLUDE
(at State expense)
OTHER NEEDY
AND LOW - INCOME PEOPLE

MEDICARE

IS AN INSURANCE PROGRAM

MONEY FROM

TRUST FUNDS

PAYS MEDICAL BILLS

FOR INSURED PEOPLE.

MEDICAID

IS AN ASSISTANCE PROGRAM

MONEY FROM

FEDERAL, STATE and LOCAL TAXES

PAYS MEDICAL BILLS

FOR ELIGIBLE PEOPLE.

MEDICARE

IS A FEDERAL PROGRAM.

MEDICARE

IS THE SAME

ALL OVER THE U. S.

MEDICAID

IS A FEDERAL - STATE PARTNERSHIP

STATES DESIGN THEIR OWN
MEDICAID PROGRAMS
WITHIN FEDERAL GUIDELINES.

MEDICAID

VARIES FROM

STATE TO STATE.

MEDICARE

IS EVERYWHERE
IN THE UNITED STATES.

MEDICAID

IS NOW IN 48 STATES
THE DISTRICT OF COLUMBIA
GUAM, PUERTO RICO, AND
THE VIRGIN ISLANDS.

MEDICARE

MEDICAL INSURANCE

PROVIDES SUPPLEMENTAL
PROTECTION AGAINST COSTS
OF PHYSICIANS' SERVICES
MEDICAL SERVICES AND
SUPPLIES, HOME HEALTH CARE
SERVICES, OUTPATIENT
HOSPITAL SERVICES and THERAPY,
AND OTHER SERVICES.

IN MANY STATES

MEDICAID PAYS

FOR SUCH ADDITIONAL
SERVICES AS DENTAL CARE,
PRESCRIBED DRUGS, EYE
GLASSES, CLINIC SERVICES,
AND OTHER DIAGNOSTIC,
SCREENING, PREVENTIVE,
AND REHABILITATIVE
SERVICES.

MEDICARE

PAYS PART - BUT NOT ALL -

OF HOSPITAL
AND MEDICAL COSTS
FOR PEOPLE
WHO ARE INSURED.

MEDICAID

CAN PAY

WHAT MEDICARE
DOES NOT PAY
FOR PEOPLE
WHO ARE ELIGIBLE
FOR BOTH PROGRAMS.

HOSPITAL INSURANCE

PAYS INPATIENT

HOSPITAL BILLS

EXCEPT

FOR THE FIRST \$68

IN EACH BENEFIT PERIOD.

MEDICAID

CAN PAY

THE \$68 MEDICARE

DOES NOT PAY

IN EACH BENEFIT PERIOD

FOR ELIGIBLE PEOPLE.

MEDICAL INSURANCE

PAYS \$4 OUT OF EACH \$5
OF REASONABLE MEDICAL
COSTS EXCEPT FOR
THE
FIRST \$50 IN EACH
CALENDAR YEAR.
IT DOES NOT PAY
ANY OF THE FIRST \$50.

MEDICAID

CAN PAY
THE FIRST \$50 PER YEAR
OF MEDICAL CARE COSTS
AND CAN PAY WHAT
MEDICARE DOES NOT PAY
OF THE REMAINING
REASONABLE CHARGES
FOR ELIGIBLE PEOPLE.

MEDICARE

HOSPITAL INSURANCE
IS FINANCED BY
A SEPARATE
PAYROLL CONTRIBUTION.

MEDICAID

IS FINANCED BY
FEDERAL AND STATE
GOVERNMENTS.

MEDICARE

MEDICAL INSURANCE
IS FINANCED BY
MONTHLY PREMIUMS.

THE FEDERAL GOVERNMENT PAYS
HALF AND THE INSURED PERSON
PAYS HALF. THESE MONTHLY
PREMIUMS NOW ARE:

\$5.60 FROM THE FEDERAL GOV'T
FOR EACH INSURED PERSON

\$5.60 FROM EACH INSURED PERSON

MEDICAID CAN PAY THIS
\$5.60 FOR ELIGIBLE PEOPLE.

THE FEDERAL GOVERNMENT

CONTRIBUTES FROM -

50% TO THE RICHEST STATES

83% TO THE STATE WITH THE

LOWEST PER - CAPITA INCOME

OF MEDICAL CARE COSTS FOR

NEEDY AND LOW - INCOME PEOPLE

WHO ARE AGED, BLIND, DISABLED,

OR MEMBERS OF FAMILIES WITH

DEPENDENT CHILDREN.

STATES PAY THE REMAINDER

USUALLY WITH HELP FROM

LOCAL GOVERNMENTS.

MEDICARE

PAID MEDICAL BILLS LAST YEAR
FOR ABOUT 10,000,000 PEOPLE.

HOSPITAL INSURANCE
PROTECTED 20.2 MILLION PEOPLE.

19.3 MILLION PEOPLE
WERE SIGNED UP FOR
MEDICAL INSURANCE.

THIS MEANS THAT
JUST ABOUT 10%
OF ALL THE PEOPLE
IN THE UNITED STATES
HAVE THE PROTECTION OF
MEDICARE

MEDICAID

PAID MEDICAL BILLS LAST YEAR
FOR ABOUT 17 MILLION PEOPLE.

WHO WERE AGED, BLIND,
DISABLED, UNDER 21, OR
MEMBERS OF FAMILIES WITH
DEPENDENT CHILDREN.

IN ADDITION, SOME STATES PAID
MEDICAL BILLS FOR LOW - INCOME
PEOPLE NOT AGED, BLIND,
DISABLED, UNDER 21, OR
MEMBERS OF FAMILIES WITH
DEPENDENT CHILDREN.

MEDICARE

IS RUN

BY THE FEDERAL GOVERNMENT

MEDICAID

IS RUN

BY STATE GOVERNMENTS

WITHIN

FEDERAL GUIDELINES

BOTH MEDICARE AND MEDICAID
INSIST ON HIGH STANDARDS
SUPPORT EXPANSION OF FACILITIES
ENCOURAGE INNOVATION
IN MEDICAL CARE DELIVERY
REQUIRE REVIEW OF CARE

AND, IN ADDITION, MEDICAID
REQUIRES THAT MEDICAL
SERVICES BE AVAILABLE
EVERYWHERE IN A STATE.

IS NOW BEGINNING TO TRAIN
AND EMPLOY NEIGHBORHOOD
PEOPLE AS COMMUNITY
HEALTH WORKERS.

THUS
MEDICARE
AND
MEDICAID
BENEFIT EVERYBODY
BY IMPROVING THE
QUALITY, THE QUANTITY
THE EFFICIENCY, THE
DISTRIBUTION, AND THE
EFFECTIVENESS OF
MEDICAL SERVICES
IN THE UNITED STATES.

MEDICARE HAS BEEN EVERYWHERE IN THE U. S. SINCE 1966

MEDICAID IS NOW EVERYWHERE EXCEPT ALASKA AND ARIZONA

THESE 27 MEDICAID PROGRAMS COVER BOTH PEOPLE WHO ARE ELIGIBLE FOR PUBLIC ASSISTANCE AND SOME OTHER LOW - INCOME PEOPLE.

CALIFORNIA
CONNECTICUT
DISTRICT OF COLUMBIA
GUAM
HAWAII
ILLINOIS

KANSAS
KENTUCKY
MARYLAND
MASSACHUSETTS
MICHIGAN
MINNESOTA
NEBRASKA

NEW HAMPSHIRE
NEW YORK
NORTH CAROLINA
NORTH DAKOTA
OKLAHOMA
PENNSYLVANIA
PUERTO RICO

RHODE ISLAND
UTAH
VERMONT
VIRGIN ISLANDS
VIRGINIA
WASHINGTON
WISCONSIN

THESE 25 MEDICAID PROGRAMS COVER ONLY PEOPLE WHO ARE ELIGIBLE FOR PUBLIC ASSISTANCE.

ALABAMA
ARKANSAS
COLORADO
DELAWARE
FLORIDA
GEORGIA

IDAHO
INDIANA
IOWA
LOUISIANA
MAINE
MISSISSIPPI
MISSOURI

MONTANA
NEVADA
NEW JERSEY
NEW MEXICO
OHIO
OREGON

SOUTH CAROLINA
SOUTH DAKOTA
TENNESSEE
TEXAS
WEST VIRGINIA
WYOMING

MEDICAID

REQUIRED SERVICES

- ° INPATIENT HOSPITAL CARE
- ° OUTPATIENT HOSPITAL SERVICES
- ° OTHER LABORATORY AND X-RAY SERVICES
- ° SKILLED NURSING HOME SERVICES
- ° PHYSICIANS SERVICES
- ° SCREENING, DIAGNOSIS and
TREATMENT OF CHILDREN
- ° HOME HEALTH CARE SERVICES
- ° TRANSPORTATION

GENERAL RELIEF MEDICAL

CURRENT SERVICES

- ° INPATIENT HOSPITAL CARE
- ° OUTPATIENT HOSPITAL CARE
- ° OTHER LABORATORY AND X-RAY SERVICES
- ° SKILLED NURSING HOME SERVICES
- ° PHYSICIANS SERVICES
- ° SCREENING, DIAGNOSIS and
TREATMENT OF ALL ELIGIBLE
PERSONS IF REQUESTED
- ° HOME HEALTH CARE SERVICES
- ° TRANSPORTATION

MEDICAID

OFFERS ADDITIONAL SERVICES WHICH MAY BE SELECTED BY THE STATE INCLUDING DENTAL CARE, PRESCRIBED DRUGS, EYE GLASSES, CLINIC SERVICES, AND OTHER DIAGNOSTIC, SCREENING, PREVENTIVE, AND REHABILITATIVE SERVICES.

GENERAL RELIEF MEDICAL

OFFERS ALL ADDITIONAL SERVICES REQUESTED OR RECOMMENDED BY A DOCTOR OF MEDICINE IN PROVIDING ADEQUATE MEDICAL CARE FOR ELIGIBLE ALASKAN RESIDENTS.

MEDICAID

ELIGIBILITY INCLUDES ALL PEOPLE ENROLLED IN CATEGORICAL FINANCIAL ASSISTANCE PROGRAMS INCLUDING:

- OLD AGE ASSISTANCE (OAA)
- AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)
- AID TO THE BLIND (AB)
- AID TO THE DISABLED (AD)

ALSO, ELIGIBILITY MAY BE EXPANDED TO INCLUDE PEOPLE NOT ENROLLED IN CATEGORICAL PROGRAMS BUT ARE MEDICALLY NEEDY.

GENERAL RELIEF MEDICAL

ELIGIBILITY INCLUDES THOSE PEOPLE ENROLLED IN CATEGORICAL FINANCIAL ASSISTANCE PROGRAMS WITHOUT ACCESS TO PRIOR RESOURCES, MEDICALLY NEEDY PEOPLE WITHOUT ACCESS TO PRIOR RESOURCES, AND ALL PEOPLE ENROLLED IN CATEGORICAL PROGRAMS REQUIRING SKILLED NURSING HOME CARE.

MEDICAID

IS FINANCED BY FEDERAL (50%) AND
STATE (50%) MONIES.

FURTHER, MEDICAID WILL INCREASE
THE AMOUNT OF FEDERAL PARTICIPATION
IN ALL ASSISTANCE PROGRAMS OFFERED
BY THE STATE TO 50%.

GENERAL RELIEF MEDICAL

IS FINANCED 100% BY THE STATE
GENERAL FUND.

CURRENT FEDERAL PARTICIPATION IN
OTHER ASSISTANCE PROGRAMS AVERAGES
30% OF TOTAL EXPENDITURES.

OBJECTIVES OF MEDICAID PLAN

- ° UTILIZE AVAILABLE FEDERAL MATCHING MONIES TO THE EXTENT POSSIBLE.
- ° MAINTAIN CURRENT LEVEL OF MEDICAL SERVICES OFFERED.
- ° REDUCE STATE MEDICAL EXPENDITURES.

CONSTRAINTS

- ° RECIPIENT CROSSOVER FROM PRIOR HEALTH RESOURCES TO MEDICAID IS ALLOWED UNDER TITLE XIX.
- ° STATES WHICH HAVE INCLUDED MEDICALLY NEEDY PEOPLE IN THEIR MEDICAID PROGRAM HAVE EXPERIENCED FINANCIAL PROBLEMS.

RECOMMENDED MEDICAL PROGRAM

	<u>PERSONS SERVED</u>	<u>COST TO STATE</u>
1. REQUIRED MEDICAID SERVICES TO CATEGORICAL FINANCIAL RECIPIENTS	18,480	\$4,540,900
2. PROVIDE <u>G/R MEDICAL</u> DRUG, DENTAL, AND OTHER SERVICES AS REQUIRED TO CATEGORICAL RECIPIENTS WITHOUT ACCESS TO PRIOR RESOURCES.		\$ 185,000
3. PROVIDE G/R MEDICAL SERVICES TO <u>MEDICALLY NEEDY</u> PEOPLE WITHOUT ACCESS TO PRIOR RESOURCES	4,000	\$3,451,130
	<hr/> 22,480	<hr/> \$8,177,030

* THIS AMOUNT ASSUMES 100% RECIPIENT CROSSOVER FROM PRIOR RESOURCES.

TITLE XIX
COST SUMMARY

<u>Projected Medical Program</u>	<u>100%</u>	<u>50%</u>	<u>15%</u>	<u>Current Medical Program</u>
Required Medical Services	\$ 9,228,700	\$ 7,746,072	6,722,700	\$ 8,374,259
General Relief Medical	3,636,130	3,636,130	3,636,130	-0-
Total Medical Costs	<u>\$12,864,830</u>	<u>\$11,382,202</u>	<u>\$10,358,830</u>	<u>\$ 8,374,259</u>
Categorical Assistance Payments	\$16,691,000	\$16,691,000	\$16,691,000	\$16,691,000
Total Costs of Medical and Payments	<u>\$29,555,830</u>	<u>\$28,073,202</u>	<u>\$27,049,830</u>	<u>\$25,065,259</u>
Less Federal Matching	(\$13,033,272)	(\$12,291,956)	(\$11,780,300)	(\$ 5,524,800)
State Cost	<u>\$16,522,558</u>	<u>\$15,781,246</u>	<u>\$15,269,530</u>	<u>\$19,540,459</u>
Savings to State	\$ 3,017,901	\$ 3,759,213	\$ 4,270,929	-0-

4/19/72

REPORT TO STANLEY P. HARRIS

A STUDY OF THE PROPOSED ALASKA

TITLE XIX MEDICAID PROGRAM

Alfred L. Gillen
Consultant

Medicaid Program

Alaska is in a unique position in that 48 of the other States have gone through the growing pains and fiscal nightmares associated with any major implementation of a medical program of this magnitude. Alaska can and should profit by the other 48 State's mistakes and hopefully avoid the fiscal nightmares that have been associated with the Title XIX medical program.

Discussion with other staff members concerned show that the problems associated with the Title XIX Program have not been overlooked in their projections and that the present developed plans, estimates and projections are as sound as possible with the given available material, guidelines, and discussions with other States.

My observation and limited study of the Alaska proposed Title XIX Program show that there are several major questions that must be answered prior to any implementation of Title XIX Program in Alaska.

1. The Specific Role of the U.S. Public Health Agency

- a. Will this remain a major and primary medical resource to the Alaskan Natives?
- b. If there is to be a phaseout of the Public Health Agency over a period of time, will this be accomplished in one, three or five years?
- c. Can the State Agency controlling Title XIX Program contract with the Public Health Department for their facilities, personnel, supplies etc., if and when Public Health Agency reduces its Medical Program?

2. Personnel Staffing Recommendations

a. The staffing problems involved with the Title XIX Program in Alaska present almost insoluable personnel recruitment problems. ✓
To find a qualified Doctor-Administrator is extremely rare and therefore I would recommend that a highly qualified medical administrator be appointed. The specific qualifications can be worked out by the Personnel Department.

1. That the Director be appointed as soon as possible so that proper planning can be started immediately for entrance into the Title XIX Program.

2. That a Medical Data Programmer be appointed immediately so that the full scale programs can be properly designed and worked out which will be compatable with the State and Federal mandates, rules and regulations.

3. Alaska must decide as to the use of a complete State-operated Fiscal Program or that a Fiscal Agent be contracted to administer the entire Title XIX Program

a. The inherent dangers of a Fiscal Agent are that the acceptance of the Title XIX Program at a relatively low rate by the Fiscal Agent at the first contract. The Fiscal Agent will then increase the rates as the program develops more sophistication, leaving the State with no option other than to pay the increased rates or start completely over to a State control of Fiscal payments.

- b. If the State decides to maintain complete fiscal control over the Title XIX Program, this would mean a complete staff capable of controlling all fiscal aspects of the Title XIX Program consistent with the State and Federal rules, mandates, fiscal audits and controls.
4. I don't recommend that any out-of-State Fiscal Agents be considered if the State decides to go to a Fiscal Agent.

- a. If a Fiscal Agent is chosen, a very clear, concise contract should be developed so that all material or data banks, for example, that are developed, will remain the exclusive property of the State Agency and would be available for the State and Federal audit controls. Among the considerable difficulties that States have encountered in the use of a Fiscal Agent is the immediate availability of necessary fiscal information for "audit trail purposes".

5. Control of Abuses and Frauds

Another major concern is the number of States who lack basic controls to overcome those abuses that are almost inherent in a program of this magnitude. The Title XIX State Plan outlines Federal requirements for peer review, utilization review, audit and Fiscal controls, etc. The absolute main controls are obtained through a Title XIX Management Information system. The constant overrun of fiscal monies can in almost every case be traced to a lack of information available to the Director of the Programs. Without accurate, concise and rapid fiscal information, the fiscal overrun can and will occur. This has caused in many

states, the requirement for additional supplementals to match Federal funds for the Title XIX Program.

I recommend that the specific control as to the implementation of the remaining options rest exclusively with the legislative body through the budgeting process.

In reviewing laws in other States, one of the most significant aspects of the Title XIX legislation is the amount of discretion given to administrative agencies to implement program. In other words, discretion as to the selection of additional options of medical care has been left to the State Welfare Departments in many instances.

In any event, a basic decision will have to be made by the Alaska Legislature whether to: (1) follow the pattern of other States in allowing the State Agency to determine the scope of medical care under Title XIX, (2) provide specific guidelines in enabling legislation as to the implementation of a program.

The following questions, while minor, are extremely important and need specific management or legislative decisions:

1. In addition to Welfare recipients, what other persons are to be considered eligible for a program under Title XIX?
2. What type of providers may provide medical service to Title XIX recipients?
3. Under Title XIX, the State must license nursing home administrators, A sample Act is attached.

4. What is the level of reimbursement to be for Nursing Homes, Hospitals, and other vendors? What criteria needs to be established to insure that vendor payments are within the scope of legislative intent? Specifically, what kind of control program is to be established for vendor payments?
5. Is there need to establish restrictions on the drug program if adopted in order to control the extremely high drug costs?
6. How rapidly and how complete will the utilization review be implemented in the State for all facilities?

SUMMARY

My main recommendation for Alaska is that if Alaska does decide to go into the Title XIX Medicaid Program, that only the five basic options be adopted, none others. This will allow sufficient time for the staff to properly develop, and implement the complicated provisions of these five basic options. Also this time can be used to properly develop and train additional personnel before the approval of the other options. This will also allow time to correct any program deficiencies from the Title XIX Medicaid Program.

The question concerning the number of Natives who would avail themselves of the Medicaid Title XIX Program rather than to present U.S. Public Health Service, cannot be answered at this time. I definitely see that a group of Natives would cross over for the mere fact of the new to them, medical program resource. After the novelty of this new medical resource program wares off, the return of the Natives to the present U.S. Public Health Service will stabilize after one, possibly two years (?)

The specter of HR-1 and the Native Land Settlement will have a definite impact upon the Title XIX Program. However, until these have been settled, the speculations are imponderable and should not affect the basic decisions that Alaska now faces of either adopting or not to adopt the Title XIX Medicaid Program.

That the Graphic Art Unit be kept informed of the progress of Title XIX Program, so that the necessary visual aids can be developed for effective presentation of the Title XIX Medical Program. The visual aids can be a very effective method of presenting the goals and objectives of the XIX Medicaid Program if adopted by Alaska.

PART II

ALASKA'S NEED FOR A TITLE XIX MANAGEMENT INFORMATION SYSTEM

During the limited course of this study it became increasingly apparent that the State of Alaska has no basic mechanism for providing the most elementary information which can be generated for it's proposed Title XIX Program. Without proper generation, transmission and analysis of program data, the State is in no position to comply with the Federal reporting requirements.

This is an extremely important Key Point

To insure effective and efficient administration of Title XIX in Alaska, I strongly recommend that the State Agency design, develop and implement a comprehensive Title XIX management information system which will be:

- a. Modern in design.
- b. Compatible with existing data processing hardware and capable of integration with departmental procedures.
- c. Capable of identifying management information needs at all levels on a continuing basis, capable of fast, accurate and adequate responses to the information needs of all levels of State government.
- d. Flexible enough to change as program requirements change.

In my opinioa, there is an acute and immediate need for such a system to assist the State Agency in controlling the present medical costs, assuring quality medical care and planning for the most efficient use of the State's medical care assistance resources.

Specifically, the Title XIX management information system must provide the basis for management control and reporting and planning activities in such varied areas as fiscal and budgetary operations. It must also generate the data necessary to assure proper eligibility verification, medical care quality, claims processing and vendor payments.

The system must be capable of interfacing with such activities as the claims processing operations if the fiscal agent is contracted with by the State agency, also, eligibility determination by Regional Offices as well as vocational rehabilitation programs and Title XVIII Programs.

Moreover, the system must be capable to move into long range medical care planning, program budgeting activities, especially as required to comply with all aspects of Title XIX. This will require among other steps, the ability to exchange data with statewide and regional comprehensive health planning programs to assure that the program expenditure achieves the goal of the program as outlined. This system must meet such objectives as:

- a. Effective system control.
- b. Meaningful management reporting information.
- c. Consideration of practical operating requirements. It must coordinate sub-systems with concerned agencies within or outside the State agency. Some of these items are:
 - 1. Eligibility verification.
 - 2. Claims processing.
 - 3. Utilization control.
 - 4. Medical assistance program research.

5. Fiscal operations.
6. Management reporting.

To be completely responsible to the State needs, the system must also consider external influence.

- a. Requirements mandated by the Federal government.
- b. If selected, fiscal agent's roles and participation.
- c. Integration of Title XIX with other State Health Care Programs such as Public Health systems.
- d. Present and anticipated fiscal and legal involvements.

If a Title XIX management information system is to fulfill its total mission, it must stress:

- a. The practical implication of developing a management information system that can coordinate and guide the various groups who have a part in the State Medical Assistance Program.
- b. The need to recognize that these groups differ in objectives, environment, personal capabilities and resources; that they are dispersed geographically; and that the amount of direct authority that the State agency has over them varies significantly.
- c. A design which is technically and financially feasible to implement a design which will comply with the State and Federal statutes and regulations including the majority of provisions of the Social Security Act and its amendments.
- d. Maximum utilization of existing hardware and software configurations.

It must be a flexible system which can adapt to changing program objectives and direction and most important, the system designed must be flexible enough to reflect awareness that medical legislation is in a state of ferment and could be for years to come.

S. 1002

M E M O R A N D U M

TO: Rich A. Guthrie
Senate Fiscal Analyst

DATE: February 8, 1972

FROM: Glen K. Vernon
Fiscal Analyst

SUBJ: SB 56
(Title XIX; Medicaid)

In response to your request for comments regarding SB 56, I offer the following:

The Alaska Medical Association's critique of SB 56 identifies the major issues and treats them quite objectively. However, the AMA's decision to recommend against the bill may be based upon a slightly different set of factors than are of prime interest to the state.

Those factors which appear to be most important to the state are the following:

(1) While Medicaid would assure adequate medical and dental care to residents of Alaska, it would not be without a price. Without exception, every state which has adopted Medicaid has experienced cost over-runs. Alaska stands as more likely than other states to experience such over-runs because of the unpredictability of the continued utilization of the U. S. Public Health Service by the Native population should Medicaid be adopted. (Under Medicaid, users are assured the right to choose their own doctor). Also, whether the state would be required to participate in the USPHS costs under Medicaid is unclear at this time.

(2) The State Legislature would relinquish its present power to control state spending of medical care for indigents. At present, the Legislature can require the Department of Health and Social Services to live within whatever is appropriated for medical care. Under Medicaid, the state will be required to pay its share for everyone who applies and is eligible.

(3) More administrative personnel would be required to operate under Medicaid. A complex control and review procedure is needed to meet federal requirements. Even under the current system, Alaska needs better control and review of medical services being purchased, but such control can be achieved without going to Medicaid.

(4) Once a state enters the program, it is virtually impossible to get out. The only way a state can discontinue or cut back participation is to give up all Federal funding related to Title XIX. Such a move is extremely difficult once a spending level has been established.

(5) With National Health Insurance on the horizon, the state may be a bit hasty in "rushing in" to a program that would have expensive start up costs only to have that program phased out.

GKV/db

REVISED AGAIN
ON 5/16/72

Original sponsor: Josephson

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 56

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to medical assistance for needy
7 persons; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 47 is amended by adding a new chapter to read:

10 CHAPTER 7. MEDICAL ASSISTANCE FOR NEEDY PERSONS.

11 Sec. 47.07.010. PURPOSE. It is declared as a matter of public
12 concern that the needy persons of this state receive uniform and high
13 quality medical care, regardless of race, age, national origin, or
14 economic standing. Accordingly, this chapter authorizes the Department
15 of Health and Social Services to apply for participation in the
16 national medical assistance program as provided for under Title XIX
17 of the federal Social Security Act. In addition, the department is
18 directed to take those steps necessary to promote maximum public aware-
19 ness of the availability of, and to facilitate application for, the
20 provision of this medical assistance.

21 Sec. 47.07.020. ELIGIBLE PERSONS. A resident of the state who
22 is eligible to receive financial assistance under Titles I, IV, X, and
23 XIV of the Social Security Act is to be also considered eligible to
24 receive medical assistance under Title XIX. Receipt of medical assis-
25 tance under this chapter is considered to be an incremental benefit
26 to these individuals and does not affect other assistance payments,
27 federal or state, for which the recipient is eligible.

28 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. Medical services
29 to be offered to eligible persons include inpatient hospital, outpatient

1 hospital, laboratory, skilled nursing home, physicians, home health
2 care, diagnostic medical screening services to include dental services
3 for children under six years of age, and reasonable transportation to
4 and from the point of medical care.

5 Sec. 47.07.040. STATE PLAN FOR PROVISION OF MEDICAL ASSISTANCE.

6 The department shall prepare a state plan in accordance with the provi-
7 sions of Title XIX of the federal Social Security Act and submit it
8 for approval to the U.S. Department of Health, Education and Welfare.
9 The plan shall designate that the state Department of Health and
10 Social Services is the single state agency to supervise the adminis-
11 tration of this plan. The department shall act for the state in any
12 negotiations relative to the submission and approval of the plan and
13 may make those arrangements, not inconsistent with law, as may be
14 required by or under federal law to obtain and retain approval of the
15 U.S. Department of Health, Education and Welfare to secure for the
16 state the provisions of Title XIX of the federal Social Security Act.

17 Sec. 47.07.050. IMPLEMENTATION OF THE MEDICAL ASSISTANCE PROGRAM.

18 The department shall take such steps necessary to make those regulations,
19 prepare necessary documentation for the state and providers and under-
20 take such systems design as may be necessary to implement the provisions
21 of this chapter on or before November 1, 1972. Implementation of the
22 medical assistance program shall include appropriate controls and
23 reporting capabilities as required by the U.S. Department of Health,
24 Education and Welfare, and shall make those necessary reports as
25 required by that federal agency.

26 Sec. 47.07.060. RECEIPT OF FEDERAL MONEY. The Department of
27 Administration shall accept and receive any and all grants of money
28 awarded to the state under Title XIX of the federal Social Security
29 Act. All money so received shall be deposited by the Department of

1 Administration in a special account of the state treasurer and shall be
2 used by the state exclusively for medical assistance and the adminis-
3 tration of medical assistance under the provisions of this chapter.
4 This money shall be paid from the account on a certified disbursement
5 voucher from the department.

6 Sec. 47.07.070. DEFINITIONS. In this chapter "department" means
7 the Department of Health and Social Services.

8 * Sec. 2. This Act takes effect on the day after its passage and approval
9 or on the day it becomes law without approval.