

LEG. FINANCE - BILLS 1979 - 1980 1051

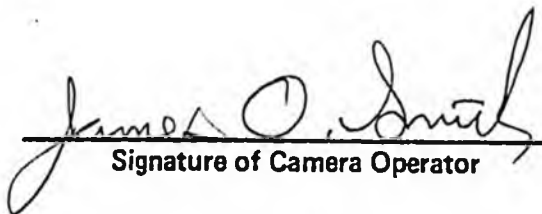
HB 143 thru HB 143

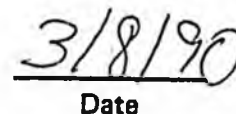


RECORDS CERTIFICATION



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Signature of Camera Operator


Date

Division of Public Assistance
Calculation of Supplemental Budget Need

Initials	Date
Prepared By: <i>TJ</i>	1/31/79
Approved By:	

FY 78 Medicaid/General Relief Medical

COLUMN WRITE	1		2		3		4		5		6		7		8		9		10		11		12		13		
	Bills on Hand	Out-of-State	Confirmations Received 1/25-1/30/79	Total	Allowance for Additional Confirmations	Total	1% / month Penalty	Total Request	Federal	Funding Revenue Sharing	General Fund																
2	Add:																										
4	Medicaid																										
6	Physician Services	\$306,400	\$75,400	126,200	\$508,000	103,300	\$611,300	\$32,300	\$643,600	\$305,700	\$305,600	\$32,000															
8	Other Services	105,000	23,000	30,000	166,800	31,700	198,500	10,500	209,000	99,200	99,500	10,000															
10	Sub-total	\$411,400	\$98,400	\$165,000	\$674,800	\$135,000	\$809,800	\$42,800	\$852,600	\$404,900	\$404,900	\$42,000															
13	General Relief Meds																										
15	Hospitals	\$92,000	-	185,000	277,000	100,000	377,000	-	377,000	-	377,000	-															
17	Physician Services	287,100	37,500	98,700	423,300	80,000	503,300	28,000	531,300		504,500	28,000															
19	Other Services	22,500	4,300	11,300	49,100	9,200	58,300	32,000	90,300		57,300	32,000															
21	Sub-total	\$411,600	\$42,000	\$295,000	\$748,600	\$190,000	\$938,600	\$60,000	\$998,600		\$938,800	\$60,000															
24	Total	\$823,000	\$140,400	\$460,000	\$1,423,400	\$325,000	\$1,748,400	\$73,900	\$1,822,300	\$404,900	\$1,343,700	\$73,900															
26	Delete:																										
27	Medicaid																										
29	Nursing Home																										
30	Notes:																										

<\$1,822,500> <\$404,900> <\$1,343,700> <\$73,900>

(1) Confirmation for Physicians and Other Services have been received from approximately 1/4 of the providers; these providers represented approximately 55% of the FY 78 expenditure activity. Since we have received confirmation totaling \$275.0 for Physician and Other Services from providers that represented 55% of the FY 78 activity, our assumption is: If \$275.0 is 55%, then 100% would be \$500.0. Therefore we have allowed an additional \$225.0 for additional confirmation. The \$225.0 has been allocated to Physician and other services based on their distributions in column 4.

(2) Confirmation on Hospital billings were received from Hospitals that represented approximately 65% of the FY 78 expenditure activity. Since we have received confirmations totaling \$185.0 from hospitals that represented 65% of the FY 78 activity, our assumption is: If \$185.0 is 65%, then 100% would be \$285.0. Therefore we have allowed for an additional \$100.0 in additional confirmations.

(3) Interest Penalty was calculated on 1% per month based on a 6 month length of time that the claims have been on-hand with the Division. This was calculated on the In-State bill on-hand and confirmations for Physicians and Other Services.

COMMITTEE REPORT HOUSE

FURTHER:

February 8, 1979

Date: 2/16/79

Mr. Speaker:

The Committee on FINANCE has had HB 143

"An Act making supplemental appropriation to the Department of Health and Social Services, division of public assistance; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 143 same title
 new title
- and recommends that it do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Melkins

McKinney

Smith

Rogers

Clayton

Montgomery

Freeman

Mon

Melkins

CHAIRMAN

Original sponsor: Rules Committee

Funding Information

General Fund	\$ 73,900
Other Funds	1,748,600
	<u>\$1,822,500</u>

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 143

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making supplemental appropriations to the
7 Department of Health and Social Services, division of
8 public assistance; and providing for an effective
9 date."

10

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

11

* Section 1. The sum of \$852,500 is appropriated to the Department of
12 Health and Social Services, division of public assistance, for Medicaid,
13 physician services and other services for the fiscal year ending June 30,
14 1978. Sources of this appropriation are as follows:

15

General Fund	\$ 42,700
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16

Federal Revenue Sharing	404,900
-------------------------	---------

17

Federal Funds	404,900
---------------	---------

18

* Sec. 2. The sum of \$970,000 is appropriated to the Department of Health
19 and Social Services, division of public assistance, for General Relief Medi-
20 cal, hospital payments, physician services and other services for the fiscal
21 year ending June 30, 1978. Sources of this appropriation are as follows:

22

General Fund	\$ 31,200
--------------	-----------

23

Federal Revenue Sharing	938,800
-------------------------	---------

24

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
25 070(c).

26

27

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Original sponsor: Rules Committee

Funding Information

General Fund	\$ 73,900
Other Funds	1,748,600
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1 IN THE HOUSE

BY THE FINANCE COMMITTEE

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CS FOR HOUSE BILL NO. 143

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ELEVENTH LEGISLATURE - FIRST SESSION

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Funding Information

General Fund \$ 73,900
Other Funds 1,748,600
\$1,822,500

Introduced: 2/6/79
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 HOUSE BILL NO. 143

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations to the
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MEMORANDUM

HB 143

TO: Helen D. Beirne, Commissioner
Department of Health & Social
Services

DATE: October 5, 1978

FILE NO:

TELEPHONE NO:

FROM: Avrum M. Gross
Attorney General

SUBJECT: J-66-116-79
Payment of Prior Year's
Bills with Current
Year Funds

By: ~~THR~~
Thomas H. Robertson
Assistant Attorney General
for Rodger W. Pegues
Assistant Attorney General

By memorandum dated August 24, 1978, we advised you that our memorandum of December 10, 1976, on transfers between prior year appropriations remained applicable to this subject.

That advice was premised upon our belief that post fiscal year transfers between appropriations have constituted a customary financial practice. The Office of Budget and Management informs us that this is not the case and, consequently, we are forced to conclude that the legislature intended the prohibition against transfers between appropriations contained in Section 2 of ch. 26, SLA 1976, to apply in this instance.

Article IX, Sec. 13, of the Constitution of the State of Alaska provides, in part, that "[n]o money shall be withdrawn from the treasury except in accordance with appropriations made by law." The extreme particularization used by the legislature in writing the appropriation for the 1978 fiscal year has thus made it impossible for you to use the traditional technique of reallocating funds within individual appropriations. We suggest that you approach that body for appropriate relief.

THR:lw

cc: Ron Lind, Director
Division of Budget & Management

MEMORANDUM

State of Alaska

TO: Ron Lind, Director
Division of Budget & Management
Office of the Governor

DATE: December 10, 1976

FILE NO:

TELEPHONE NO:

FROM: Avrum M. Gross
Attorney General

SUBJECT: Transfers between prior
year appropriations

By: G. Thomas Koester *GTK*
Assistant Attorney General
Department of Law

RECEIVED

DEC 13 1976

BUDGET & MANAGEMENT

You asked us to review a request by the Department of Health and Social Services to transfer funds between FY 76 appropriations to allow payment of vendors in other appropriation areas.

This review must begin with the relevant constitutional provisions governing state finance. Art. IX, § 12 of the Alaska Constitution, provides:

The governor shall submit to the legislature, at a time fixed by law, a budget for the next fiscal year setting forth all proposed expenditures and anticipated income of all departments, offices, and agencies of the State. The governor, at the same time, shall submit a general appropriation bill to authorize the proposed expenditures, and a bill or bills covering recommendations in the budget for new or additional revenues.

Art. IX, § 13 provides:

No money shall be withdrawn from the treasury except in accordance with appropriations made by law. No obligation for the payment of money shall be incurred except as authorized by law. Unobligated appropriations outstanding at the end of the period of time specified by law shall be void.

Implementing these provisions is a statutory scheme allocating various powers and responsibilities between the executive and legislative branches of government. The governor is to direct the preparation of a comprehensive program and financial plan and recommend it for consideration by the legislature. AS 37.07.020. The legislature is to adopt legislation

to authorize implementation of the governor's proposed comprehensive program and financial plan or appropriate alternatives to it. AS 37.07.030. Once the implementation of the governor's comprehensive program and financial plan (or appropriate alternatives thereto) has been authorized through appropriations, the governor shall direct its administration. AS 37.07.020. (And see Alaska Constitution, Art. III, § 1 which provides: "The executive power of the State is vested in the governor.")

Administration of the comprehensive program and financial plan authorized by the legislature necessarily requires some flexibility. The legislature recognized this when it enacted AS 37.07.080(e) permitting appropriation transfers within an agency upon review by the division of budget and management and approval by the governor. (Section 2 of ch. 26 SLA 1976 amended AS 37.07.-080(e) to prohibit transfers between appropriations, but sec. 5 of that same Act provided that "[n]otwithstanding the provisions of sec. 2 of this Act, transfers between appropriations may be made as [was] provided by law between appropriation items contained in sec. 16(a) and (b) of ch. 209 SLA 1975." If the appropriations the Department of Health and Social Services wants to transfer were not contained in sec. 16(a) or (b) of ch. 209 SLA 1975, no transfer is permissible; this review assumes that the appropriations under consideration were contained in sec. 16(a) and/or (b) of ch. 209 SLA 1975. The same analysis will apply to appropriation transfers authorized by sec. 13 of ch. 279 SLA 1976.)

The effect of the close of the fiscal year on appropriations and unsatisfied state obligations is governed by AS 37.25.010, which provides:

(a) The unexpended balance of a one-year appropriation authorized in an appropriation bill lapses on June 30 of the fiscal year for which appropriated. However, a valid obligation (encumbrance) existing on June 30 is automatically reappropriated for the fiscal year beginning on the succeeding July 1 if it is recorded with the Department of Administration by August 31 of the succeeding fiscal year.

(b) An indebtedness arising from a prior year for which the appropriation has lapsed shall be paid from the current year's appropriations, if (1) this expenditure does not exceed the balance lapsed; and (2) the original obligation date is not more than two years from the requested date of disbursement.

This provision has consistently been interpreted as authorizing retroactive appropriation transfers, and properly so.

The fact that this provision has consistently been interpreted to permit retroactive appropriation transfers, standing alone, is strong legal support for the conclusion that it authorizes such transfers. Justice Frankfurter, concurring in Youngstown Sheet & Tube Co. v. Sawyer, 343 U.S. 579, 96 L.Ed. 1153 (1952), referred to such systematic executive practice, pursued to the knowledge of the legislature without having been questioned, as a "gloss" on the executive power vested in the chief executive by the constitution. The exercise of such power becomes a part of the structure of government. It cannot supplant the Constitution or legislation, but it gives meaning to the language being interpreted. We believe retroactive appropriation transfers such as the one sought by the Department of Health and Social Services are permissible under the Constitution and relevant statutes.

Furthermore, the conclusion that retroactive appropriations are permissible becomes obvious upon analysis of what the legislature intended to accomplish when it enacted AS 37.25.010. Subsection (a) is designed to permit automatic reappropriation of lapsed appropriations to cover obligations incurred in a prior fiscal year but not presented to the state for payment until the succeeding fiscal year. The greatest need for the flexibility it gives the executive branch -- the ability to match appropriations which were based on estimated requirements to actual obligations as they become due -- is after the close of the fiscal year. That is when the last of those obligations finally appear and the necessary appropriation transfers authorized by AS 37.07.080(e) may be identified with certainty.

Any other construction would lead to an absurd result. Assume a vendor submits a bill on July 1 for services rendered during the previous fiscal year, services rendered in an appropriation area for which the previous year's appropriation contains no unexpended balance. Since there is no lapsed balance, there is no automatic reappropriation. The result is that there is no appropriation against which a pay warrant may be drawn, and the vendor legally cannot be paid. A foreseeable result would be for the vendor to sue the state, a lawsuit we believe the state would lose. To satisfy the resultant judgment, the affected agency (through the governor) would have to seek a supplemental legislative appropriation to satisfy a timely-filed claim which would have been paid routinely if filed on June 30 or before. This narrow construction would force the state to default on an obligation when due, severely inconvenience an innocent business-

man, probably lead to the assessment of costs, interest, attorney fees and damages against the state (significantly increasing the ultimate cost), and inevitably result in a loss of public confidence in state government regardless of the legislature's action on the supplemental appropriation. All this because the claim was presented one day after the close of the fiscal year. The legislature could not have intended such a result. Retroactive transfers of appropriations provide a solution to this problem; we believe they are an essential part of the legislatively-enacted scheme to enable the state to meet its obligations when due and violate neither the Constitution nor controlling statutes.

When an obligation incurred during a previous fiscal year is not presented to the state for satisfaction or otherwise is not recorded with the Department of Administration by August 31, there can be no automatic reappropriation under AS 37.25.010(a). However, that does not mean the vendor may not be paid. If there was a lapsed balance in the appropriate appropriation area for the year in which the obligation arose, and if the original obligation date is less than two years from the requested date of disbursement, AS 37.25.010(b) clearly authorizes payment of that obligation out of the current year's appropriation. To compensate for the unbudgeted expenditure from the current year's appropriation, the affected agency (through the governor) seeks a supplemental legislative appropriation.

This brings us to the heart of your request for review: What happens when there was no lapsed balance in the appropriate appropriation area? May the agency (with the governor's approval) retroactively transfer lapsed balances from other appropriation areas to the appropriate one, thereby authorizing payment of the claim from the current year's appropriation under AS 37.25.010(b)? We believe the answer is "yes," for the same reasons that we believe retroactive transfers of appropriations are permissible under AS 37.25.010(a). Narrowly construing AS 37.25.010(b) to prohibit such retroactive transfers leads to the same absurd consequences a narrow construction of AS 37.25.010(a) does: nonpayment, suit, judgment, supplemental appropriation, and erosion of public confidence. We do not believe the legislature could have intended such results.

Under a broad construction permitting a retroactive transfer of appropriations (in truth a mere book transaction), the agency would be permitted to pay the claim out of its current year's appropriations. Again, to compensate for the unbudgeted expenditure, it would seek a supplemental legislative appro-

priation. Note that under both narrow and broad constructions, the affected agency would seek a supplemental appropriation. Under a narrow construction it would be to satisfy a judgment which could significantly exceed the amount of the original claim. Under a broad construction the request would be for the amount the current year's appropriation was diminished by satisfying the obligation. Under either construction, the substantive relationship between the executive and legislative branches of government is the same and the legislative safeguard is identical: the affected agency (through the governor) must seek a supplemental appropriation. The only real differences between the two constructions are that the narrow one penalizes innocent vendors, increases the amount the state must pay, and erodes public confidence in the state's ability to satisfy its obligations. We do not believe the legislature could have intended that such consequences should result from the fact that an appropriation, based on an estimate made more than a year earlier, was insufficient.

If (as we have concluded) August 31 is not the final date for retroactive transfers of appropriations, what would be the final date? Under our interpretation of AS 37.25.010, the final date for appropriation transfers (that is, for transfers which would lead to automatic reappropriations under subsection (a)) would be August 31. The final date for book transactions (that is, for transfers which would permit payment of obligations from the current year's appropriations under subsection (b)) would be the latest date permitted: Two years from the date of the original obligation for which payment is sought.

Of course, the administration can make a policy stating that transfers after a certain date will not be made, since all such transfers require the governor's approval under AS 37.07.-080(e). A practical approach might be to set the final date for such transfers at a time sufficiently later than August 31 to permit all claims submitted after that date or not recorded with the Department of Administration by that date to be satisfied out of the current year's appropriation, yet sufficiently before the final report to the legislature must be made to permit incorporation of the transfer in the report. This would permit all necessary last minute adjustments discovered by agencies to be made, while also permitting an accurate year-end report to be made to the legislature. While vendors submitting claims after the cutoff date could not be paid until a supplemental appropriation was made, a court would be less sympathetic if they had waited beyond this late cutoff date to submit their claim than if an August 31

date is established (or worse, if an agency had inadvertently failed to record a timely-submitted claim with the Department of Administration, apparently the case with the Department of Health and Social Services claim at issue here).

Aside from legal considerations, such a policy will lead to judicial, administrative and legislative efficiency. It is conceivable that several vendors could be affected in any given year. This could lead to several lawsuits, several judgments (possibly including costs, interest, attorney fees and damages), and several supplemental appropriation requests. Payment of the incurred obligations from the current year's appropriations under the rationale advanced above would avoid all judicial proceedings and lead to a single supplemental appropriation request to "fill out" the current year's appropriations.

In our discussions of this issue, you mentioned that you wished to establish an August 31 cutoff date for such transfers. If an August 31 cutoff date is established, we suggest that it be applied prospectively only, and that departments and agencies be warned well in advance that the former practice of permitting retroactive transfers after August 31 will no longer be followed. We believe it is advisable from both legal and practical standpoints to permit the Department of Health and Social Services to make the transfer it requested which gave rise to this question and pay the Fairbanks laboratory in a relatively timely fashion.

As a final practical matter, from a legal standpoint our chances of successfully defending a single lawsuit brought by members of the legislature challenging the executive's authority to make retroactive appropriation transfers are significantly greater than our chances of successfully defending a number of lawsuits by vendors whose claims have been disallowed because there were no appropriations against which pay warrants could be written.

To summarize, we believe the established procedure permitting retroactive appropriation transfers (such as the one requested by the Department of Health and Social Services here) is permissible under the Alaska Constitution and existing statutes. Aside from its legality, its virtues are that it preserves administrative flexibility by not irrevocably fixing state expenditures to estimates made more than a year earlier, permits innocent vendors to receive timely payment for their services, avoids

Ron Lind, Director
Division of Budget & Management

December 10, 1976

- 7 -

needless costly lawsuits leading almost inevitably to judgments against the state (judgments which could substantially exceed the original obligations), and maintains the state's ability to find businessmen willing to deal with the state in a normal commercial context. The governor has control over such transfers since he must approve them. The legislature retains its ultimate control over the state purse since the affected agency must seek a supplemental appropriation to meet its current obligations. The substantive system of checks and balances mandated by the Constitution and statutorily established by the legislature is fully complied with, and neither innocent businessmen nor the state are penalized unnecessarily.

GTK:md

STATE
of ALASKA

MEMORANDUM


HB 143

TO: Art Peterson
Assistant Attorney General
Department of Law

DATE: February 2, 1979

FILE NO:

TELEPHONE NO:

FROM:  Ron Lind, Director
Division of Budget & Management
Office of the Governor

SUBJECT: Supplemental Appropriation
Department of Health & Social
Services

Please prepare a bill for the Governor's introduction making a Supplemental appropriation in the amount of \$73,900 to the Department of Health & Social Services for the purpose of paying penalty payments to in-state physicians participating in the Medicaid and GR Medical programs.

This \$73,900 should be appropriated from the general fund.

This act should take effect immediately and include a lapse date of June 30, 1979.

The Department has notified us that Rick Robertson in your office has been involved in the preparation of this supplemental and that a decision was reached to submit this bill to the Senate first. It would be helpful if the prepared bill was available for Governor Hammond's signature on Friday, February 9, 1979.

JAN 31 1979

Budget And Management

TO: Ron Lind, Director
Office of Budget & Management
Office of the Governor

DATE: JAN 31 1979

FILE NO:

TELEPHONE NO:

FROM: Helen D. Beirne
Commissioner
Department of Health & Social
Services

SUBJECT: FY78 Add/Delete Supplemental
GR Medical and Medicaid

The Department of Health and Social Services requests two separate supplementals, one to effect a FY78 add/delete supplemental appropriation for the Medicaid and GR Medical Programs, and a second to appropriate funds for penalty payments to in-state physicians. All of these funds would be within the original FY78 appropriation for the Medicaid BRU.

The principal reason for the Medicaid add/delete supplemental arises from appropriations made to this BRU at the component level in FY78. FY78 was the only year in which such component appropriations were made, thereby resulting in DHSS' inability to request movement of available funds within the BRU to meet shortfalls in the hospital, physician services and other services components. These shortfalls in Medicaid and similar shortfalls in General Relief Medical resulted from heavier utilization of these medical services than initially anticipated.

DHSS currently has bills on hand which cannot be paid without redistribution of the lapsed FY78 monies. Some of these bills have been in DHSS awaiting payment for up to six months. With concurrence of officials from the Department of Law, the Department of Administration and the Office of the Governor, doctors statewide were advised that the Department would request an appropriation from which payment of a 1% monthly penalty would be made. Computation of the penalty was determined using September 1978 as the median month for receipt of billings.

Re-distribution of funds as effected by the requested add/delete supplementals would be as follows:

<u>BRU</u>	<u>Component</u>	<u>Supplemental Need</u>	<u>Penalty Payment</u>
Medicaid	Physician Services	\$611.3	\$32.2
Medicaid	Other Services	198.5	10.5
GR Medical	Hospitals	377.0	-0-
GR Medical	Physician Services	504.5	28.0
GR Medical	Other Services	57.3	3.2
Medicaid	Nursing Homes	(1,748.6)	(73.9)
TOTAL		-0-	-0-

JAN 31 1979

Page 2

A complete breakdown of the FY78 GR Medical and Medicaid BRU needs as well as funding sources are reflected in the attached worksheet dated January 31, 1979.

The department requests expeditious handling of these add/delete supplementals to minimize the penalty payment to the state, and to permit reimbursement of the affected medical providers for services rendered to low-income Alaskans.

Attachments:

- January 31, 1979 Worksheet
- FY78 add/delete budget forms
- Sample letter to physicians concerning 1% penalty payment
- Confirmation letter to individual physicians identifying accounts payable

Division of Public Assistance
 Calculation of Supplemental Budget items
 FY 78 Medicaid/General Relief Medical

7/1/79

COLUMN WRITE	P. 112		Confirmation Received 1/15-1/31/79	Total	All-Source Confirmation	Total	12. month Dummy	Total Request	Funding			
	Transfer	Out-of-State							Federal	Revenue Sharing	General Fund	
1	Add:											
2	<u>Medicaid</u>											
3												
4	Physician Services	\$304,100	75,100	\$379,200	\$1,202,000	\$1,581,200	\$32,000	\$443,500	\$305,700	\$305,600	\$32,200	
5	Other Services	1,050,000	23,000	1,073,000	3,308,000	4,381,000	105,000	2,090,000	992,000	791,500	105,000	
6	Sub-total	\$411,100	\$98,100	\$509,200	\$4,510,000	\$5,962,200	\$137,000	\$1,533,500	\$1,407,700	\$1,097,100	\$137,000	
7	<u>General Relief Medical</u>											
8												
9	Hospitals	\$92,000	-	\$92,000	\$1,000,000	\$1,092,000	-	\$377,000	-	\$300,000	-	
10	Physician Services	257,100	37,900	295,000	1,237,000	1,532,000	285,000	532,500	-	501,500	28,000	
11	Other Services	125,500	71,300	196,800	431,000	627,800	39,000	605,000	-	573,000	32,000	
12	Sub-total	\$474,600	\$109,200	\$583,800	\$2,668,000	\$3,251,800	\$312,000	\$1,514,500	-	\$1,374,500	\$60,000	
13	Total	\$885,700	\$207,300	\$1,093,000	\$7,178,000	\$9,214,000	\$449,000	\$3,048,000	\$1,407,700	\$1,461,600	\$207,000	
14	Delete:											
15	<u>Medicaid</u>											
16												
17	Missing Items							(1,514,500)	(1,407,700)	(1,461,600)	(207,000)	

- Notes:
- Confirmation for Physicians and Other Services have been received from approximately 1/4 of the providers; these providers represented approximately 55% of the FY 78 expenditure activity. Since we have received confirmation totaling \$275.0 for Physician and Other Services from providers that represented 55% of the FY 78 activity, our assumption is: If \$275.0 is 55%, then 100% would be \$500.0. Therefore we have allowed an additional \$225.0 for additional confirmation. The \$225.0 has been allocated to Physician and other services based on their distributions in column 4.
 - Confirmation on Hospital billings were received from Hospitals that represented approximately 65% of the FY 78 expenditure activity. Since we have received confirmations totaling \$185.0 from hospitals that represented 65% of the FY 78 activity, our assumption is: If \$185.0 is 65%, then 100% would be \$285.0. Therefore we have allowed for an additional \$100.0 in additional confirmations.
 - Interest Penalty was calculated on 1% per month based on a 6 month length of time that the claims have been on-hand with the Division. This was calculated on the In-State bill on-hand and confirmations for Physicians and Other Services.

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY	Department of Health & Social Services	CATEGORY	PROGRAM	code	
DIVISION	Division of Public Assistance	SUB-PROGRAM	Medicaid		
		ELEMENT	Physician Services		
		SUB-ELEMENT			

FY 78-A

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	1873.9	611.3	2,485.2
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	1873.9	611.3	2,485.2
NEW CODE	FEDERAL RECEIPTS		305.7	
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND			
	INTER-AGENCY TRANSFERS			
	OTHER: Federal Revenue Sharing		305.6	
	TOTAL	1873.9	611.3	2,485.2
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY FULL-TIME EQUIVALENTS			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY	Department of Health & Social Services	CATEGORY	
DIVISION	Division of Public Assistance	PROGRAM	
		SUB-PROGRAM	
		ELEMENT	Medicaid
		SUB-ELEMENT	Other Services

FY 78-A

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	522.3	198.5	720.8
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	522.3	198.5	720.8
NEW CODE	FEDERAL RECEIPTS		99.2	
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND			
	INTER-AGENCY TRANSFERS			
	OTHER: Federal Revenue Sharing		99.3	
	TOTAL	522.3	198.5	720.8
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G.F.						
OTHER (SPECIFY)						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY Department of
Health & Social Service
DIVISION Division of
Public Assistance

CATEGORY
PROGRAM
SUB-PROGRAM
ELEMENT
SUB-ELEMENT

code

G, R, Medical
Physician Service

FY 78-A

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	757.6	504.5	1,262.1
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	757.6	504.5	1,262.1
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	757.6		
	INTER-AGENCY TRANSFERS			
	OTHER: Revenue Sharing		504.5	504.5
	TOTAL	757.6	504.5	1,262.1
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY	Department of	CATEGORY	
Health & Social Services		PROGRAM	
DIVISION	Division of	SUB-PROGRAM	G.R. Medical
Public Assistance		ELEMENT	Other Services
		SUB-ELEMENT	

FY 78-A

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	1494.7	57.3	1,552.0
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	1494.7	57.3	1,552.0
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	1494.7		1,494.7
	INTER-AGENCY TRANSFERS			
	OTHER: Revenue Sharing		57.3	57.3
	TOTAL	1494.7	57.3	1,552.0
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL					
SOURCE OF FUNDS					
FEDERAL					
REQ. G.F. MATCH					
OTHER G. F.					
OTHER (SPECIFY)					

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STATE OF ALASKA
Office of the Comptroller
and Management Division

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

Agency: Department of Health & Social Service	Category:	
Division: Division of Public Assistance	Program Element:	G.R. Medical Hospitals
	Sub-Element:	

FY 78-A

EXPENDITURE BY OBJECT	PRIOR YEAR AUTHORIZATION	REVISION INCREASE/DECREASE	AVAILABILITY AUTHORIZATION
PERSONAL SERVICES			
TRAVEL			
CONTRACTUAL SERVICES			
REPAIRS			
EQUIPMENT			
LOSS BUILDINGS NON STRUCTURAL IMPROVEMENTS			
GRANTS, CLAIMS, SHARED REVENUE	3011.9	377.0	3,388.9
MISCELLANEOUS			
INTER AGENCY TRANSFERS INCLUDED ABOVE			
TOTAL	3011.9	377.0	3,388.9
FEDERAL DEFICITS			
REQUIRED GENERAL FUND MATCHING			
OTHER GENERAL FUND	3011.9		3011.9
INTER AGENCY TRANSFERS			
OTHER		377.0	377.0
TOTAL	3011.9	377.0	3,388.9
DEMAND DEPOSIT FUND DEFICITS			
DEMAND DEPOSIT FUND DEFICITS			
DEMAND DEPOSIT FUND DEFICITS			
DEMAND DEPOSIT FUND DEFICITS			

COMPARISON BY

	FY _____	FY _____	FY _____	FY _____	FY _____	FY _____
EXPENDITURES - TOTAL						
NUMBER OF FUNDS						
FEDERAL						
RELIEF MATCH						
OTHER G.F.						
OTHER DEFICITS						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY Department of
Health & Social Service
DIVISION Division of
Public Assistance

CATEGORY
PROGRAM
SUB-PROGRAM
ELEMENT
SUB-ELEMENT

code
Medicaid
Nursing Homes

FY 78-A

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	12,305.6	(1,748.6)	10,557.0
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	12,305.6	(1,748.6)	10,557.0
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND		(404.9)	
	INTER-AGENCY TRANSFERS			
	OTHER: Federal Revenue Sharing		(1,343.7)	
	TOTAL	12,305.6	(1,748.6)	10,557.0
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

FY 78-B

AGENCY Department of Health & Social Services	CATEGORY PROGRAM	code	
DIVISION Division of Public Assistance	SUB-PROGRAM ELEMENT		Medicaid
	SUB-ELEMENT		Physician Serv

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	2,485.2	32.2	2,517.4
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	2,485.2	32.2	2,517.4
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING		32.2	
	OTHER GENERAL FUND			
	INTER-AGENCY TRANSFERS			
	OTHER:			
	TOTAL	2,485.2	32.2	2,517.4
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY _____	FY _____	FY _____	FY _____	FY _____	FY _____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G.F.						
OTHER (SPECIFY)						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY Department of	CATEGORY	code
Health & Social Ser	PROGRAM	
DIVISION Division of	SUB PROGRAM	Medicaid
Public Assistance	ELEMENT	Other Service
	SUB-ELEMENT	

FY 78-B

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
320	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	720.8	10.5	731.3
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	720.8	10.5	731.3
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND		10.5	
	INTER-AGENCY TRANSFERS			
	OTHER:			
	TOTAL	720.8	10.5	731.3
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY Department of Health & Social Services	CATEGORY	code	
DIVISION Division of Public Assistance	PROGRAM		
	SUB PROGRAM		G.R. Medical
	ELEMENT		Physician Serv
	SUB-ELEMENT		

FY 78-B

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	1,262.1	28.0	1,290.1
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	1,262.1	28.0	1,290.1
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	757.6	28.0	758.6
	INTER-AGENCY TRANSFERS			
	OTHER: Revenue Sharing	504.5		504.5
	TOTAL	1,262.1	28.0	1,290.1
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

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STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

FY 78-B

AGENCY	Department of Health & Social Serv	CATEGORY	
DIVISION	Division of Public Assistance	PROGRAM	
		SUB PROGRAM	G.R. Medical
		ELEMENT	Other Services
		SUB ELEMENT	

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	1,552.0	3.2	1,555.2
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	1,552.0	3.2	1,555.2
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	1,494.7	3.2	1,497.9
	INTER-AGENCY TRANSFERS			
	OTHER:	57.3		57.3
	TOTAL	1,552.0	3.2	1,555.2
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

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STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY	Department of Health & Social Services	CATEGORY	
DIVISION	Division of Public Assistance	SUB PROGRAM	Medicaid
		ELEMENT	Nursing Home
		SUB-ELEMENT	

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
300	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
620	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	10,557.0	(73.9)	10,483.1
600	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	10,557.0	(73.9)	10,483.1
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND			
	INTER-AGENCY TRANSFERS			
	OTHER: Revenue Sharing		(73.9)	
	TOTAL	10,557.0	(73.9)	10,483.1
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)
↓

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G.F.						
OTHER (SPECIFY)						

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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

POUCH H-07
JUNEAU, ALASKA 99811

January 23, 1979

Refer to: FM 8-3

Reference: Confirmation of FY 78 unpaid claims

Enclosed with this letter you will find a computer listing and/or a hand listing of invoices that we have on hand to include in our FY 78 supplemental budget request. Your assistance is requested to:


1. Verify that we have listed all invoices that you show as not having been paid for the period prior to June 30, 1978, and
2. Review the dollar amounts shown on the computer run for accuracy and reasonableness. On the computer run there are three dollar amounts. The amount billed, amount allowed and the amount paid. The amount billed should be equal to what you submitted on your invoice billing. The amounts allowed and the amounts paid should reflect the amount allowable under Medicaid. Differences may occur as a result of third-party payments (i.e. Medicare) or due to a processing error. We ask that you review these dollar amounts and indicate where you feel there may have been an error made.

Please send all replies to:

Division of Public Assistance
Attention: FY 78 Supplemental Budget
Pouch H-07
Juneau, Alaska 99811

Where you find that an invoice has been omitted, please bring it to our attention immediately so we may assure that all bills are included in our Supplemental Budget Request. If you have questions concerning these listings, Vicki Brown will be coordinating this confirmation process. She may be reached at 465-3055. Or you can contact me at 465-3365. It is important that we receive word on any missing invoice or dollar amount no later than Thursday, January 30. Again, your assistance is necessary to assure final and proper payment of our FY 78 unpaid claims.

Sincerely,



Tom Haas
Assistant Director

TH/bg

Attachment

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH H 01 - JUNEAU 5211

RE: FY 78 Delinquent Payments

The Division of Public Assistance has experienced an unexpected increase in utilization of services in the medical programs - Medicaid and General Relief Medical - in the fiscal year ending June 30, 1978. As a result of the increased growth rate in utilization, we have exhausted certain appropriations. With the tight legislative controls placed on movement of appropriations, we will have to await legislative action on additional appropriations for unpaid bills with a service date prior to July 1, 1978.

When the Legislature convenes in January, the first order of business of this administration will be to request an appropriation to pay the amount owed you. Because appropriated funds are not available to pay your billings in the regular course of business, the request will include a sum for interest at the rate of one percent a month from the approximate date each billing would normally have been paid until the date it is actually paid. It is our hope that the Legislature will act promptly and favorably on our request so that you can be paid. You may be assured that the Department of Health and Social Services will promptly process your billing as soon as the special appropriation is passed.

Claims that we have received with service dates on or after July 1, 1978, are being processed as expediently as possible. Without exception, they will be processed on a first in, first paid basis. An Ad Hoc advisory committee, made up of members of the Alaska State Medical Association and the Division of Public Assistance, will be meeting in the immediate future to deal with the new payment system. We hope to be ready to implement an automated payment procedure by the first of the year, which would assure in most cases that you would be paid within 30 days of our receipt of your claim on future claims.

Your patient understanding and support, not only in our effort to overcome our current financial crunch but also in our efforts to make payment more timely in the future, will be appreciated. For those of you that, due to a large dollar amount owed to you by the State for activity billed prior to July 1, 1978, find it necessary to borrow from a lending institution, we will provide an acknowledgement letter

as outlined in the attachment, "Prior Year Debt Acknowledgment."
Regardless, we will be sending you an acknowledgement of your prior year
billings by invoice number and amount.

I want you to know that I deeply regret the inconvenience this may cause
you.

If you have any questions concerning this situation, please feel free to
contact Tom Haas at 465-3365 or Pouch H-07, Juneau, Alaska 99811.

Sincerely,

Helen D. Beirne

Helen D. Beirne
Commissioner

PRIOR YEAR DEBT ACKNOWLEDGEMENT

Due to the need to await Legislative action on an additional appropriation to pay unpaid bills with service dates prior to July 1, 1978, we realize that this situation may create a need for you to borrow against the amounts owed you. Although we cannot at this time make payment to you, we will make available for you a letter of debt acknowledgement to provide you support in borrowing from a lending institution.

If you find yourself in this situation, submit to my attention via letter, the dollar amount owed to you for services rendered prior to July 1, 1978, and the approximate percentage of your usual and customary charges that you normally receive from Medicaid. From this information, we will send to you an acknowledgment letter stating the approximate dollar amount you can expect to receive from the Medicaid or General Relief Medical programs as appropriate.

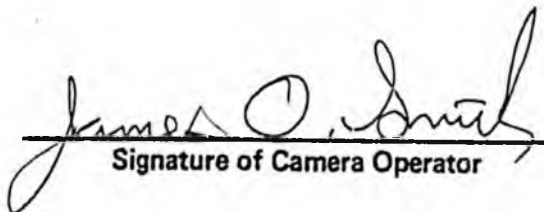
Again, we regret the inconvenience this may cause. Please be assured that we stand ready to assist you in any way possible.

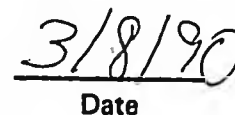


RECORDS CERTIFICATION



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.


Signature of Camera Operator


Date

SENATE FINANCE COMMITTEE
BILL CHECKLIST

- 1. Original Bill Document ✓
- 2. History Cover Form ✓
- 3. Printed Copies:
 - Original Bill *2/6* ✓
 - Committee Substitutes or *7/19* Amendments ✓
- 4. Committee Report Form ✓
- 5. Fiscal Note: *See below*
 - In File _____
 - Requested _____ Date _____
- 6. Backup:
 - Handouts _____
 - Letter from Governor _____
 - Letter from Sponsor _____
 - Other ✓

Memos and budget documents

Not voting: 10 Buchholdt, Eliason, Freeman, McKinnon, Malone, Martin, Miles, Parker, Schaeffer, Zharoff. HCR 5amS

And so, the House concurred in the Senate amendment, thus adopting HCR 5amS. HCR 5amS

The Clerk was requested to so notify the Senate.

HCR 5amS was referred to the Chief Clerk for enrollment.

The Senate message on CSHB 143 (supplemental appropriations to Department of Health and Social Services, division of public assistance; effective date) with a Senate letter of intent (page 754 of the journal) was again before the House. CSHB 143

Mr. Anderson moved that the House adopt the Senate letter of intent for CSHB 143.

The question being: "Shall the House adopt the Senate letter of intent for CSHB 143?" The roll was taken with the following result:

Yeas: 30 Anderson, Barnes, Beirne, Bettisworth, Branson, Brown, Carney, Chatterton, Cotten, Duncan, Fuller, Gardiner, Guy, Halford, Haugen, Hayes, Hurlbert, Meekins, Metcalfe, Miller, Montgomery, Moss, Munson, O'Connell, Osterback, Parr, Phillips, Randolph, Rogers, Smith.

Nays: 0

Not voting: 10 Buchholdt, Eliason, Freeman, McKinnon, Malone, Martin, Miles, Parker, Schaeffer, Zharoff.

And so, the House adopted the Senate letter of intent for CSHB 143, and it appears as follows:

SENATE
LETTER OF INTENT
FOR
CSHB 143

It is the intent of the Senate Finance Committee that Federal Revenue Sharing funds appropriated in CSHB 143 are to be comprised of \$576.4 lapsing funds from the Department of Health & Social Services' FY 78 appropriation and a balance of \$767.3 from the unappropriated balance of the Federal Revenue Sharing fund as of June 30, 1978.

CSHB 143 It is also the intent of the Committee that Federal Revenue Sharing funds are to be transferred from the Department of Administration to the Department of Health & Social Services in the amount appropriated during FY 78 and any new amount expended as a result of CSHB 143.

The Clerk was requested to so notify the Senate.

CSHB 143 was referred to the Chief Clerk for enrollment.

Representative Hayes moved and asked unanimous consent that Representative Beirne be excused from a call of the House on April 13 and 14. There being no objection, it was so ordered.

ENGROSSMENT AND ENROLLMENT

The following were engrossed, signed by the Speaker and Chief Clerk and transmitted to the Senate for consideration:

CSHB 2(R1s)	CSHB 2(Rules)
CSHB 155	CSHB 155

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate and the engrossed and enrolled copies were transmitted to the Office of the Governor at 2:35 p.m., March 23, 1979:

HB 179 ams	HB 179 Alaska Medical Facility Authority; am S effective date
------------------	--

The following were enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate and the engrossed and enrolled copies were transmitted to the Office of the Governor at 2:20 p.m., March 27, 1979:

CSHB 131 ams	CSHB 131 am S Pioneers' Homes
CSHB 143	CSHB 143 Making supplemental appropriations to the Department of Health and Social Services, division of public assistance; effective date. (with letter of intent adopted by House and Senate)

Original sponsor: Rules Committee

Offered: 2/19/79
Referred: Rules

Funding Information

General Fund	\$ 73,900
Other Funds	1,748,600
	<u>\$1,822,500</u>

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 143

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making supplemental appropriations to the

7

Department of Health and Social Services, division of

8

public assistance; and providing for an effective

9

date."

10

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

11

* Section 1. The sum of \$852,500 is appropriated to the Department of

12

Health and Social Services, division of public assistance, for Medicaid,

13

physician services and other services for the fiscal year ending June 30,

14

1978. Sources of this appropriation are as follows:

15

General Fund	\$ 42,700
--------------	-----------

16

Federal Revenue Sharing	404,900
-------------------------	---------

17

Federal Funds	404,900
---------------	---------

18

* Sec. 2. The sum of \$970,000 is appropriated to the Department of Health

19

and Social Services, division of public assistance, for General Relief Medi-

20

cal, hospital payments, physician services and other services for the fiscal

21

year ending June 30, 1978. Sources of this appropriation are as follows:

22

General Fund	\$ 31,200
--------------	-----------

23

Federal Revenue Sharing	938,800
-------------------------	---------

24

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-

25

070(c).

26

27

28

29

SENATE JOURNAL

LETTER OF INTENT
FOR
CSHB 143

It is the intent of the Senate Finance Committee that Federal Revenue Sharing funds appropriated in CSHB 143 are to be comprised of \$576.4 lapsing funds from the Department of Health & Social Services' FY 78 appropriation and a balance of \$767.3 from the unappropriated balance of the Federal Revenue Sharing fund as of June 30, 1978.

It is also the intent of the Committee that Federal Revenue Sharing funds are to be transferred from the Department of Administration to the Department of Health & Social Services in the amount appropriated during FY 78 and any new amount expended as a result of CSHB 143.


Vice-Chairman

Senator Kerttula moved and asked unanimous consent that the roll call on the passage of the above bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

CS
HB
143

Senator Kerttula moved that the Letter of Intent from the Senate Finance Committee be adopted as the Senate Letter of Intent on COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 143.

The question being: "Shall the Finance Committee Letter of Intent accompanying COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 143 be adopted as the Senate Letter of Intent?" The roll was taken with the following result:

Yeas:	17	Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Ferguson, Hackney, Hohman, Kelly, Kerttula, Meland, Mulcahy, Ray, Stimson, Sturgulewski, Sumner, Ziegler
Nays:	0	
Absent:	1	Tillion
Excused:	2	Rodey, Sackett

and so, the Finance Committee Letter of Intent was adopted as the Senate Letter of Intent and appears as follows:

SENATE LETTER OF INTENT
FOR CSHB 143

It is the intent of the Senate Finance Committee that Federal Revenue Sharing funds appropriated in CSHB 143 are to be comprised of \$576.4 lapsing funds from the Department of Health & Social Services' FY 78 appropriation and a balance of \$767.3 from the unappropriated balance of the Federal Revenue Sharing fund as of June 30, 1978.

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SENATE JOURNAL

LETTER OF INTENT
FOR
CSHB 143

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It is also the intent of the Committee that Federal Revenue Sharing funds are to be transferred from the Department of Administration to the Department of Health & Social Services in the amount appropriated during FY 78 and any new amount expended as a result of CSHB 143.


Vice-Chairman

67 dollars

Acct payable —

Medicaid - physician services.

TO: Helen D. Beirne, Commissioner
Department of Health & Social
Services

DATE: October 5, 1978

FILE NO:

TELEPHONE NO:

FROM: Avrum M. Gross
Attorney General

SUBJECT: J-66-116-79
Payment of Prior Year's
Bills with Current
Year Funds

By: *THR*
Thomas H. Robertson
Assistant Attorney General
for Rodger W. Pegues
Assistant Attorney General

By memorandum dated August 24, 1978, we advised you that our memorandum of December 10, 1976, on transfers between prior year appropriations remained applicable to this subject.

That advice was premised upon our belief that post fiscal year transfers between appropriations have constituted a customary financial practice. The Office of Budget and Management informs us that this is not the case and, consequently, we are forced to conclude that the legislature intended the prohibition against transfers between appropriations contained in Section 2 of ch. 26, SLA 1976, to apply in this instance.

Article IX, Sec. 13, of the Constitution of the State of Alaska provides, in part, that "[n]o money shall be withdrawn from the treasury except in accordance with appropriations made by law." The extreme particularization used by the legislature in writing the appropriation for the 1978 fiscal year has thus made it impossible for you to use the traditional technique of reallocating funds within individual appropriations. We suggest that you approach that body for appropriate relief.

THR:lw

cc: Ron Lind, Director
Division of Budget & Management

MEMORANDUM

State of Alaska

TO: Ron Lind, Director
Division of Budget & Management
Office of the Governor

DATE: December 10, 1976

FILE NO:

TELEPHONE NO:

FROM: Avrum M. Gross
Attorney General

SUBJECT: Transfers between prior
year appropriations

By: G. Thomas Koester *GTK*
Assistant Attorney General
Department of Law

RECEIVED

DEC 13 1976

BUDGET & MANAGEMENT

You asked us to review a request by the Department of Health and Social Services to transfer funds between FY 76 appropriations to allow payment of vendors in other appropriation areas.

This review must begin with the relevant constitutional provisions governing state finance. Art. IX, § 12 of the Alaska Constitution, provides:

The governor shall submit to the legislature, at a time fixed by law, a budget for the next fiscal year setting forth all proposed expenditures and anticipated income of all departments, offices, and agencies of the State. The governor, at the same time, shall submit a general appropriation bill to authorize the proposed expenditures, and a bill or bills covering recommendations in the budget for new or additional revenues.

Art. IX, § 13 provides:

No money shall be withdrawn from the treasury except in accordance with appropriations made by law. No obligation for the payment of money shall be incurred except as authorized by law. Unobligated appropriations outstanding at the end of the period of time specified by law shall be void.

Implementing these provisions is a statutory scheme allocating various powers and responsibilities between the executive and legislative branches of government. The governor is to direct the preparation of a comprehensive program and financial plan and recommend it for consideration by the legislature. AS 37.07.020. The legislature is to adopt legislation

Ron Lind, Director
Division of Budget & Management

December 10, 1976
- 2 -

to authorize implementation of the governor's proposed comprehensive program and financial plan or appropriate alternatives to it. AS 37.07.030. Once the implementation of the governor's comprehensive program and financial plan (or appropriate alternatives thereto) has been authorized through appropriations, the governor shall direct its administration. AS 37.07.020. (And see Alaska Constitution, Art. III, § 1 which provides: "The executive power of the State is vested in the governor.")

Administration of the comprehensive program and financial plan authorized by the legislature necessarily requires some flexibility. The legislature recognized this when it enacted AS 37.07.080(e) permitting appropriation transfers within an agency upon review by the division of budget and management and approval by the governor. (Section 2 of ch. 26 SLA 1976 amended AS 37.07.080(e) to prohibit transfers between appropriations, but sec. 5 of that same Act provided that "[n]otwithstanding the provisions of sec. 2 of this Act, transfers between appropriations may be made as [was] provided by law between appropriation items contained in sec. 16(a) and (b) of ch. 209 SLA 1975." If the appropriations the Department of Health and Social Services wants to transfer were not contained in sec. 16(a) or (b) of ch. 209 SLA 1975, no transfer is permissible; this review assumes that the appropriations under consideration were contained in sec. 16(a) and/or (b) of ch. 209 SLA 1975. The same analysis will apply to appropriation transfers authorized by sec. 13 of ch. 279 SLA 1976.)

The effect of the close of the fiscal year on appropriations and unsatisfied state obligations is governed by AS 37.25.010, which provides:

- (a) The unexpended balance of a one-year appropriation authorized in an appropriation bill lapses on June 30 of the fiscal year for which appropriated. However, a valid obligation (encumbrance) existing on June 30 is automatically reappropriated for the fiscal year beginning on the succeeding July 1 if it is recorded with the Department of Administration by August 31 of the succeeding fiscal year.
- (b) An indebtedness arising from a prior year for which the appropriation has lapsed shall be paid from the current year's appropriations, if (1) this expenditure does not exceed the balance lapsed; and (2) the original obligation date is not more than two years from the requested date of disbursement.

December 10, 1976

- 3 -

This provision has consistently been interpreted as authorizing retroactive appropriation transfers, and properly so.

The fact that this provision has consistently been interpreted to permit retroactive appropriation transfers, standing alone, is strong legal support for the conclusion that it authorizes such transfers. Justice Frankfurter, concurring in Youngstown Sheet & Tube Co. v. Sawyer, 343 U.S. 579, 96 L.Ed. 1153 (1952), referred to such systematic executive practice, pursued to the knowledge of the legislature without having been questioned, as a "gloss" on the executive power vested in the chief executive by the constitution. The exercise of such power becomes a part of the structure of government. It cannot supplant the Constitution or legislation, but it gives meaning to the language being interpreted. We believe retroactive appropriation transfers such as the one sought by the Department of Health and Social Services are permissible under the Constitution and relevant statutes.

Furthermore, the conclusion that retroactive appropriations are permissible becomes obvious upon analysis of what the legislature intended to accomplish when it enacted AS 37.25.010. Subsection (a) is designed to permit automatic reappropriation of lapsed appropriations to cover obligations incurred in a prior fiscal year but not presented to the state for payment until the succeeding fiscal year. The greatest need for the flexibility it gives the executive branch -- the ability to match appropriations which were based on estimated requirements to actual obligations as they become due -- is after the close of the fiscal year. That is when the last of those obligations finally appear and the necessary appropriation transfers authorized by AS 37.07.080(e) may be identified with certainty.

Any other construction would lead to an absurd result. Assume a vendor submits a bill on July 1 for services rendered during the previous fiscal year, services rendered in an appropriation area for which the previous year's appropriation contains no unexpended balance. Since there is no lapsed balance, there is no automatic reappropriation. The result is that there is no appropriation against which a pay warrant may be drawn, and the vendor legally cannot be paid. A foreseeable result would be for the vendor to sue the state, a lawsuit we believe the state would lose. To satisfy the resultant judgment, the affected agency (through the governor) would have to seek a supplemental legislative appropriation to satisfy a timely-filed claim which would have been paid routinely if filed on June 30 or before. This narrow construction would force the state to default on an obligation when due, severely inconvenience an innocent business-

man, probably lead to the assessment of costs, interest, attorney fees and damages against the state (significantly increasing the ultimate cost), and inevitably result in a loss of public confidence in state government regardless of the legislature's action on the supplemental appropriation. All this because the claim was presented one day after the close of the fiscal year. The legislature could not have intended such a result. Retroactive transfers of appropriations provide a solution to this problem; we believe they are an essential part of the legislatively-enacted scheme to enable the state to meet its obligations when due and violate neither the Constitution nor controlling statutes.

When an obligation incurred during a previous fiscal year is not presented to the state for satisfaction or otherwise is not recorded with the Department of Administration by August 31, there can be no automatic reappropriation under AS 37.25.010(a). However, that does not mean the vendor may not be paid. If there was a lapsed balance in the appropriate appropriation area for the year in which the obligation arose, and if the original obligation date is less than two years from the requested date of disbursement, AS 37.25.010(b) clearly authorizes payment of that obligation out of the current year's appropriation. To compensate for the unbudgeted expenditure from the current year's appropriation, the affected agency (through the governor) seeks a supplemental legislative appropriation.

This brings us to the heart of your request for review: What happens when there was no lapsed balance in the appropriate appropriation area? May the agency (with the governor's approval) retroactively transfer lapsed balances from other appropriation areas to the appropriate one, thereby authorizing payment of the claim from the current year's appropriation under AS 37.25.010(b)? We believe the answer is "yes," for the same reasons that we believe retroactive transfers of appropriations are permissible under AS 37.25.010(a). Narrowly construing AS 37.25.010(b) to prohibit such retroactive transfers leads to the same absurd consequences a narrow construction of AS 37.25.010(a) does: nonpayment, suit, judgment, supplemental appropriation, and erosion of public confidence. We do not believe the legislature could have intended such results.

Under a broad construction permitting a retroactive transfer of appropriations (in truth a mere book transaction), the agency would be permitted to pay the claim out of its current year's appropriations. Again, to compensate for the unbudgeted expenditure, it would seek a supplemental legislative appro-

December 10, 1976

- 5 -

priation. Note that under both narrow and broad constructions, the affected agency would seek a supplemental appropriation. Under a narrow construction it would be to satisfy a judgment which could significantly exceed the amount of the original claim. Under a broad construction the request would be for the amount the current year's appropriation was diminished by satisfying the obligation. Under either construction, the substantive relationship between the executive and legislative branches of government is the same and the legislative safeguard is identical: the affected agency (through the governor) must seek a supplemental appropriation. The only real differences between the two constructions are that the narrow one penalizes innocent vendors, increases the amount the state must pay, and erodes public confidence in the state's ability to satisfy its obligations. We do not believe the legislature could have intended that such consequences should result from the fact that an appropriation, based on an estimate made more than a year earlier, was insufficient.

If (as we have concluded) August 31 is not the final date for retroactive transfers of appropriations, what would be the final date? Under our interpretation of AS 37.25.010, the final date for appropriation transfers (that is, for transfers which would lead to automatic reappropriations under subsection (a)) would be August 31. The final date for book transactions (that is, for transfers which would permit payment of obligations from the current year's appropriations under subsection (b)) would be the latest date permitted: Two years from the date of the original obligation for which payment is sought.

Of course, the administration can make a policy stating that transfers after a certain date will not be made, since all such transfers require the governor's approval under AS 37.07.-080(e). A practical approach might be to set the final date for such transfers at a time sufficiently later than August 31 to permit all claims submitted after that date or not recorded with the Department of Administration by that date to be satisfied out of the current year's appropriation, yet sufficiently before the final report to the legislature must be made to permit incorporation of the transfer in the report. This would permit all necessary last minute adjustments discovered by agencies to be made, while also permitting an accurate year-end report to be made to the legislature. While vendors submitting claims after the cutoff date could not be paid until a supplemental appropriation was made, a court would be less sympathetic if they had waited beyond this late cutoff date to submit their claim than if an August 31

date is established (or worse, if an agency had inadvertently failed to record a timely-submitted claim with the Department of Administration, apparently the case with the Department of Health and Social Services claim at issue here).

Aside from legal considerations, such a policy will lead to judicial, administrative and legislative efficiency. It is conceivable that several vendors could be affected in any given year. This could lead to several lawsuits, several judgments (possibly including costs, interest, attorney fees and damages), and several supplemental appropriation requests. Payment of the incurred obligations from the current year's appropriations under the rationale advanced above would avoid all judicial proceedings and lead to a single supplemental appropriation request to "fill out" the current year's appropriations.

In our discussions of this issue, you mentioned that you wished to establish an August 31 cutoff date for such transfers. If an August 31 cutoff date is established, we suggest that it be applied prospectively only, and that departments and agencies be warned well in advance that the former practice of permitting retroactive transfers after August 31 will no longer be followed. We believe it is advisable from both legal and practical standpoints to permit the Department of Health and Social Services to make the transfer it requested which gave rise to this question and pay the Fairbanks laboratory in a relatively timely fashion.

As a final practical matter, from a legal standpoint our chances of successfully defending a single lawsuit brought by members of the legislature challenging the executive's authority to make retroactive appropriation transfers are significantly greater than our chances of successfully defending a number of lawsuits by vendors whose claims have been disallowed because there were no appropriations against which pay warrants could be written.

To summarize, we believe the established procedure permitting retroactive appropriation transfers (such as the one requested by the Department of Health and Social Services here) is permissible under the Alaska Constitution and existing statutes. Aside from its legality, its virtues are that it preserves administrative flexibility by not irrevocably fixing state expenditures to estimates made more than a year earlier, permits innocent vendors to receive timely payment for their services, avoids

Ron Lind, Director
Division of Budget & Management

December 10, 1976

- 7 -

needless costly lawsuits leading almost inevitably to judgments against the state (judgments which could substantially exceed the original obligations), and maintains the state's ability to find businessmen willing to deal with the state in a normal commercial context. The governor has control over such transfers since he must approve them. The legislature retains its ultimate control over the state purse since the affected agency must seek a supplemental appropriation to meet its current obligations. The substantive system of checks and balances mandated by the Constitution and statutorily established by the legislature is fully complied with, and neither innocent businessmen nor the state are penalized unnecessarily.

GTK:md

STATE
of ALASKA

MEMORANDUM

HB 143

TO: Art Peterson
 Assistant Attorney General
 Department of Law

FROM: *RL*
 Ron Lind, Director
 Division of Budget & Management
 Office of the Governor

DATE: February 2, 1979

FILE NO:

TELEPHONE NO:

SUBJECT:

Supplemental Appropriation
 Department of Health & Social
 Services

Please prepare a bill for the Governor's introduction making a Supplemental appropriation in the amount of \$73,900 to the Department of Health & Social Services for the purpose of paying penalty payments to in-state physicians participating in the Medicaid and GR Medical programs.

This \$73,900 should be appropriated from the general fund.

This act should take effect immediately and include a lapse date of June 30, 1979.

The Department has notified us that Rick Robertson in your office has been involved in the preparation of this supplemental and that a decision was reached to submit this bill to the Senate first. It would be helpful if the prepared bill was available for Governor Hammond's signature on Friday, February 9, 1979.

JAN 31 1979

Budget And Management

TO: [Ron Lind, Director
Office of Budget & Management
Office of the Governor

DATE: JAN 31 1979

FILE NO:

TELEPHONE NO:

FROM: Helen D. Beirne
Commissioner
Department of Health & Social
Services

SUBJECT: FY78 Add/Delete Supplemental
GR Medical and Medicaid

The Department of Health and Social Services requests two separate supplementals, one to effect a FY78 add/delete supplemental appropriation for the Medicaid and GR Medical Programs, and a second to appropriate funds for penalty payments to in-state physicians. All of these funds would be within the original FY78 appropriation for the Medicaid BRU.

The principal reason for the Medicaid add/delete supplemental arises from appropriations made to this BRU at the component level in FY78. FY78 was the only year in which such component appropriations were made, thereby resulting in DHSS' inability to request movement of available funds within the BRU to meet shortfalls in the hospital, physician services and other services components. These shortfalls in Medicaid and similar shortfalls in General Relief Medical resulted from heavier utilization of these medical services than initially anticipated.

DHSS currently has bills on hand which cannot be paid without redistribution of the lapsed FY78 monies. Some of these bills have been in DHSS awaiting payment for up to six months. With concurrence of officials from the Department of Law, the Department of Administration and the Office of the Governor, doctors statewide were advised that the Department would request an appropriation from which payment of a 1% monthly penalty would be made. Computation of the penalty was determined using September 1978 as the median month for receipt of billings.

Re-distribution of funds as effected by the requested add/delete supplementals would be as follows:

<u>BRU</u>	<u>Component</u>	<u>Supplemental Need</u>	<u>Penalty Payment</u>
Medicaid	Physician Services	\$611.3	\$32.2
Medicaid	Other Services	198.5	10.5
GR Medical	Hospitals	377.0	-0-
GR Medical	Physician Services	504.5	28.0
GR Medical	Other Services	57.3	3.2
Medicaid	Nursing Homes	(1,748.6)	(73.9)
TOTAL		-0-	-0-

A complete breakdown of the FY78 GR Medical and Medicaid BRU needs as well as funding sources are reflected in the attached worksheet dated January 31, 1979.

The department requests expeditious handling of these add/delete supplementals to minimize the penalty payment to the state, and to permit reimbursement of the affected medical providers for services rendered to low-income Alaskans.

Attachments:

- January 31, 1979 Worksheet
- FY78 add/delete budget forms
- Sample letter to physicians concerning 1% penalty payment
- Confirmation letter to individual physicians identifying accounts payable

Division of Public Assistance
 Calculation of Supplemental Budget
 FY 78 Medicaid/General Relief Medical

7/1/79

COLUMN WRITE	P. II - Medicaid		Confirmation Received Yes/No/Qty	Total	All other Medicaid Confirmation	Total	⑤ 1% Monthly Penalty	Total Request	⑩			
	In-state	Out-of-state							Federal	Revenue Sharing	General Fund	
1	Add:											
2	<u>Medicaid</u>											
3												
4	Physician Services	304,100	75,400	① 120,200	15,800	② 113,300	32,200	643,500	305,700	305,600	32,200	
5	Other Services	105,000	23,000	① 30,000	1,600	② 31,700	10,500	209,000	99,200	79,500	10,500	
6	Sub-total	411,100	98,400	165,000	17,400	155,000	42,700	852,500	404,900	404,700	42,700	
7	<u>General Relief Medical</u>											
8	Hospitals	92,000	-	② 18,000	2,200	③ 10,000	100	377,000	-	370,000	7,000	
9	Physician Services	297,100	37,900	① 92,000	1,200	② 93,200	28,000	532,000	-	504,500	28,000	
10	Other Services	122,500	7,100	① 4,300	43,100	② 7,000	39,000	605,000	-	573,000	32,000	
11	Sub-total	511,600	47,000	129,500	74,900	190,000	67,000	1,700,000	-	938,000	31,200	
12	Total	922,700	145,400	294,500	92,300	345,000	109,700	1,822,500	404,900	1,343,700	73,900	
13	Delete											
14	<u>Medicaid</u>											
15	Housing Allowance											
16									<1,312,500>	<404,900>	<1,343,700>	<73,900>

- Notes:
- (1) Confirmation for Physicians and Other Services have been received from approximately 1/4 of the providers; these providers represented approximately 55% of the FY 78 expenditure activity. Since we have received confirmation totaling \$275.0 for Physician and Other Services from providers that represented 55% of the FY 78 activity, our assumption is: If \$275.0 is 55%, then 100% would be \$500.0. Therefore we have allowed an addition \$225.0 for additional confirmation. The \$225.0 has been allocated to Physician and other services based on their distributions in column 4.
 - (2) Confirmation on Hospital billings were received from Hospitals that represented approximately 65% of the FY 78 expenditure activity. Since we have received confirmations totaling \$185.0 from hospitals that represented 65% of the FY 78 activity, our assumption is: If \$185.0 is 65%, then 100% would be \$285.0. Therefore we have allowed for an additional \$100.0 in additional confirmations.

(3) Interest Penalty was calculated on 1% per month based on a 6 month length of time that the claims have been on-hand with the Division. This was calculated on the In-State bill on-hand and confirmations for Physicians and Other Services.

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY Department of Health & Social Services	CATEGORY PROGRAM	
DIVISION Division of Public Assistance	SUB-PROGRAM ELEMENT	Medicaid
	SUB-ELEMENT	Other Services

FY 78-A

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	522.3	198.5	720.8
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	522.3	198.5	720.8
NEW CODE	FEDERAL RECEIPTS		99.2	
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND			
	INTER-AGENCY TRANSFERS			
	OTHER: Federal Revenue Sharing		99.3	
	TOTAL	522.3	198.5	720.8
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY Department of Health & Social Service	CATEGORY PROGRAM	G.R. Medical Physician Service
DIVISION Division of Public Assistance	SUB-PROGRAM	
	ELEMENT	
	SUB-ELEMENT	

FY 78-A

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	757.6	504.5	1,262.1
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
NEW CODE	TOTAL	757.6	504.5	1,262.1
	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	757.6		
	INTER-AGENCY TRANSFERS			
	OTHER: Revenue Sharing		504.5	504.5
	TOTAL	757.6	504.5	1,262.1
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY	Department of Health & Social Services	CATEGORY	
DIVISION	Division of Public Assistance	PROGRAM	
		SUB-PROGRAM	G.R. Medical
		ELEMENT	Other Services
		SUB-ELEMENT	

FY 78-A

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	1494.7	57.3	1,552.0
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	1494.7	57.3	1,552.0
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	1494.7		1,494.7
	INTER-AGENCY TRANSFERS			
	OTHER: Revenue Sharing		57.3	57.3
	TOTAL	1494.7	57.3	1,552.0
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY _____	FY _____	FY _____	FY _____	FY _____	FY _____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

STATE OF ALASKA
Office of the Comptroller
and Management Division

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY Department of Health & Social Service	PROGRAM	
SUB-DIVISION Division of Public Assistance	SUBPROGRAM ELEMENT	G.R. Medical Hospitals
	SUB ELEMENT	

FY 78-A

EXPENSE	EXPENDITURE BY OBJECT	PRICED AUTHORIZATION	REVISION INCREASE / DECREASE	AVERAGE AUTHORIZATION
01	PERSONAL SERVICES			
02	TRAVEL			
03	CONTRACTUAL SERVICES			
04	COMMODITIES			
05	EQUIPMENT			
06	LANDS BUILDINGS NON STRUCTURAL IMPROVEMENTS			
07	GRANTS, CLAIMS, SHARED REVENUE	3011.9	377.0	3,388.9
08	MISCELLANEOUS			
	INTER AGENCY TRANSFERS INCLUDED ABOVE			
	TOTAL	3011.9	377.0	3,388.9
	FEDERAL DEFICITS			
	REQUIRED FEDERAL FUND MATCHING			
	OTHER FEDERAL FUND	3011.9		3011.9
	INTER AGENCY TRANSFERS		377.0	377.0
	OTHER			
	TOTAL	3011.9	337.0	3,388.9

CURRENT FY

	FY	FY	FY	FY	FY	FY
EXPENDITURES - TOTAL						
BY SOURCE OF FUNDS						
FEDERAL						
BY STATE MATCH						
OTHER F.						
OTHER BUDGET						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY Department of Health & Social Service	CATEGORY PROGRAM	
DIVISION Division of Public Assistance	SUB-PROGRAM ELEMENT	Medicaid
	SUB-ELEMENT	Nursing Homes

FY 78-A

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	12,305.6	(1,748.6)	10,557.0
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	12,305.6	(1,748.6)	10,557.0
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND		(404.9)	
	INTER-AGENCY TRANSFERS			
	OTHER: Federal Revenue Sharing		(1,343.7)	
	TOTAL	12,305.6	(1,748.6)	10,557.0
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)
↓

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

FY 78-B

AGENCY Department of Health & Social Services	CATEGORY PROGRAM	
DIVISION Division of Public Assistance	SUB PROGRAM ELEMENT	Medicaid
	SUD-ELEMENT	Physician Serv

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	2,485.2	32.2	2,517.4
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	2,485.2	32.2	2,517.4
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING		32.2	
	OTHER GENERAL FUND			
	INTER-AGENCY TRANSFERS			
	OTHER:			
	TOTAL	2,485.2	32.2	2,517.4
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY Department of Health & Social Services	CATEGORY PROGRAM	code	
DIVISION Division of Public Assistance	SUB PROGRAM ELEMENT		Medicaid
	SUB-ELEMENT		Other Service

FY 78-B

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	720.8	10.5	731.3
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	720.8	10.5	731.3
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND		10.5	
	INTER-AGENCY TRANSFERS			
	OTHER:			
	TOTAL	720.8	10.5	731.3
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)
↓

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

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STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY	Department of Health & Social Services	CATEGORY		code	
DIVISION	Division of Public Assistance	PROGRAM			
		SUB PROGRAM			G.R. Medical
		ELEMENT			Physician Serv
		SUB-ELEMENT			

FY 78-B

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	1,262.1	28.0	1,290.1
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	1,262.1	28.0	1,290.1
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	757.6	28.0	758.6
	INTER-AGENCY TRANSFERS			
	OTHER: Revenue Sharing	504.5		504.5
	TOTAL	1,262.1	28.0	1,290.1
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY _____	FY _____	FY _____	FY _____	FY _____	FY _____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

FY 78-B

AGENCY	Department of Health & Social Services	CATEGORY	
DIVISION	Division of Public Assistance	PROGRAM	
		SUB PROGRAM	G.R. Medical
		ELEMENT	Other Services
		SUB ELEMENT	

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	1,552.0	3.2	1,555.2
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	1,552.0	3.2	1,555.2
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	1,494.7	3.2	1,497.9
	INTER-AGENCY TRANSFERS			
	OTHER:	57.3		57.3
	TOTAL	1,552.0	3.2	1,555.2
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

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STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY	Department of Health & Social Services	CATEGORY	
PROGRAM	Division of Public Assistance	PROGRAM	
SUB PROGRAM		SUB PROGRAM	Medicaid
ELEMENT		ELEMENT	Nursing Home
SUB-ELEMENT		SUB-ELEMENT	

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	10,557.0	(73.9)	10,483.1
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	10,557.0	(73.9)	10,483.1
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND			
	INTER-AGENCY TRANSFERS			
	OTHER: Revenue Sharing		(73.9)	
	TOTAL	10,557.0	(73.9)	10,483.1
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

POUCH H-07
JUNEAU, ALASKA 99811

January 23, 1979

Refer to: FM 8-3

Reference: Confirmation of FY 78 unpaid claims

Enclosed with this letter you will find a computer listing and/or a hand listing of invoices that we have on hand to include in our FY 78 supplemental budget request. Your assistance is requested to:

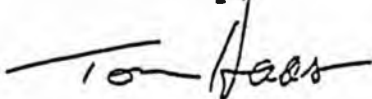
1. Verify that we have listed all invoices that you show as not having been paid for the period prior to June 30, 1978, and
2. Review the dollar amounts shown on the computer run for accuracy and reasonableness. On the computer run there are three dollar amounts. The amount billed, amount allowed and the amount paid. The amount billed should be equal to what you submitted on your invoice billing. The amounts allowed and the amounts paid should reflect the amount allowable under Medicaid. Differences may occur as a result of third-party payments (i.e. Medicare) or due to a processing error. We ask that you review these dollar amounts and indicate where you feel there may have been an error made.

Please send all replies to:

Division of Public Assistance
Attention: FY 78 Supplemental Budget
Pouch H-07
Juneau, Alaska 99811

Where you find that an invoice has been omitted, please bring it to our attention immediately so we may assure that all bills are included in our Supplemental Budget Request. If you have questions concerning these listings, Vicki Brown will be coordinating this confirmation process. She may be reached at 465-3055. Or you can contact me at 465-3365. It is important that we receive word on any missing invoice or dollar amount no later than Thursday, January 30. . . Again, your assistance is necessary to assure final and proper payment of our FY 78 unpaid claims.

Sincerely,



Tom Haas
Assistant Director

TH/bg

Attachment

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH H 01 - JUNEAU 5211

RE: FY 78 Delinquent Payments

The Division of Public Assistance has experienced an unexpected increase in utilization of services in the medical programs - Medicaid and General Relief Medical - in the fiscal year ending June 30, 1978. As a result of the increased growth rate in utilization, we have exhausted certain appropriations. With the tight legislative controls placed on movement of appropriations, we will have to await legislative action on additional appropriations for unpaid bills with a service date prior to July 1, 1978.

When the Legislature convenes in January, the first order of business of this administration will be to request an appropriation to pay the amount owed you. Because appropriated funds are not available to pay your billings in the regular course of business, the request will include a sum for interest at the rate of one percent a month from the approximate date each billing would normally have been paid until the date it is actually paid. It is our hope that the Legislature will act promptly and favorably on our request so that you can be paid. You may be assured that the Department of Health and Social Services will promptly process your billing as soon as the special appropriation is passed.

Claims that we have received with service dates on or after July 1, 1978, are being processed as expediently as possible. Without exception, they will be processed on a first in, first paid basis. An Ad Hoc advisory committee, made up of members of the Alaska State Medical Association and the Division of Public Assistance, will be meeting in the immediate future to deal with the new payment system. We hope to be ready to implement an automated payment procedure by the first of the year, which would assure in most cases that you would be paid within 30 days of our receipt of your claim on future claims.

Your patient understanding and support, not only in our effort to overcome our current financial crunch but also in our efforts to make payment more timely in the future, will be appreciated. For those of you that, due to a large dollar amount owed to you by the State for activity billed prior to July 1, 1978, find it necessary to borrow from a lending institution, we will provide an acknowledgement letter

as outlined in the attachment, "Prior Year Debt Acknowledgment."
Regardless, we will be sending you an acknowledgement of your prior year
billings by invoice number and amount.

I want you to know that I deeply regret the inconvenience this may cause
you.

If you have any questions concerning this situation, please feel free to
contact Tom Haas at 465-3365 or Pouch H-07, Juneau, Alaska 99811.

Sincerely,



Helen D. Beirne
Commissioner

PRIOR YEAR DEBT ACKNOWLEDGEMENT

Due to the need to await Legislative action on an additional appropriation to pay unpaid bills with service dates prior to July 1, 1978, we realize that this situation may create a need for you to borrow against the amounts owed you. Although we cannot at this time make payment to you, we will make available for you a letter of debt acknowledgement to provide you support in borrowing from a lending institution.

If you find yourself in this situation, submit to my attention via letter, the dollar amount owed to you for services rendered prior to July 1, 1978, and the approximate percentage of your usual and customary charges that you normally receive from Medicaid. From this information, we will send to you an acknowledgment letter stating the approximate dollar amount you can expect to receive from the Medicaid or General Relief Medical programs as appropriate.

Again, we regret the inconvenience this may cause. Please be assured that we stand ready to assist you in any way possible.

STATE
of ALASKA

MEMORANDUM

HB 143

TO: Art Peterson
Assistant Attorney General
Department of Law

DATE: February 2, 1979

FILE NO:

TELEPHONE NO:

FROM: *ep*
Ron Lind, Director
Division of Budget & Management
Office of the Governor

SUBJECT: Supplemental Appropriation
Department of Health & Social
Services

Please prepare a bill for the Governor's introduction making a Supplemental appropriation in the amount of \$1,748,600 to the Department of Health & Social Services for the purpose of paying providers of medical care for services rendered.

This \$1,748,600 should be appropriated as follows:

<u>Medicaid</u>	<u>Federal</u>	<u>Revenue Sharing</u>
Physician Services	\$305,700	\$305,600
Other Services	99,200	99,300
 <u>General Relief Medical</u>		
Hospitals		377,000
Physician Services		504,500
Other Services		57,300

This act should take effect immediately and include a lapse date of June 30, 1979.

The Department has notified us that Rick Robertson in your office has been involved in the preparation of this supplemental and that a decision was reached to submit this bill to the Senate first. It would be helpful if the prepared bill was available for Governor Hammond's signature on Friday, February 9, 1979.

STATE
of ALASKA

MEMORANDUM

RECEIVED

JAN 31 1979

Budget And Management

TO: [Ron Lind, Director
Office of Budget & Management
Office of the Governor

DATE: JAN 31 1979

FILE NO:

TELEPHONE NO:

FROM: Helen D. Beirne
Commissioner
Department of Health & Social
ServicesSUBJECT: FY78 Add/Delete Supplemental
GR Medical and Medicaid

The Department of Health and Social Services requests two separate supplementals, one to effect a FY78 add/delete supplemental appropriation for the Medicaid and GR Medical Programs, and a second to appropriate funds for penalty payments to in-state physicians. All of these funds would be within the original FY78 appropriation for the Medicaid BRU.

The principal reason for the Medicaid add/delete supplemental arises from appropriations made to this BRU at the component level in FY78. FY78 was the only year in which such component appropriations were made, thereby resulting in DHSS' inability to request movement of available funds within the BRU to meet shortfalls in the hospital, physician services and other services components. These shortfalls in Medicaid and similar shortfalls in General Relief Medical resulted from heavier utilization of these medical services than initially anticipated.

DHSS currently has bills on hand which cannot be paid without redistribution of the lapsed FY78 monies. Some of these bills have been in DHSS awaiting payment for up to six months. With concurrence of officials from the Department of Law, the Department of Administration and the Office of the Governor, doctors statewide were advised that the Department would request an appropriation from which payment of a 1% monthly penalty would be made. Computation of the penalty was determined using September 1978 as the median month for receipt of billings.

Re-distribution of funds as effected by the requested add/delete supplementals would be as follows:

<u>BRU</u>	<u>Component</u>	<u>Supplemental Need</u>	<u>Penalty Payment</u>
Medicaid	Physician Services	\$611.3	\$32.2
Medicaid	Other Services	198.5	10.5
GR Medical	Hospitals	377.0	-0-
GR Medical	Physician Services	504.5	28.0
GR Medical	Other Services	57.3	3.2
Medicaid	Nursing Homes	(1,748.6)	(73.9)
TOTAL		-0-	-0-

Ron Lind, Director
Office of Budget & Management

JAN 31 1979

Page 2

A complete breakdown of the FY78 GR Medical and Medicaid BRU needs as well as funding sources are reflected in the attached worksheet dated January 31, 1979.

The department requests expeditious handling of these add/delete supplementals to minimize the penalty payment to the state, and to permit reimbursement of the affected medical providers for services rendered to low-income Alaskans.

Attachments:

- January 31, 1979 Worksheet
- FY78 add/delete budget forms
- Sample letter to physicians concerning 1% penalty payment
- Confirmation letter to individual physicians identifying accounts payable

Division of Public Assistance
 Calculations of Supplemental Budget

FY 78 Medicaid/General Relief Medical

7/1/78

	Pills		Confirmation Received lbs. 4/1/78	Total	Alliance Confirmation Confirmation	Total	Per month Dollars	Total Request	Funding				
	In-state	Out-of-state							Federal	Revenue Sharing	General Fund		
Add:													
<u>Medicaid</u>													
Physician Services	306,400	75,400	120,200	508,000	51,330	611,300	32,200	643,500	305,700	305,600	32,200		
Other Services	105,000	23,000	38,200	166,200	31,700	198,500	10,500	209,000	99,200	99,500	10,500		
Sub-total	411,400	98,400	165,000	674,200	83,030	809,800	42,700	852,500	404,900	404,700	42,700		
<u>General Relief Meds.</u>													
Hospitals	92,000	-	185,000	277,000	10,000	377,000	100	377,000	-	377,000	-		
Physician Services	297,100	37,900	95,000	430,000	80,800	504,500	28,000	532,500	-	504,500	28,000		
Other Services	23,500	7,300	11,300	42,100	7,300	57,300	3,000	60,500	-	57,300	3,200		
Sub-total	412,600	45,200	291,300	749,100	190,600	938,900	31,200	970,100	-	938,800	31,200		
Total	824,000	143,600	456,300	1,423,300	305,000	1,748,600	73,900	1,822,500	404,900	1,343,700	73,900		
Delete:													
<u>Medicaid</u>													
Housing Allow.								(19,250)	(104,900)	(143,700)	(73,900)		

Notes:

(1) Confirmation for Physicians and Other Services have been received from approximately 1/4 of the providers; these providers represented approximately 55% of the FY 78 expenditure activity. Since we have received confirmation totaling \$275.6 for Physician and Other Services from providers that represented 55% of the FY 78 activity, our assumption is: If \$275.0 is 55%, then 100% would be \$500.0. Therefore we have allowed an additional \$225.0 for additional confirmation. The \$225.0 has been allocated to Physician and other services based on these distributions in column 4.

(2) Confirmation on Hospital billings were received from Hospitals that represented approximately 65% of the FY 78 expenditure activity. Since we have received confirmations totaling \$185.0 from hospitals that represented 65% of the FY 78 activity, our assumption is: If \$185.0 is 65%, then 100% would be \$285.0. Therefore we have allowed for an additional \$100.0 in additional confirmations.

(3) Interest Penalty was calculated on 18 per month based on a 6 month length of time that the claims have been on-hand with the Division. This was calculated on the In-State bills on-hand and confirmations for Physicians and Other Services.

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY	Department of Health & Social Services	CATEGORY	PROGRAM	
DIVISION	Division of Public Assistance	SUB-PROGRAM	Medicaid	
		ELEMENT	Physician Services	
		SUB-ELEMENT		

FY 78-A

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
300	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	1873.9	611.3	2,485.2
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	1873.9	611.3	2,485.2
NEW CODE	FEDERAL RECEIPTS		305.7	
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND			
	INTER-AGENCY TRANSFERS			
	OTHER: Federal Revenue Sharing		305.6	
	TOTAL	1873.9	611.3	2,458.2
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY	Department of Health & Social Services	CATEGORY	
DIVISION	Division of Public Assistance	PROGRAM	
		SUB-PROGRAM	
		ELEMENT	Medicaid
		SUB-ELEMENT	Other Services

FY 78-A

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	522.3	198.5	720.8
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	522.3	198.5	720.8
NEW CODE	FEDERAL RECEIPTS		99.2	
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND			
	INTER-AGENCY TRANSFERS			
	OTHER: Federal Revenue Sharing		99.2	
	TOTAL	522.3	198.5	720.8
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

STATE OF ALASKA
Office of the Governor
Budget & Management Div.

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY Department of Health & Social Service	CATEGORY PROGRAM	code	
DIVISION Division of Public Assistance	SUB-PROGRAM ELEMENT		G, R, Medical
	SUB-ELEMENT		Physician Services

FY 78-A

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	757.6	504.5	1,262.1
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	757.6	504.5	1,262.1
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	757.6		
	INTER-AGENCY TRANSFERS			
	OTHER: Revenue Sharing		504.5	504.5
	TOTAL	757.6	504.5	1,262.1
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)

	FY _____	FY _____	FY _____	FY _____	FY _____	FY _____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						