

LEG. FINANCE - BILLS 1985 - 1986 2335

CSHB 98 - HB 99 2335

COMMITTEE REPORT
SENATE

FURTHER:

3/7/86

Date 5/1/86

Mr. President

The Committee on FINANCE considered CSHB 98(FIN)
medical assistance; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt SCS for CSHB 98(FIN)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT"
- reports it back without recommendation
- recommends referral to _____ Committee

NEW FISCAL NOTE
9/2.3 GF SFC
9/2.3 FF
(250.0) REV

MEMBERS SIGNING
DO PASS

Jergensen
Paul Frelk

MEMBERS HAVING
OTHER RECOMMENDATIONS

Wittich NO Pass
Rehman " "

Co - Paul Frelk
Chairman
do pass
Chairman recommendation

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SCS CSHB98(FIN)
 Title: As Act relating to
Medical Assistance
 Sponsor: Rules/Governor
 Requestor: _____
 Date of Request: 5/2/86

FISCAL DETAIL

Agency Affected: Health and Social Service
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: _____
Medical Assistance Non-Facility/
Medicaid Non-Facility

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL			45.2			
300 CONTRACTUAL			8.6			
400 SUPPLIES			20.8			
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS			2000.0			
800 MISCELLANEOUS						
TOTAL OPERATING			2074.6			

CAPITAL						
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REVENUE			250.0			
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FUNDING: (Thousands of Dollars)

GENERAL FUND			912.3			
FEDERAL FUNDS			912.3			
OTHER						
TOTAL			1824.6			

POSITIONS:

FULL-TIME			1.0			
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

- (1) Funding is net after revenue to program.
- (2) See attached detail financial summary.

Prepared By: Senator Frank R. Ferguson *FRF* Phone: 465-4923
 Division: Legislature Date: 5/2/86

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

Fiscal Note
Summary SCS CSHB98 (HESS)

FY87

<u>Section</u>	<u>Subject</u>	<u>FY87 Total</u>	<u>FY87 State</u>
I	Six Month Law	29.2	14.6
II	Subrogation	(250.0)	(125.0)
III	Optional Needy Groups	-0-	-0-
IV	Optional Medical Services	2157.5	1078.7
A. <u>Personal Care</u>			
	(a) 190 recipients X 600 hours X \$9.00/hour =	1,029.2	Total
	(b) New position and associated costs =	54.6	Total
B. <u>Chiropractor</u>			
	(a) 600 recipients X \$255 average =	153.0	Total
	(b) One time computer costs =	20.0	Total
C. <u>Adult Dental</u>			
	(a) 2716 recipients X \$331.63 =	900.7	Total
V	Priority Medical Services	-0-	-0-
VI	Medicaid Rate Commission	<u>-0-</u>	<u>-0-</u>
	Total \$ Impact	1936.7	968.3

Attachment A

MEDICAID
ELIGIBLE GROUPS

A. Mandatory Eligible Groups:

- .AFDC Recipients
- .Deemed Recipients of AFDC
- .Families that lost AFDC because of employment
- .Individuals ineligible for AFDC because of requirements inapplicable under Medicaid | Win
- .Individuals eligible for AFDC except for the SSA increase in 1972 | MMR
- .Qualified pregnant women and children under 5 born after 9/30/83
- .Newborn children of Medicaid - eligible women
- .Children for whom adoption assistance or foster care maintenance payments are made under Title IV-E
- .The Aged, Blind, or Disabled under SSI
- .Individuals ineligible for SSI or State supplements because of requirements inapplicable under Medicaid
- ."Grandfathered" individuals

B. Optional Eligible Groups Covered in Alaska

11. Individuals under 21 who cannot qualify for AFDC because they are not dependent children
12. Institutionalized individuals under a special income eligibility level
13. Individuals who do not receive SSI but qualify for Adult Public Assistance
14. Pregnant women
 - * Individuals eligible for financial assistance but not receiving it
 - * Individuals eligible for financial assistance except for institutional status (not listed in draft bill under .035)

C. Optional Eligible Groups Not Covered

- .Noninstitutionalized disabled children
- .Noninstitutionalized individuals receiving home and community based service under a special income eligibility level
- .The medically needy
- .Individuals who could qualify for AFDC if AFDC were as broad as federally allowed
- .Individuals eligible for assistance under AFDC if child care costs were paid from earnings

* These optional services and eligible groups are not currently listed in AS 47.07.035 but have been included in the revision proposed in HB98.

Attachment B

MEDICAID
SERVICES

A. Mandatory Services:

- . Inpatient Hospital Services
- . Outpatient Hospital Services
- . Rural Health Clinics Services
- . Other Laboratory and X-Ray Services
- . Skilled Nursing Facilities Services
- . Home Health Services
- . Nurse Midwife Services
- . Early and Periodic Screening Diagnosis and Treatment for Individuals under 21
- . Physician Services
- . Medical Transportation

A. Optional Services Offered in Alaska

1. Long-Term Care Noninstitutional Services
2. Medical Supplies and Equipment
3. Surgical Care Center Services] under clinic services in .035
4. Clinic Services
5. Inpatient Psychiatric Service for Under Age 22]
5. Inpatient Psychiatric Service for over Age 65] combined in .035
6. Intermediate Care Facility for Mentally Retarded
7. Physical Therapy]
7. Occupational Therapy] combined in .035
8. Speech, Hearing and Language Disorder Treatment
9. Optometrist Services
10. Intermediate Care Facility for Services
11. Eyeglasses]
- * Prosthetic Devices] combined in .035
- * Skilled Nursing Facility for Under Age 21
- * Emergency Hospital Services

C. Optional Services Not Offered in Alaska

- * .Chiropractors Services
- . Other Practitioners Services
- . Private Duty Nursing
- ✓ .Dental Services
- ✓ .Prescribed Drugs
- . Dentures Services
- . Diagnostic Services
- . Screening Services
- . Preventive Services
- . Rehabilitative Services
- Services for Age 65 or Older in TB Institutions
- * .Personal Care Services
- . Christian Science Nurses
- . Christian Science Sanitoria

* These optional services and eligible groups are not currently listed in AS 47.07.035 but have been included in the revision proposed in HB98.

Medicaid program because they are not medical needs.

D. Limitations, and Examples of Personal Care Services. (1) Personal care services vary, depending on the needs and requirements of each individual patient, and based on the judgment of the patient's attending physician and/or assigned registered nurse. Generally, personal care services may include the following:

Basic personal care and grooming, including bathing, care of the hair, and assistance with clothing.

Assistance with bladder and/or bowel requirements or problems, including helping the patient to and from the bathroom, or assisting the patient with bed pan routines.

Assisting the patient with medications which are ordinarily self-administered, when ordered by the patient's physician.

Assistance with food, nutrition, and diet activities, including the preparation of meals, when required, if incidental to a medical need.

Performing such household services (if related to a medical need) as are essential to the patient's health and comfort in his home. Examples of such activities would be the necessary changing of bed linens or the rearranging of furniture to enable the patient to move about more easily in his home. Accompanying the patient to clinics, physician office visits, or other trips which are made for the purpose of obtaining medical diagnosis or treatment. Costs for both the patient and the personal care provider are reimbursable under title XIX and may include such methods of transportation as: public transportation (bus, subway, etc.); taxi fare; medical transportation when necessary (ambulance, etc.); or payment to the personal care provider for gasoline and mileage when the provider has used his or her personal automobile.

(2) Personal care services should never be confused with services of a higher level which clearly should be performed by persons with the proper professional training. Services which are not appropriate as personal care are as follows:

Insertion and sterile irrigation of catheters.

Irrigation of any body cavities which require sterile procedures.

Application of dressings, involving prescription medication and aseptic techniques, including care of mild, moderate, or severe skin care.

Giving of injections of fluids into veins, muscles, or skin.

Administering of medicine (as opposed to assisting with a self administered medication).

(3) Personal care services should also not be confused with services which would more appropriately be provided by persons who provide chore services in the home. Examples of chore services which are clearly not to be regarded as personal care are as follows:

Cleaning of floor and furniture in areas not occupied by the patient. For example, cleaning of the entire living area if the patient occupies only one small room.

Laundry, other than that incidental to the care of the patient. For example, laundering of clothing and bedding for the entire household, as opposed to simple laundering of the patient's bed smock or gown.

Shopping for groceries or household items other than items required specifically for the health and maintenance of the patient. This would not preclude a personal care provider's shopping for items needed by the patient but also used by the rest of the household.

(4) Following are examples of a case in which personal care should be authorized and cases when personal care services would be inappropriate and should not be authorized.

Case Example #1: Mrs. R. is a 70-year old woman who lives alone. She has been diagnosed as having cardiac insufficiency and has a weakened heart. Mrs. R. suffers from shortness of breath and frequently has trouble with swollen ankles which prevent her from getting around well. She is on a low-salt diet and takes regular medication. Mrs. R. requires assistance with bathing, meal preparation, light housekeeping, and taking and maintaining her medication. Her pulse must be taken at regular intervals to monitor the effect of her heart medication, and in addition she requires assistance in getting to and from the periodic visits to her physician. Personal care services are appropriate in this case.

Case Example #2: Mrs. K. is a 33-year old woman with two school-aged children. She has just been discharged from a hospital where she had a cancerous pancreas removed. During her absence from the home her two children remained at home under the care of a homemaker (title XX). Now that she has been discharged she suffers from severe diabetes and requires insulin injections and other medications, as well as assistance with application of dressings. Authorization of personal care services would be inappropriate in the case, since Mrs. K. requires more skilled medical services.

Case Example #3: Mr. J. is a 78-year old man who lives alone in a small apartment. He suffers from cardiovascular heart disease and is not able to lift or sweep. Mr. J. is able to prepare his own meals and handle his daily grooming. Twice each week a housekeeper comes to the apartment where she does the laundry and cleans the apartment. She also goes out to the store to purchase groceries and other supplies in accordance with Mr. J.'s instructions. These services are not medically-oriented despite the fact that Mr. J. has a medically diagnosed illness. Personal care services should not be authorized in this case.

E. Plan of Care. Personal care services are provided to prevent inappropriate institutionalization, but only if the patient does not require skilled nursing care. FFP is available for personal care services only when prescribed by a physician, and provided in accordance with each patient's individual plan of care. The plan of care is a course which is based on the physi-

cian's orders, and which typically reflects the patient's physical, psychosocial, emotional, environment[al], and personal care needs. Under current widely accepted procedures, a registered nurse will list the specific personal care tasks required to maintain the patient in his own home. The plan of care should state the expected outcome of the care, and should be reviewed by a registered nurse at a minimum interval of every sixty days.

F. Minimum Standards for Training (1) Although the regulations require that a provider of personal services be "qualified", the term is not defined. It is suggested that some criteria be developed, and that it might include a training course of at least forty hours in some or all of the following areas:

Basic personal care procedures such as grooming, etc.

Bowel and bladder care.

Food, nutrition, diet planning, etc.

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Amendments:

7, 8, 9, 10

Adopted

New AS to be prepared

Original sponsor: Rules/governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 98 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 * Section 1. AS 44.77 is amended by adding a new section to read:

10 Sec. 44.77.015. CLAIMS FOR MEDICAL SERVICES. (a) For the
11 purposes of filing claims for medical services provided under AS 47.07
12 or 47.25.120 - 47.25.300, "promptly," in AS 44.77.010(a), means (1)
13 within six months after the date of service, or as provided in (b) of
14 this section, if there is no third-party claim, or (2) within 12
15 months after the date of service if there is a third-party claim.
16 Except as provided in (c) of this section, a claim may not be paid if
17 it is not filed promptly; an inference to the contrary may not be
18 drawn from AS 09.10.050, AS 09.50.250 - 09.50,300, or AS 37.25.010.

19 (b) In accordance with (a) of this section, a claim may be
20 considered to be filed promptly if (1) the claim was filed more than
21 six months after the date of service because the medical provider had
22 reason to believe that the beneficiary was ineligible for service
23 under AS 47.07 or AS 47.25.120 - 47.25.300; (2) a court of competent
24 jurisdiction or an administrative hearing officer finds that the
25 beneficiary was eligible for service under AS 47.07 or AS 47.25.120 -
26 47.25.300 on the date of service; and (3) the claim is filed within
27 six months after the date that the court or administrative finding is
28 rendered. The beneficiary is responsible for notifying the medical
29 provider of the judicial or administrative finding. The department

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1 shall make a good faith effort to notify the medical provider of the
2 judicial or administrative finding if the department has reason to
3 believe that services have been provided to the beneficiary.

4 (c) The commissioner of health and social services may authorize
5 payment to a medical provider of a claim not promptly filed, upon good
6 cause shown. Payments under this subsection may not exceed 50 percent
7 of the allowable charges presented in the claim.

8 (d) In this section,

9 (1) "beneficiary" means a person who is found to be eligi-
10 ble to receive medical services under AS 47.07 or AS 47.25.120 -
11 47.25.300;

12 (2) "medical provider" means a person, firm, corporation,
13 association, or institution that, on the date of service, was approved
14 to provide medical assistance, in accordance with regulations adopted
15 by the Department of Health and Social Services.

16 * Sec. 2. AS 47.05 is amended by adding a new section to read:

17 Sec. 47.05.070. THIRD PARTY LIABILITY SUBROGATION. (a) The
18 Department shall not pay medical claims that are payable by a third
19 party payor. Medical providers must attempt collection from the third
20 party payor before billing Medicaid. Prior to payment by Medicaid,
21 evidence of third-party denial or partial payment must be presented
22 with the claim.

23 (b) If the department provides or pays for medical assistance
24 for injury or illness under this title, the department is subrogated
25 to the rights of the recipient of that medical assistance for any
26 claim arising from the injury or illness and to the proceeds of an
27 insurance policy covering the injury or illness to the extent of the
28 value of the medical assistance provided.

29 (c) If a recipient of medical assistance under this title

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1 settles a claim or obtains an award or judgment arising from the
 2 injury or illness for which the medical assistance was received, the
 3 department shall reimburse the recipient for attorney fees and costs
 4 commensurate with the amount of the settlement, award, or judgment to
 5 which the department is entitled under (a) of this section.
 6 Regardless of the manner in which the amount of the attorney fees is
 7 derived, reimbursement of attorney fees shall be in accordance with
 8 the applicable rules of court governing the award of attorney fees in
 9 civil matters.

10 (d) The Department is authorized to enter into contracts for the
 11 collection of medical expenses already paid by Medicaid from potential
 12 third party payors. The Department may pay, from the funds recovered
 13 by the contractor, any amounts owing to the federal government as its
 14 share of the Medicaid paid claim, and the costs of collecting the
 15 funds.

16 * Sec. 3. AS 47.07.020(b) is amended to read:

17 (b) In addition to the persons specified in (a) of this section,
 18 the following optional groups of persons for whom the state may claim
 19 federal financial participation are eligible for medical assistance:

20 (1) persons eligible for but not receiving assistance under
 21 any plan of the state approved under 42 U.S.C. 601 - 615 (Title IV-A,
 22 Social Security Act, Aid to Families with Dependent Children) or 42
 23 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental
 24 Security Income);

25 (2) persons in a general hospital, skilled nursing facility
 26 or intermediate care facility, who, if they left the facility, would
 27 be eligible for assistance under one of the federal programs specified
 28 in (1) of this subsection;

29 (3) persons under age 21 who are [YEARS OF AGE] under

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1 supervision of the department, for whom maintenance is being paid in
2 whole or in part from public funds, and who are in foster homes or
3 private child-care institutions;

4 (4) aged, blind, or disabled persons, who, because they do
5 not meet income requirements, do not receive supplemental security
6 income under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act),
7 and who do not receive a mandatory state supplement, but who are
8 eligible, or would be eligible if they were not in a [GENERAL HOSPITAL
9 OR] skilled nursing facility or intermediate care facility to receive
10 an optional state supplementary payment;

11 (5) persons under age 21 who are [YEARS OF AGE] in an
12 institution designated as an intermediate care facility for the men-
13 tally retarded and who are financially eligible as determined by the
14 standards of the federal aid to families with dependent children
15 program;

16 (6) persons in a medical or intermediate care facility
17 whose income while in the facility does not exceed 300 percent of the
18 supplemental security income benefit rate under 42 U.S.C. 1381 - 1383c
19 (Title XVI, Social Security Act) but who would not be eligible for an
20 optional state supplementary payment if they left the hospital or
21 other facility;

22 (7) persons under age 21 who are [YEARS OF AGE] receiving
23 active treatment in a psychiatric hospital and who are financially
24 eligible as determined by the standards of 42 U.S.C. 601 - 615 (Title
25 IV-A, Social Security Act, Aid to Families with Dependent Children);

26 (8) persons under age 21 and not covered under (a) of this
27 section, [YEARS OF AGE] who would be eligible for benefits under the
28 federal aid to families with dependent children program, except that
29 they have the care and support of both their natural and adoptive

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1 parents [BUT WHO DO NOT QUALIFY BECAUSE THEY ARE NOT DEPENDENT CHILD-
2 REN];

3 (9) [WOMEN WHO ARE] pregnant women not covered under (a) of
4 this section and who meet the income and resource requirements of the
5 federal aid to families with dependent children program.

6 * Sec. 4. AS 47.07.030 is repealed and reenacted to read:

7 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. (a) The de-
8 partment shall offer all mandatory services required under 42 U.S.C.
9 1396 - 1396p (Title XIX of the Social Security Act).

10 (b) In addition to the mandatory services specified in (a) of
11 this section, the department may offer only the following optional
12 services: personal care services in a recipient's home; emergency
13 hospital services; long-term care noninstitutional services; medical
14 supplies and equipment; clinic services; inpatient psychiatric facili-
15 ty services for individuals age 65 or older and individuals under age
16 21; physical therapy; occupational therapy; chiropractic services;
17 treatment of speech, hearing, and language disorders; adult dental
18 services; prosthetic devices and eyeglasses; optometrists' services;
19 intermediate care facility services, including intermediate care
20 facility services for the mentally retarded; skilled nursing facility
21 services for individuals under age 21; and reasonable transportation
22 to and from the point of medical care.

23 * Sec. 5. AS 47.07.035 is repealed and reenacted to read:

24 Sec. 47.07.035. PRIORITY OF MEDICAL ASSISTANCE. If the depart-
25 ment finds that the cost of medical assistance for all persons eligi-
26 ble under this chapter will exceed the amount allocated in the state
27 budget for that assistance for the fiscal year, the department shall
28 eliminate coverage for optional medical services and optionally eligi-
29 ble groups of individuals in the following order:

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- 1 (1) chiropractic services;
- 2 (2) adult dental services;
- 3 (3) emergency hospital services;
- 4 (4) treatment of speech, hearing, and language disorders;
- 5 (5) optometrists' services and eyeglasses;
- 6 (6) occupational therapy;
- 7 (7) prosthetic devices;
- 8 (8) medical supplies and equipment;
- 9 (9) clinic services;
- 10 (10) physical therapy;
- 11 (11) personal care services in a recipient's home;
- 12 (12) long-term care noninstitutional services;
- 13 (13) inpatient psychiatric facility services;
- 14 (14) intermediate care facility services for the mentally
- 15 retarded;
- 16 (15) intermediate care facility services;
- 17 (16) individuals under age 21 who are not eligible for
- 18 benefits under the federal aid to families with dependent children
- 19 program because they are not deprived of one or more of their natural
- 20 or adoptive parents;
- 21 (17) skilled nursing facility services for persons under age
- 22 21;
- 23 (18) aged, blind, and disabled individuals who, because they
- 24 do not meet the income requirements, do not receive supplemental
- 25 security income under Title XVI of the Social Security Act, but who
- 26 are eligible, or would be eligible if they were not in a skilled
- 27 nursing facility or intermediate care facility, to receive an optional
- 28 state supplementary payment;
- 29 (19) individuals in a hospital, skilled nursing facility, or

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intermediate care facility whose income while in the facility does not exceed 300 percent of the supplemental security income benefit rate under Title XVI of the Social Security Act, but who, because of income, are not eligible for the optional state supplementary payment;

(20) individuals under age 21 under supervision of the department, for whom maintenance is being paid in whole or in part from public money and who are in foster homes or private child-care institutions.

* Sec. 6. AS 47.07 is amended by adding a new section to read:

Sec. 47.07.205. PRIORITY OF GENERAL RELIEF MEDICAL ASSISTANCE.

finds that the cost
If the department of medical assistance for all persons eligible under this chapter will exceed the amount allocated in the state budget for that assistance for the fiscal year, the department shall eliminate coverage for medical services in the following order:

- (1) Treatment of speech, hearing, and language disorders;
- (2) Optometrists' services and eyeglasses;
- (3) Occupational therapy;
- (4) Emergency dental services for adults;
- (5) Prosthetic devices not including dentures;
- (6) Medical supplies and equipment;
- (7) Physical therapy;
- (8) Outpatient laboratory and outpatient X-ray services;
- (9) Ambulatory surgical center services;
- (10) Non emergency medical transportation;
- (11) Outpatient physician services;
- (12) Outpatient hospital services;
- (13) Intermediate care facility services;
- (14) Skilled nursing facility services;
- (15) Emergency medical transportation;

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1 (11.) Pharmaceuticals

2 (16)¹⁷ Inpatient physician services;

3 (17)⁸ Inpatient hospital services.

4 * Sec. 7. AS 47.07.040 is amended to read:

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

6 The department shall prepare a state plan in accordance with the
7 provisions of 42 U.S.C. 1396 1396p (Title XIX, Social Security Act,
8 Medical Assistance) and submit it for approval to the United States
9 Department of Health and Human Services. The plan shall designate
10 that the Department of Health and Social Services is the single state
11 agency to administer this plan. The department shall act for the
12 state in any negotiations relative to the submission and approval of
13 the plan. The department, including the Medicaid Rate Commission,
14 [AND] may make those arrangements or regulatory changes, not inconsis-
15 tent with law, as may be required under federal law to obtain and
16 retain approval of the United States Department of Health and Human
17 Services to secure for the state the optimum federal payment under the
18 provisions of 42 U.S.C. 1396 - 1396p (Title XIX, Social Security Act,
19 Medical Assistance). In addition, the department shall provide a
20 report to the legislature no later than March 15 of each year concern-
21 ing the status of this program and recommendations, with supporting
22 fiscal data, as to any changes in the coverage of eligible persons or
23 services to be provided.

24 * Sec. 8. AS 47.07.070 is amended by adding a new subsection to read:

25 (d) In determining a rate of payment to a health facility under
26 this section, the commission shall consider the appropriation limit
27 set by the legislature for the department's programs under this chap-
28 ter and under AS 47.25.120 - 47.25.300, and available federal revenue.

29 * Sec. 9. AS 47.07.180 is repealed and reenacted to read:

Sec. 47.07.180. DUTIES. (a) The commission shall review

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1 proposed payment rates and may review budgets of health facilities and
 2 establish payment rates for health facilities under this chapter and
 3 AS 47.25.120 - 47.25.300.

4 (b) The commission shall consult with the department on the
 5 state plan as it relates to health facilities. The commission may not
 6 change the unit of payment without the written consent of the depart-
 7 ment.

8 (c) When the department enters into a substantially revised
 9 state plan under AS 47.07.040, and when, as part of the revised state
 10 plan, the commission adopts regulations which substantially change the
 11 methods used or the factors considered in determining the prospective
 12 payment rates, the commission may, at its discretion, redetermine the
 13 prospective payment rates for all facilities from the effective date
 14 of the new regulations forward. Each redetermined rate will be effec-
 15 tive from the date of the commission's new order as to each facility.

16 (d) By March 1 of each year, the commission shall develop an
 17 annual estimate for the fiscal year starting the next July 1, of
 18 medical assistance program expenditures in facilities under the juris-
 19 diction of the commission. The estimate shall consider anticipated
 20 utilization and payment rates for each facility. The methodology used
 21 by the commission to develop the estimate shall be consistent with the
 22 regulations governing the commission's rate-setting process.

23 * Sec. 10. AS 47.25.130 is amended by adding a new subsection to read:

24 (c) ~~[The department shall, by regulation, establish the cate-~~
 25 ~~gories of medical care services which the department may provide to a~~
 26 ~~needy person under AS 47.25.120 - 47.25.300, and any conditions~~
 27 ~~applicable to those services, if the department finds that such action~~
 28 ~~is necessary to ensure that, taking into consideration projected use,~~
 29 ~~the medical assistance program does not exceed the funds appropriated~~

L. Long
1/24/98
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 lines 24-29

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1 ~~for the program.]~~ The department may enter into competitively awarded
2 group service agreements with providers, and may require needy persons
3 under AS 47.25.120 - 47.25.300 to obtain services from these
4 designated providers.

5 * Sec. 11. 47.25.195 is amended by adding new subsections to read:

6 (d) If insufficient money is appropriated to fund medical assis-
7 tance under AS 47.25.120 - 47.25.300 when taking into consideration
8 projected use and the health facility payment rates established in
9 accordance with (b) of this section, the department may, by regu-
10 lation, establish at any time in the fiscal year a prospective pro
11 rata reduction of the facilities' established payment rates that will
12 be paid by the department for services provided by facilities under AS
13 47.25.120 - 47.25.300;

14 (e) Notwithstanding (a) - (d), the Department may enter into
15 agreements with any facility to provide services at a payment rate
16 lower than the rate established in accordance with (b) of this sec-
17 tion.

18 * Sec. 12. AS 47.07.900(1) is amended to read:

19 (1) "clinic services" means services provided by state-
20 approved outpatient community mental health clinics that receive
21 grants under AS 47.30.520 - 47.30.620, state-operated community mental
22 health clinics, outpatient surgical care centers, and physician clin-
23 ics;

24 * Sec. 13. AS 47.07.900 is amended by adding new paragraphs to read:

25 (7) "adult dental services" means minimum treatment for the
26 immediate relief of pain and acute infection provided by a licensed
27 dentist;

28 (8) "chiropractic services" includes only services that are
29 provided by a chiropractor licensed under AS 08.20 that consist of

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1 treatment by means of manual manipulation of the spine and x-rays
2 necessary for treatment;

3 (9) "emergency hospital services" means services that

4 (A) are necessary to prevent the death or serious
5 impairment of the health of the individual; and

6 (B) because of the threat to the life or health of the
7 individual, necessitate the use of the most accessible hospital
8 available that is equipped to furnish the services, even if the
9 hospital does not currently meet

10 (i) the conditions for participation under Medi-
11 care; or

12 (ii) the definitions of inpatient or outpatient
13 hospital services under 42 C.F.R. secs. 440.10 and 440.20.

14 (10) "personal care services in a recipient's home" means
15 services prescribed by a physician in accordance with the recipient's
16 plan of treatment and provided by an individual who is

17 (A) qualified to provide the services;

18 (B) supervised by a registered nurse; and

19 (C) not a member of the recipient's family.

20 * Sec. 14. AS 44.77.010(b) is repealed.

21 * Sec. 15. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).

23

24

25

26

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29

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

14398

January 23, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the provision of mandatory and optional medical services under the state Medicaid program. This bill addresses which categories of individuals must be served, which medical services must be provided and which are optional under the Medicaid program, and in what order individuals and optional services will be eliminated in the event costs exceed state budget allocations for medical assistance.

Both the Tax Equity and Fiscal Responsibility Act of 1982 and the Deficit Reduction Act of 1984 have affected which individuals are mandatorily or optionally eligible and which medical services must or may be provided under the state Medicaid program.

As set out in AS 47.05.010, 47.05.050; and AS 47.07.010 and 47.07.020, it is the public policy of the state to cooperate and coordinate with the United States government in providing public assistance in Alaska. While state law requires that medical assistance be provided to residents of the state eligible under Title XIX of the Social Security Act, certain provisions of state law have not yet been amended to conform with recent amendments to the Social Security Act affecting eligibility.

This bill seeks to amend portions of AS 47 concerning the provision of Medicaid services to eligible recipients in order that Alaska law comply with federal law, and to clarify the points mentioned above. For instance, the Deficit Reduction Act of 1984 requires that certain pregnant women meeting stated income guidelines receive coverage, rather than being only optionally eligible. On the other hand, skilled nursing facility care for certain otherwise eligible individuals under age 21 and emergency

hospital services are optional rather than mandatory under the federal amendments.

Because strict conformity with federal requirements is a prerequisite to the state's eligibility for federal financial participation in the state Medicaid program, it is essential that state law come into compliance. This will ensure Alaska's receipt of the full amount of federal financial participation in the state Medicaid program as well as avoid federal fiscal sanctions for program noncompliance. In this manner we will assure needy persons in the State of Alaska of uninterrupted, necessary medical care within the budgetary limits set by the legislature.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield
Governor

SECTIONAL ANALYSIS

SENATE CS FOR CS FOR HB 98 (FINANCE)

SECTION 1

A provision clarifying the Legislature's intent regarding the six-month limitation placed on medical providers for filing medical billings.

SECTION 2

Provisions that a) strengthen the Department's ability to recover medical payments made on behalf of a recipient who subsequently was awarded an insurance or court settlement, and b) allow the Department to enter into contingency contracts to discover more third party payments and to use part of the recoveries to pay for the contract.

SECTION 3

A provision amending Alaska Medicaid Statutes making technical changes to bring them into conformance with federal law.

SECTION 4

A provision adding personal care services, chiropractor services, and adult dental care under Medicaid.

SECTION 5

A provision clarifying the order in which optional Medicaid services will be deleted by the Department in the event of funding difficulties.

SECTION 6

A provision clarifying the order in which General Relief Medical services will be deleted if there are inadequate funds to continue all services.

SECTIONS 7, 8, and 9

Provisions clarifying the relationship between the Medicaid Rate Commission and the Department's annual budget for facilities.

SECTION 10

A provision giving the Department clear authority to solicit competitive pricing on medical services for GR Medical recipients only.

SECTION 11

A provision permitting the Department to pro-rata reduce facility GRM rates if the facility prices exceed the Department's budget taking into consideration utilization. This section also allows the Department to enter into competitive facility contracts for GRM services at rates lower than those set by the Medicaid Rate Commission.

SECTIONS 12, 13

Adds new definitions

SECTION 14

Deletes old six month billing limit.

SECTION 15

Effective date clause.

Offered: 3/7/86
Referred: Finance

Original sponsor: Rules/governor

1 IN THE HOUSE
2
3 SENATE CS FOR CS FOR HOUSE BILL NO. 98 (HESS)
4 IN THE LEGISLATURE OF THE STATE OF ALASKA
5 FOURTEENTH LEGISLATURE - SECOND SESSION
6 A BILL
7 For an Act entitled: "An Act relating to medical assistance; and providing
8 for an effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 44.77 is amended by adding a new section to read:
11 Sec. 44.77.015. CLAIMS FOR MEDICAL SERVICES. (a) For the
12 purposes of filing claims for medical services provided under AS 47.07
13 or 47.25.120 - 47.25.300, "promptly," in AS 44.77.010(a), means (1)
14 within six months after the date of service, or as provided in (b) of
15 this section, if there is no third-party claim, or (2) within 12
16 months after the date of service if there is a third-party claim.
17 Except as provided in (c) of this section, a claim may not be paid if
18 it is not filed promptly; an inference to the contrary may not be
19 drawn from AS 09.10.050, AS 09.50.250 - 09.50,300, or AS 37.25.010.
20 (b) In accordance with (a) of this section, a claim may be
21 considered to be filed promptly if (1) the claim was filed more than
22 six months after the date of service because the medical provider had
23 reason to believe that the beneficiary was ineligible for service
24 under AS 47.07 or AS 47.25.120 - 47.25.300; (2) a court of competent
25 jurisdiction or an administrative hearing officer finds that the
26 beneficiary was eligible for service under AS 47.07 or AS 47.25.120 -
27 47.25.300 on the date of service; and (3) the claim is filed within
28 six months after the date that the court or administrative finding is
29 rendered. The beneficiary is responsible for notifying the medical
provider of the judicial or administrative finding. The department

1 shall make a good faith effort to notify the medical provider of the
2 judicial or administrative finding if the department has reason to
3 believe that services have been provided to the beneficiary.

4 (c) The commissioner of health and social services may authorize
5 payment to a medical provider of a claim not promptly filed, upon good
6 cause shown. Payments under this subsection may not exceed 50 percent
7 of the allowable charges presented in the claim.

8 (d) In this section,

9 (1) "beneficiary" means a person who is found to be eligi-
10 ble to receive medical services under AS 47.07 or AS 47.25.120 -
11 47.25.300;

12 (2) "medical provider" means a person, firm, corporation,
13 association, or institution that, on the date of service, was approved
14 to provide medical assistance, in accordance with regulations adopted
15 by the Department of Health and Social Services.

16 * Sec. 2. AS 47.05 is amended by adding a new section to read:

17 Sec. 47.05.070. SUBROGATION. (a) If the department provides or
18 pays for medical assistance for injury or illness under this title,
19 the department is subrogated to the rights of the recipient of that
20 medical assistance for any claim arising from the injury or illness
21 and to the proceeds of an insurance policy covering the injury or
22 illness to the extent of the value of the medical assistance provided.

23 (b) If a recipient of medical assistance under this title set-
24 tles a claim or obtains an award or judgment arising from the injury
25 or illness for which the medical assistance was received, the depart-
26 ment shall reimburse the recipient for attorney fees and costs commen-
27 surate with the amount of the settlement, award, or judgment to which
28 the department is entitled under (a) of this section. Regardless of
29 the manner in which the amount of the attorney fees is derived,

1 reimbursement of attorney fees shall be in accordance with the appli-
2 cable rules of court governing the award of attorney fees in civil
3 matters.

4 * Sec. 3. AS 47.07.020(b) is amended to read:

5 (b) In addition to the persons specified in (a) of this section,
6 the following optional groups of persons for whom the state may claim
7 federal financial participation are eligible for medical assistance:

8 (1) persons eligible for but not receiving assistance under
9 any plan of the state approved under 42 U.S.C. 601 - 615 (Title IV-A,
10 Social Security Act, Aid to Families with Dependent Children) or 42
11 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental
12 Security Income);

13 (2) persons in a general hospital, skilled nursing facility
14 or intermediate care facility, who, if they left the facility, would
15 be eligible for assistance under one of the federal programs specified
16 in (1) of this subsection;

17 (3) persons under age 21 who are [YEARS OF AGE] under
18 supervision of the department, for whom maintenance is being paid in
19 whole or in part from public funds, and who are in foster homes or
20 private child-care institutions;

21 (4) aged, blind, or disabled persons, who, because they do
22 not meet income requirements, do not receive supplemental security
23 income under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act),
24 and who do not receive a mandatory state supplement, but who are
25 eligible, or would be eligible if they were not in a [GENERAL HOSPITAL
26 OR] skilled nursing facility or intermediate care facility to receive
27 an optional state supplementary payment;

28 (5) persons under age 21 who are [YEARS OF AGE] in an
29 institution designated as an intermediate care facility for the

1 mentally retarded and who are financially eligible as determined by
2 the standards of the federal aid to families with dependent children
3 program;

4 (6) persons in a medical or intermediate care facility
5 whose income while in the facility does not exceed 300 percent of the
6 supplemental security income benefit rate under 42 U.S.C. 1381 - 1383c
7 (Title XVI, Social Security Act) but who would not be eligible for an
8 optional state supplementary payment if they left the hospital or
9 other facility;

10 (7) persons under age 21 who are [YEARS OF AGE] receiving
11 active treatment in a psychiatric hospital and who are financially
12 eligible as determined by the standards of 42 U.S.C. 601 - 615 (Title
13 IV-A, Social Security Act, Aid to Families with Dependent Children);

14 (8) persons under age 21 and not covered under (a) of this
15 section, [YEARS OF AGE] who would be eligible for benefits under the
16 federal aid to families with dependent children program, except that
17 they have the care and support of both their natural and adoptive
18 parents [BUT WHO DO NOT QUALIFY BECAUSE THEY ARE NOT DEPENDENT CHILD-
19 REN];

20 (9) [WOMEN WHO ARE] pregnant women not covered under (a) of
21 this section and who meet the income and resource requirements of the
22 federal aid to families with dependent children program.

23 * Sec. 4. AS 47.07.030 is repealed and reenacted to read:

24 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. (a) The de-
25 partment shall offer all mandatory services required under 42 U.S.C.
26 1396 - 1396p (Title XIX of the Social Security Act).

27 (b) In addition to the mandatory services specified in (a) of
28 this section, the department may offer only the following optional
29 services: personal care services in a recipient's home; emergency

1 reimbursement of attorney fees shall be in accordance with the appli-
2 cable rules of court governing the award of attorney fees in civil
3 matters.

4 * Sec. 3. AS 47.07.020(b) is amended to read:

5 (b) In addition to the persons specified in (a) of this section,
6 the following optional groups of persons for whom the state may claim
7 federal financial participation are eligible for medical assistance:

8 (1) persons eligible for but not receiving assistance under
9 any plan of the state approved under 42 U.S.C. 601 - 615 (Title IV-A,
10 Social Security Act, Aid to Families with Dependent Children) or 42
11 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental
12 Security Income);

13 (2) persons in a general hospital, skilled nursing facility
14 or intermediate care facility, who, if they left the facility, would
15 be eligible for assistance under one of the federal programs specified
16 in (1) of this subsection;

17 (3) persons under age 21 who are [YEARS OF AGE] under
18 supervision of the department, for whom maintenance is being paid in
19 whole or in part from public funds, and who are in foster homes or
20 private child-care institutions;

21 (4) aged, blind, or disabled persons, who, because they do
22 not meet income requirements, do not receive supplemental security
23 income under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act),
24 and who do not receive a mandatory state supplement, but who are
25 eligible, or would be eligible if they were not in a [GENERAL HOSPITAL
26 OR] skilled nursing facility or intermediate care facility to receive
27 an optional state supplementary payment;

28 (5) persons under age 21 who are [YEARS OF AGE] in an
29 institution designated as an intermediate care facility for the

1 hospital services; long-term care noninstitutional services; medical
2 supplies and equipment; clinic services; inpatient psychiatric facili-
3 ty services for individuals age 65 or older and individuals under age
4 21; physical therapy; occupational therapy; chiropractic services;
5 treatment of speech, hearing, and language disorders; adult dental
6 services; prosthetic devices and eyeglasses; optometrists' services;
7 intermediate care facility services, including intermediate care
8 facility services for the mentally retarded; skilled nursing facility
9 services for individuals under age 21; and reasonable transportation
10 to and from the point of medical care.

11 * Sec. 5. AS 47.07.035 is repealed and reenacted to read:

12 Sec. 47.07.035. PRIORITY OF MEDICAL ASSISTANCE. If the depart-
13 ment finds that the cost of medical assistancce for all persons eligi-
14 ble under this chapter will exceed the amount allocated in the state
15 budget for that assistance for the fiscal year, the department shall
16 eliminate coverage for optional medical services and optionally eligi-
17 ble groups of individuals in the following order:

- 18 (1) chiropractic services;
- 19 (2) adult dental services;
- 20 (3) emergency hospital services;
- 21 (4) treatment of speech, hearing, and language disorders;
- 22 (5) optometrists' services and eyeglasses;
- 23 (6) occupational therapy;
- 24 (7) prosthetic devices;
- 25 (8) medical supplies and equipment;
- 26 (9) clinic services;
- 27 (10) physical therapy;
- 28 (11) personal care services in a recipient's home;
- 29 (12) long-term care noninstitutional services;

- 1 (13) inpatient psychiatric facility services;
- 2 (14) intermediate care facility services for the mentally
3 retarded;
- 4 (15) intermediate care facility services;
- 5 (16) individuals under age 21 who are not eligible for
6 benefits under the federal aid to families with dependent children
7 program because they are not deprived of one or more of their natural
8 or adoptive parents;
- 9 (17) skilled nursing facility services for persons under age
10 21;
- 11 (18) aged, blind, and disabled individuals who, because they
12 do not meet the income requirements, do not receive supplemental
13 security income under Title XVI of the Social Security Act, but who
14 are eligible, or would be eligible if they were not in a skilled
15 nursing facility or intermediate care facility, to receive an optional
16 state supplementary payment;
- 17 (19) individuals in a hospital, skilled nursing facility, or
18 intermediate care facility whose income while in the facility does not
19 exceed 300 percent of the supplemental security income benefit rate
20 under Title XVI of the Social Security Act, but who, because of in-
21 come, are not eligible for the optional state supplementary payment;
- 22 (20) individuals under age 21 under supervision of the
23 department, for whom maintenance is being paid in whole or in part
24 from public money and who are in foster homes or private child-care
25 institutions.

26 * Sec. 6. AS 47.07.040 is amended to read:

27 Sec. 47.07.040. STATE PLAN FOR PROVISION OF MEDICAL ASSISTANCE.
28 The department shall prepare a state plan in accordance with the
29 provisions of 42 U.S.C. 1396 1396p (Title XIX, Social Security Act,

1 Medical Assistance) and submit it for approval to the United States
2 Department of Health and Human Services. The plan shall designate
3 that the Department of Health and Social Services is the single state
4 agency to administer this plan. The department shall act for the
5 state in any negotiations relative to the submission and approval of
6 the plan. The department, including the Medicaid Rate Commission,
7 [AND] may make those arrangements or regulatory changes, not inconsis-
8 tent with law, as may be required under federal law to obtain and
9 retain approval of the United States Department of Health and Human
10 Services to secure for the state the optimum federal payment under the
11 provisions of 42 U.S.C. 1396 - 1396p (Title XIX, Social Security Act,
12 Medical Assistance). In addition, the department shall provide a
13 report to the legislature no later than March 15 of each year concern-
14 ing the status of this program and recommendations, with supporting
15 fiscal data, as to any changes in the coverage of eligible persons or
16 services to be provided.

17 * Sec. 7. AS 47.07.070 is amended by adding a new subsection to read:

18 (d) In determining a rate of payment to a health facility under
19 this section, the commission shall consider the appropriation limit
20 set by the legislature for the department's programs under this chap-
21 ter and under AS 47.25.120 - 47.25.300, and available federal revenue.

22 * Sec. 8. AS 47.07.180 is repealed and reenacted to read:

23 Sec. 47.07.180. DUTIES. (a) The commission shall review pro-
24 posed payment rates for health facilities under this chapter and
25 AS 47.25.120 - 47.25.300.

26 (b) The commission may review budgets of, and shall establish
27 payment rates for, health facilities under this chapter and AS 47.-
28 25.120 - 47.25. 300.

29 (c) The commission shall consult with the department on the

1 state plan as it relates to health facilities. The commission may not
2 change the unit of payment without the written consent of the depart-
3 ment.

4 (d) By March 1 of each year, the commission shall develop for
5 the fiscal year starting the next July 1 an annual estimate of medical
6 assistance program expenditures in health facilities under the juris-
7 diction of the commission. The estimate shall consider anticipated
8 utilization and payment rates for each facility. The methodology used
9 by the commission to develop the estimate shall be consistent with the
10 regulations governing the commission's rate-setting process.

11 * Sec. 9. AS 47.07.900(1) is amended to read:

12 (1) "clinic services" means services provided by state-
13 approved outpatient community mental health clinics that receive
14 grants under AS 47.30.520 - 47.30.620, state-operated community mental
15 health clinics, outpatient surgical care centers, and physician clin-
16 ics;

17 * Sec. 10. AS 47.07.900 is amended by adding new paragraphs to read:

18 (7) "adult dental services" means minimum treatment for the
19 immediate relief of pain and acute infection provided by a licensed
20 dentist;

21 (8) "chiropractic services" includes only services that are
22 provided by a chiropractor licensed under AS 08.20 that consist of
23 treatment by means of manual manipulation of the spine and x-rays
24 necessary for treatment;

25 (9) "emergency hospital services" means services that

26 (A) are necessary to prevent the death or serious
27 impairment of the health of the individual; and

28 (B) because of the threat to the life or health of the
29 individual, necessitate the use of the most accessible hospital

1 available that is equipped to furnish the services, even if the
2 hospital does not currently meet

3 (i) the conditions for participation under Medi-
4 care; or

5 (ii) the definitions of inpatient or outpatient
6 hospital services under 42 C.F.R. secs. 440.10 and 440.20.

7 (10) "personal care services in a recipient's home" means
8 services prescribed by a physician in accordance with the recipient's
9 plan of treatment and provided by an individual who is

10 (A) qualified to provide the services;

11 (B) supervised by a registered nurse; and

12 (C) not a member of the recipient's family.

13 * Sec. 11. AS 44.77.010(b) is repealed.

14 * Sec. 12. This Act takes effect immediately in accordance with AS 01.-
15 10.070(c).

**STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date: _____

REQUEST

Bill/Resolution No.: CSHB 98 (FIN)
 Title: An Act clarifying the provisions of mandatory and optional medical services
 Sponsor: Governor
 Requestor: _____
 Date of Request: 2/1/85

FISCAL DETAIL

Agency Affected: Health & Social Services
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: Medical Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Rod Betit, Director *R Betit* Phone: 465-3355
 Division: Medical Assistance Date: 2/1/85

Approved by Commissioner: J. R. Poy Date: 2/6/85 *Jcc*
 Agency: _____

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

1/23

REQUEST 377-051-85
 Bill/Resolution No.:
 Title: Mandatory and Optional services under medicaid
 Sponsor: Governor
 Requestor: Health & Social Services
 Date of Request: 1/7/85

Revision Date: _____

FISCAL DETAIL
 Agency Affected: Health & Social Services
 Program Category Affected: medical assistance
 BRU, Program or Subprogram(s) Affected: Medicaid

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	-0-	0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Kimberly Busch *Kimberly Busch* Phone: 465-3355
 Division: Medical Assistance Date: 1/7/85
 Approved by Commissioner: John R. Pugh *John R. Pugh* Date: 1/7/85
 Agency: Health & Social Services

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

**Municipality
of
Anchorage**



RECEIVED MAR 25 1986
P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 264-4111

TONY KNOWLES,
MAYOR

Bill file

MUNICIPAL HEALTH & HUMAN SERVICES COMMISSION

March 17, 1986

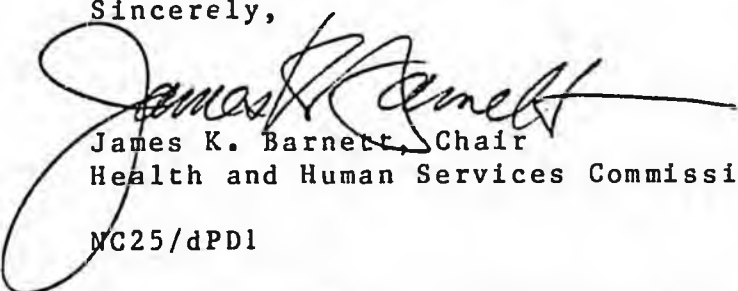
Senator Jan Faiks
Co-Chair, Senate Finance Committee
Alaska Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Dear Senator Faiks:

The Anchorage Municipal Health and Human Services Commission is charged with reviewing and making recommendations on "legislation which affects the health and social well-being of the residents" of Anchorage (Anchorage Municipal Code 4.60.060). In accordance with this responsibility, the commission reviewed and supports the passage of HB 98 - An Act Relating To Medical Assistance, and Providing an Effective Date.

The Health and Human Services Commission is in the process of developing a comprehensive plan for health and human services which will establish priorities among services. The Commission's support for this legislation does not reflect any prioritization of services and needs.

Sincerely,


James K. Barnett, Chair
Health and Human Services Commission

MG25/dPD1

cc: Brad Bradley, Commission Liaison, Anchorage Assembly
Chip Dennerlein, Intergovernmental Affairs, MOA
John F. Franklin, Commissioner of Public Safety, MOA
Jewel Jones, Director, Department of Health and Human
Services
Tony Knowles, Mayor
Dave Walsh, Chair, Anchorage Assembly
Jalmar Kerttula, Senate Finance Committee, Alaska Legislature
Richard Eliason, Senate Finance Committee, Alaska Legislature
Paul Fischer, Senate Finance Committee, Alaska Legislature
Rick Halford, Senate Finance Committee, Alaska Legislature
Frank Ferguson, Senate Finance Committee, Alaska Legislature

Alaska State Legislature

RECEIVED MAR 11 1986

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES



P. O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3762

Senate Committee on Health, Education and Social Services

March 6, 1986

Senator John Sackett, Co-Chairman
Senator Jan Faiks, Co-Chairman
Senate Finance Committee
P.O. Box V
Juneau, AK 99811

Dear Senator Faiks and Senator Sackett:

SCS CSHB 98 (HESS) proposes revisions to the administration of the Medicaid program, adds additional services under Medicaid, and gives the Medicaid Rate Commission explicit direction to consider the level of legislative appropriations in its rate setting process.

Section 4 of the bill, which adds personal care services, adult dental services and chiropractic services to the range of Medicaid services offered by the state, carries a fiscal impact of \$1,057,352 in state general fund monies. Personal care and adult dental services are currently being provided under the state's General Relief Medical (GRM) program at a combined cost of \$925,546.

	FY 87 ESTIMATED GRM COST	FY 87 ESTIMATED MEDICAID COST (STATE SHARE)
PERSONAL CARE SERVICES	\$200,000	\$527,000
ADULT DENTAL SERVICES	\$725,546	\$450,352
CHIROPRACTIC SERVICES	--	\$ 80,000

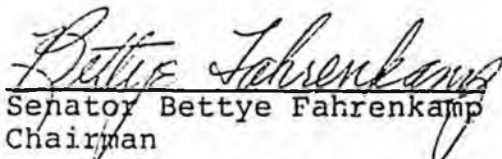
The Governor's FY 87 budget proposes reducing GRM funding from \$12 million to \$5 million, which would severely restrict the program's ability to meet the medical needs of the 16,690 Alaskans it served last year. Placing personal care and adult dental services under Medicaid will ensure that these services continue to be provided and will effect an overall cost savings

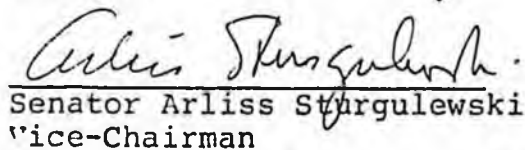
to the state, as the federal government will pick up 50% of the program's costs. In addition, expansion of the Medicaid program as proposed in HB 98 may prove beneficial to the state should a federal Medicaid "cap" be applied.

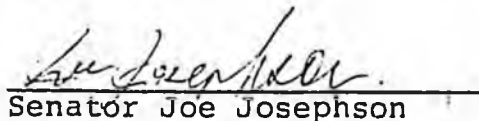
The Senate Committee on Health, Education and Social Services considered SCS CSHB 98 (HESS) on February 4 and February 27. While testimony on the addition of services was supportive, there is recognition that funding for all of the proposed services may not be available. It is therefore the recommendation of the committee that, should a prioritization of the three services be necessary, personal care services be given highest consideration.

Senators, thank you for taking these comments into consideration. We would be pleased to assist you in any way during your deliberations.


Sincerely,


Senator Bettye Fahrenkamp
Chairman


Senator Arliss Sturgulewski
Vice-Chairman


Senator Joe Josephson


Senator Paul Fischer


Senator Edna DeVries

Offered: 4/29/85
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 98 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION

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

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

9 * Section 1. AS 47.07.020(b) is amended to read:

10 (b) In addition to the persons specified in (a) of this section,
11 the following optional groups of persons for whom the state may claim
12 federal financial participation are eligible for medical assistance:

13 (1) persons eligible for but not receiving assistance under
14 any plan of the state approved under 42 U.S.C. 601 - 615 (Title IV-A,
15 Social Security Act, Aid to Families with Dependent Children) or 42
16 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental
17 Security Income);

18 (2) persons in a general hospital, skilled nursing facility
19 or intermediate care facility, who, if they left the facility, would
20 be eligible for assistance under one of the federal programs specified
21 in (1) of this subsection;

22 (3) persons under age 21 who are [YEARS OF AGE] under
23 supervision of the department, for whom maintenance is being paid in
24 whole or in part from public funds, and who are in foster homes or
25 private child-care institutions;

26 (4) aged, blind, or disabled persons, who, because they do
27 not meet income and resources requirements, do not receive supple-
28 mental security income under 42 U.S.C. 1381 - 1383c (Title XVI, Social
29 Security Act), and who do not receive a mandatory state supplement,

1 but who are eligible, or would be eligible if they were not in a
2 general hospital or skilled nursing facility or intermediate care
3 facility to receive an optional state supplementary payment;

4 (5) persons under age 21 who are [YEARS OF AGE] in an
5 institution designated as an intermediate care facility for the
6 mentally retarded and who are financially eligible as determined by
7 the standards of the federal aid to families with dependent children
8 program;

9 (6) persons in a medical or intermediate care facility
10 whose income while in the facility does not exceed 300 percent of the
11 supplemental security income benefit rate under 42 U.S.C. 1381 - 1383c
12 (Title XVI, Social Security Act) but who would not be eligible for an
13 optional state supplementary payment if they left the hospital or
14 other facility;

15 (7) persons under age 21 who are [YEARS OF AGE] receiving
16 active treatment in a psychiatric hospital and who are financially
17 eligible as determined by the standards of 42 U.S.C. 601 - 615 (Title
18 IV-A, Social Security Act, Aid to Families with Dependent Children);

19 (8) persons age five and over, but under age 21, [YEARS OF
20 AGE] who would be eligible for benefits under the federal aid to
21 families with dependent children program, but who do not qualify
22 because they are not dependent children [;

23 (9) WOMEN WHO ARE PREGNANT].

24 * Sec. 2. AS 47.07.030 is repealed and reenacted to read:

25 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. (a) The de-
26 partment shall offer all mandatory services required under 42 U.S.C.
27 1396 - 1396p (Title XIX of the Social Security Act).

28 (b) In addition to the mandatory services specified in (a) of
29 this section, the department may offer only the following optional

1 services: emergency hospital services; long-term care noninstitutional
2 services; medical supplies and equipment; clinic services; inpatient
3 psychiatric facility services for individuals age 65 or older and
4 individuals under age 21; physical therapy; occupational therapy;
5 treatment of speech, hearing, and language disorders; prosthetic
6 devices and eyeglasses; optometrists' services; intermediate care
7 facility services; skilled nursing facility services for individuals
8 under age 21; and reasonable transportation to and from the point of
9 medical care.

10 * Sec. 3. AS 47.07.035 is repealed and reenacted to read:

11 Sec. 47.07.035. PRIORITY OF MEDICAL ASSISTANCE. If the depart-
12 ment finds that the cost of medical assistance for all persons eligi-
13 ble under this chapter will exceed the amount allocated in the state
14 budget for that assistance for the fiscal year, the department shall
15 eliminate coverage for optional medical services and optionally
16 eligible groups of individuals in the following order:

- 17 (1) emergency hospital services;
- 18 (2) long-term care noninstitutional services;
- 19 (3) medical supplies and equipment;
- 20 (4) clinic services;
- 21 (5) inpatient psychiatric facility services;
- 22 (6) intermediate care facility services for the mentally
23 retarded;
- 24 (7) physical therapy and occupational therapy;
- 25 (8) treatment of speech, hearing, and language disorders;
- 26 (9) prosthetic devices and eyeglasses;
- 27 (10) optometrists' services;
- 28 (11) intermediate care facility services;
- 29 (12) individuals age five and over, but under age 21, who are

1 not eligible for benefits under the federal aid to families with
2 dependent children program because they do not meet the definition of
3 dependent children;

4 (13) individuals under age 21 under supervision of the de-
5 partment, for whom maintenance is being paid in whole or in part from
6 public money and who are in foster homes or private child-care insti-
7 tutions;

8 (14) individuals in a health facility whose income while in
9 the facility does not exceed 300 percent of the supplemental security
10 income benefit rate under Title XVI of the Social Security Act, and
11 who would not be eligible for the optional state supplementary payment
12 if they left the facility;

13 (15) aged, blind, and disabled individuals who, because they
14 do not meet the income and resource requirements, do not receive
15 supplemental security income under Title XVI of the Social Security
16 Act, and who are not eligible to receive a mandatory state supplement
17 but who are eligible, or would be eligible if they were not in a
18 general hospital or skilled nursing facility or intermediate care
19 facility, to receive an optional state supplementary payment;

20 (16) skilled nursing facility services for persons under age
21 21.

22 * Sec. 4. AS 47.07.070 is amended by adding a new subsection to read:

23 (d) Notwithstanding (a) - (c) of this section, the commission
24 shall also consider available state and federal revenue when making
25 rate decisions.

26 * Sec. 5. AS 47.07.900(1) is amended to read:

27 (1) "clinic services" means services provided by state-
28 approved outpatient community mental health clinics that receive
29 grants under AS 47.30.520 - 47.30.620, state-operated community mental

1 health clinics, outpatient surgical care center services, and physi-
2 cian clinics;

3 * Sec. 6. AS 47.07.900 is amended by adding a new paragraph to read:

4 (7) "emergency hospital services" means services that

5 (A) are necessary to prevent the death or serious
6 impairment of the health of the individual; and

7 (B) because of the threat to the life or health of the
8 individual, necessitate the use of the most accessible hospital
9 available that is equipped to furnish the services, even if the
10 hospital does not currently meet

11 (i) the conditions for participation under Medi-
12 care; or

13 (ii) the definitions of inpatient or outpatient
14 hospital services under 42 C.F.R. secs. 440.10 and 440.20.

15 * Sec. 7. This Act takes effect immediately in accordance with AS 01.-
16 10.070(c).

COMMITTEE REPORT

SENATE

FURTHER: ~~JUDICIARY~~ *married*
Finance

5/10/85

Date 3-6-86

Mr. President

The Committee on HESS considered CSHB 98(Fin)

medical assistance; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt SCS for CSHB 98 (FIN) (HESS)
- new title
- same title and recommends Do Pass
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Joe Craythorn

William Stumpeluck

Paul Grube

Ed. McVies N.R.

Bettye Subrentary *Do Pass*

Chairman

Chairman recommendation _____

HOUSE
COMMITTEE REPORT

(11)

Date referred: 4/18/86

FURTHER REFERRALS:

DATE: 4-30-86

The FINANCE Committee has considered HB 99

"An Act relating to public assistance employment programs."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with AS HB 99 (FIN) same title
- new title

and recommends no individual recommendations

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note

SIGNING DO PASS:

[Signature]
[Signature]
[Signature]

SIGNING OTHER RECOMMENDATIONS:

[Signature]
Donald J. Lee - No Rec.
[Signature] NO REC.
Rich Healy (NO REC)
[Signature]

Chairman

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 4/21/86

REQUEST

Bill/Resolution No. : HB No. 99
 Title : Public Assistance Employment Programs
 Sponsor : Rules by request
 Requestor : _____
 Date of Request : 1/24/85

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : Public Assistance/Administrative Programs
 Components : Work Incentive Component

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : Attach a separate page if necessary

There is no fiscal impact from this legislation. HB99 supplements program authorities under which appropriations are already being provided and does not mandate additional effort. The provisions of the legislation can be complied with to the extent of available appropriations.

Prepared by : John P. Taber, Director Phone : 465-3347
 Division : Division of Public Assistance Date : 4-22-86

Approved by Commissioner : John R. Berg Date : 4/23/86
 Agency : Department of Health & Social Services

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 99 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public assistance employment
7 programs."

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

9 * Section 1. AS 47.05 is amended by adding a new section to read:

10 Sec. 47.05.070. AUTHORITY TO ESTABLISH EMPLOYMENT PROGRAMS. (a)

11 The department may establish programs that provide applicants for
12 public assistance and public assistance recipients with social ser-
13 vices, including child care and transportation, needed to participate in
14 an employment program and with incentives and training needed to
15 obtain employment, or with actual work experience.

16 (b) The department may require participation in an employment
17 program as a condition of eligibility for public assistance. Employ-
18 ment program activities may include job clubs, on-the-job training,
19 or work experience. The department may develop programs to assist an
20 applicant or recipient in the transition from public assistance to
21 unsubsidized employment. When appropriate, the department shall refer
22 a program participant for training and employment services in accor-
23 dance with 29 U.S.C. 1603(b)(3).

24 (c) The department may provide an applicant or recipient with
25 money or other resources it finds necessary to enable the applicant or
26 recipient to participate in a program. The total value of money or
27 other resources and aid payments may exceed maximum payment levels
28 established under this title.

29 (d) The department may not require an applicant or recipient to

1 participate in a program under this section as a condition of eligi-
2 bility for public assistance if the applicant or recipient is

3 (1) under 16 years of age or 65 years of age or older;

4 (2) a full-time student under 18 years of age;

5 (3) ill or incapacitated, if medical evidence or other
6 sound basis confirms that the illness or incapacity prevents entry
7 into employment or training;

8 (4) residing in a remote area that requires more than two
9 hours traveling time to complete a round trip between home and program
10 area or work or training site by reasonably available transport;

11 (5) with only brief and infrequent absence, the primary
12 caretaker of a child or children under six years of age residing in
13 the same household or of a household member who has a verified phys-
14 ical or mental impairment that requires the presence of the primary
15 caretaker in the home on a substantially continuous basis;

16 (6) the primary caretaker of a child in the household if
17 another adult in the same household is registered and participating in
18 the program;

19 (7) employed and working at least 30 hours a week at a job
20 expected to last at least 30 days.

21 (e) The job training coordinating council established under 29
22 U.S.C. 1532 shall coordinate and review programs conducted under this
23 section.

POSITION PAPER

CS FOR HOUSE BILL NO. 99 (Finance)

For an Act entitled: "An Act relating to public assistance employment programs."

BACKGROUND

Legislation is needed to facilitate the expansion of involvement in employment programs by the Division of Public Assistance. In 1968 state law enacted a Work Incentive Program (WIN) which is presently operated by the Division of Public Assistance, Department of Health and Social Services and the Employment Security Division of the Department of Labor. Since 1981 federal regulation changes have been made authorizing a variety of work programs as a regular part of public assistance agency activity. By utilizing these program options, Alaska could design a system of work programs to suit our particular demographic, economic, and sociological characteristics.

These programs include:

1. Employment Search, which has been a state optional program since 1982. Through implementation of this program, states may require those applicants and recipients of Aid to Families with Dependent Children (AFDC) who would be required to register for the WIN program and those who are excluded from registration requirements because of remoteness from a WIN site to participate in a structured search for work for up to eight weeks beginning at the date of their application for assistance and for up to eight weeks per year thereafter. In Alaska this program would be operated as a part of the regular WIN program, and would include a Job Club in areas with populations large enough to support that activity.

Employment Search would be used to provide a speedy and efficient transition to full employment for the most employable applicants and recipients. Under subsection (a) of CS for House Bill No. 99 (Finance) child care, and transportation assistance are assured when needed for participants of Employment Search. In addition, services such as instruction in interviewing techniques, methods of identifying jobs and filling out applications, as well as help and encouragement during the job-hunting process would also be provided. For those who find work quickly there is a reduced risk for the development of a long term dependence on public assistance.

This type of program has proven effective even in areas of high unemployment, with up to a 70% placement rate in some states. By using this program as an entry program in a work program system, the more costly programs would be reserved for those who need them most.

Employment Search would be limited to the urban areas of the state which could provide a reasonable employer market. As required by subsection (d) of CS for House Bill No. 99 (Finance) those persons

presently exempt from WIN registration requirements would also be exempt from participation in Employment Search. Only those adult applicants and recipients of AFDC who live in urban areas selected for the program, who have no children under 6 years of age, and who have no prohibitive health or family problems would be required to participate in Employment Search. The program would be available on a voluntary basis to other AFDC recipients, as resources permitted.

2. The Community Work Experience Program (CWEP) which gives state the option to require recipients of AFDC to accept unsalaried work in public agencies or non-profit organizations.

States choosing to implement this program must identify the groups or categories of AFDC recipients who will be required to participate. This Bill effectively requires the State to limit the requirement for participation in CWEP to those who are already required to participate in WIN.

Therefore, although Federal regulations for CWEP allow states the option to require participation of parents with children at least three years old when (and only when) appropriate child care can be secured to enable participation in the CWEP project, this Bill would assure the continued exemption of caretakers of children under six years of age.

When implementing this program, states must also specify the geographic areas in which the program will be operated. In Alaska the Community Work Experience Program would be operated by WIN offices, and therefore CWEP would only be operated in WIN areas. A prerequisite of requiring CWEP participation in WIN program areas, is that CWEP must be an agreed upon activity in the client's WIN Employability Plan. The general practice in Alaska WIN is to obtain the client's agreement prior to making placement in a work experience a part of a client's Employability Plan. To do otherwise would result in poor client participation and, as a result, fewer agencies offering quality work experience opportunities.

Since CWEP participants continue to receive their assistance payments during their work experience placements, this program provides a no risk way of developing work skills and self-confidence while also establishing a recent work history and reference. Recent studies show that work experience program participants not only have increased employment rates, but also are more likely to remain independent of public assistance.

In Alaska CWEP would be utilized in place of the very successful Work Experience component of the WIN program and would be operated, as it always has been in WIN, as a way of providing clients with useful experience and training in jobs that they wish to pursue. A very important aspect of this program is the opportunity it offers

participants to develop the confidence to make it on their own. A work experience that is less than full-time, would result in less than a real experience with the realities of working.

Federal regulations limit the maximum number of hours per month that a recipient may be required to work in a Community Work Experience Program to the number of hours which would result from the division of the family's AFDC grant amount divided by the State minimum wage, however, states may specify a lesser maximum. The base AFDC grant in Alaska for a parent with one child is \$657 per month. When this grant amount is divided by the State Minimum Wage of \$3.85, the hours of CWEP participation would be 170 per month. Full-time employment in public and private non-profit organizations in Alaska generally does not exceed 165 hours per month, and the state would specify 37.5 hours per week (or a maximum of 165 hours per month) as the maximum number of hours a recipient may be required to work in a work experience placement.

Participation in any one CWEP placement would be limited to 13 weeks. However, clients could choose to complete several CWEP placements if they wanted to try different jobs before making a choice of employment goal.

Supportive services, such as child care and transportation assistance are assured by subsection (a) of HB 99, in any work program. In addition, subsection (a) of CS FOR HOUSE BILL No. 99 (Finance) would allow for an incentive increase in the AFDC grant of clients participating in a work experience program. Thus, the incentive payments which have always accompanied participation in WIN work experience could also be provided for CWEP participants.

3. The Work Supplemental Program (WSP), which is the newest of the optional programs. This is a voluntary-only program where participants choose to receive a regular paycheck instead of their AFDC grant. WSP effectively operates like the On-The-Job Training component of WIN except that a client's public assistance grant is used to subsidize wages, instead of using separate public funds.

Work Supplementation has not constituted a large portion of the work program activities of any state, and we would not expect it to be utilized for large numbers of participants in Alaska. The program is staff intensive and technically complicated to administer. However, it is a useful tool for obtaining higher paying jobs for some clients. The average AFDC grant in Alaska would provide a 62% subsidy on a wage of \$6 per hour or a 37% subsidy on a \$10 per hour wage.

29 U. S. C. 1603 (b) (3) requires programs operated under the Job Training Partnership Act (JTPA) to serve WIN registrants on an equitable basis taking into account their proportion of the economically disadvantaged population (over age 16) in the service delivery area (SDA) of a JTPA program. CS FOR HOUSE BILL No. 99 (Finance), subsection

CS for House Bill No. 99 (Finance)
Page 4

(b), lines 21, 22, and 23 extend to any work program implemented under this legislation, the requirement to utilize the resources of the programs operated under the authority of the Job Training Partnership Act. This requirement is desirable for maximum utilization of resources and for the prevention of duplication of services.

CS FOR HOUSE BILL No. 99 (Finance), subsection (e) requires that programs conducted under this legislation be coordinated and reviewed by the Job Training Coordinating Council of JTPA. Recent Federal legislation requires or encourages coordinated planning of related program activities at the state and local level. The Job Training Partnership Act specifically calls for WIN to coordinate with JTPA activities at the state and local levels, and the Title IV-A Employment Search activity require coordination with WIN. The provisions of CS FOR HOUSE BILL No. 99 (Finance), subsection (e) are a logical extension of these requirements for coordination and review by related programs.

It is the intention of the Department to create a system of work programs that is responsive to the individual abilities and needs of welfare clients. That system will channel each participant into the program that is suited to his or her current education, training, and experience. Support services will be provided, as needed, to the greatest extent possible with available resources, including referral to generally available community services and the programs of other state and local agencies. Our goal will always be to place each participant in a meaningful career position offering income potential that provides a real alternative to continued poverty. We believe that CS FOR HOUSE BILL No. 99 (Finance) will further the achievement of that goal.

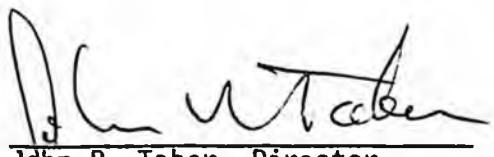
RECOMMENDATION

The proposed CS FOR HOUSE BILL No. 99 (Finance), paragraph (d) assures the extension of the current WIN program exemptions to any optional program implemented by the State. As it is our intention to operate humane work programs designed to promote an improvement in the quality of life of Public Assistance applicants and recipients, we recommend the addition of the following "Good Cause" exemption to paragraph (d), with the understanding that the application of this additional exemption would be limited by the fact that conformance with federal statutes and regulations is required.

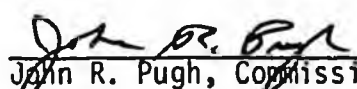
- (8) is refusing or failing to participate for "good cause". "Good cause" is defined as, "Other situations in which the State agency determines, on a case-by-case basis, that a person could not reasonably or should not, for reasons of compelling social benefit, be required to participate in an employment program."

CS FOR HOUSE BILL No. 99 (Finance) should be enacted as quickly as possible. It will provide a legislative mandate to use available resources and federal program authorities to pursue a system of humane

welfare work programs in Alaska. Many of Alaska's welfare recipients will, thereby, receive the assistance they need and do not now receive to find meaningful employment. Alaska's needy will benefit through receipt of income that provides a better quality of life than is possible through welfare. The State of Alaska will benefit from a more economically healthy and contributing population and lower costs of welfare.

Recommended by: 
John R. Taber, Director
Division of Public Assistance

Date: 5-8-86

Approved by: 
John R. Pugh, Commissioner
Department of Health &
Social Services

Date: 5/8/86

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 4/21/86

REQUEST

Bill/Resolution No. : HB No. 99
 Title : Public Assistance Employment Programs
 Sponsor : Rules by request
 Requestor : _____
 Date of Request : 1/24/85

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : Public Assistance/Administrati
 Components : Work Incentive Component

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : Attach a separate page if necessary

There is no fiscal impact from this legislation. HB99 supplements program authorities under which appropriations are already being provided and does not mandate additional effort. The provisions of the legislation can be complied with to the extent of available appropriations.

Prepared by : John R. Taber, Director Phone : 465-3347
 Division : Division of Public Assistance Date : 4-22-86

Approved by Commissioner : John R. Taber Date : 4/23/86
 Agency : Department of Health & Social Services

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

AMENDMENT
CS HB 500 (FIN)
APRIL 23, 1986

Department of Administration:

Office of the Commissioner
Office of the Commissioner

Add legislative intent as follows:

It is the intent of the legislature that the failure to adopt the separate appropriation item for the pay raise constitutes rejection of the monetary terms of the collective bargaining agreements in accordance with AS 23.40.215. Money otherwise appropriated for personal services is not intended to be used for implementation of the negotiated pay raise.

Department of Health & Social Services:

Public Assistance Administration
Work Incentive

Add federal funding as follows for work programs for recipients of AFDC

Pers Svcs	39.0
Contractual	156.6
Grants	50.0

Fed	245.6
GF Match	245.6
GF	(245.6)

Increase Staff Months by 5.

Purchased Services
Preventive Services

Replace existing intent regarding a runaway shelter in Anchorage with the following:

The sum of \$198,000 is appropriated as a direct grant to Alaska Youth Advocates for a runaway shelter in Anchorage.

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

April 23, 1986

BILL SHEFFIELD, GOVERNOR

POUCH H 01
JUNEAU, ALASKA 99811

PHONE: (907)
465-3030

DOCUMENT #86-67

The Honorable Al Adams, Chairman
House Finance Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

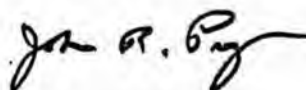
Dear Chairman Adams:

As discussed yesterday with Elmer Lindstrom and Louann Cutler of your staff, the Department has an opportunity to enhance the federal revenues flowing to the work programs for recipients of Aid to Families with Dependent Children (AFDC). These funds are budgeted in the Work Incentive component of the Public Assistance Administration BRU and had been identified in the fiscal note for CSHB 99. A recent Attorney General's Opinion has indicated that the Department has enough statutory authority to expand the work programs without the passage of CSHB 99. However, the opinion does recommend the Department acquire stronger legislative language. Therefore, the Department requests a budget amendment adding the additional federal funds to the FY87 budget (in case CSHB 99 does not pass). We would also appreciate a hearing on CSHB 99.

The additional 245.6 of funding will be used for three purposes: Personal services will be increased by 39.0 to permit increased use of permanent part-time positions now assigned to Wasilla and Kenai. No new positions will be established. 156.6 will be used to purchase professional employment and training services, primarily from the Department of Labor, Employment Security Division, which is our partner in the administration of the work programs. 50.0 will be used to make grants to eligible clients to obtain services, primarily child care, that are deemed necessary to permit the client's participation in the work programs.

Thank you for your favorable consideration of this request and for your assistance in spreading these additional federal funds in our FY87 budget.

Sincerely,



John R. Pugh
Commissioner

Division of Public Assistance
 FY87 Public Assistance/Administration BRU
 FY87 PA/Work Incentive Component

	<u>FY87 Gov Revised</u>	<u>Title IV-A Increment</u>	<u>FY87 Revised</u>
Personal Services	460.0	39.0	499.0
Travel	17.9	-0-	17.9
Contractual	21.8	156.6	178.4
Commodities	10.4	-0-	10.4
Grants	<u>128.5</u>	<u>50.0</u>	<u>178.5</u>
TOTAL	638.6	245.6	884.2
Funding Sources			
Fed	353.7	245.6	599.3
GFM	39.3	245.6	284.9
GF	245.6	(245.6)	-0-

Title IV-A Increment Summary

Personal Services: Increase staff-months by 5 months for Permanent Part-time positions in Wasilla and Kenai.

Contractual: Professional services for employment and training services to public assistance clients.

Grants: Benefits for required child care services.

POSITION PAPER

HOUSE BILL No. 99

For "An Act relating to public assistance employment programs."

BACKGROUND

Legislation is needed to allow the Division of Public Assistance to expand its involvement in employment programs. Current state law only mentions involvement in the Work Incentive Program (WIN). Federal regulations have recently changed to include various work programs as a regular part of public assistance agency activity. Expanded programs include:

1. Employment Search (Job Search") which allows states to require Aid to Families with Dependent Children (AFDC) applicants and recipients (unless exempt) to participate in job search activities. Food and Nutrition Service (FNS) regulations also permit job search requirements for food stamp applicants/recipients.

The goal of Job Search is to offer the necessary incentives for applicants/recipients to utilize the open job market for self-obtained employment as an alternative to welfare, or provide them with help in locating employment through "job clubs" or "group job search" activities. The Job Search program may also provide short-term remedial training for applicants/recipients who are not "job ready" and need training to become capable of performing basic tasks.

Job Search will not be a statewide program. It will be limited to urban areas which can provide a reasonable employer market. Exemption from Job Search will be available under certain conditions, including remoteness from available jobs.

Recruitment and development of an employer pool will be a part of the Job Search Program, but it will still be the applicant/recipients responsibility to seek and find his or her own job, either independently or through existing referral services (both private and public).

The Work Incentive (WIN) program presently provides employment and training services to less than one-third of the current AFDC caseload and does not serve Food Stamp applicants or recipients unless they also receive AFDC. The Job Search Program will augment the success of the WIN program by serving applicants/recipients who are currently not covered by WIN. No attempt will be made to compete with WIN, and we will continue to refer all mandatory and voluntary AFDC recipients to the WIN program.

Job Search will neither replace nor compete with the Department of Labor's Job Service. In Job Search, the focus of attention is on welfare applicants and participants who have turned to welfare as an alternative to work. Some will be discouraged job seekers, but many will have simply failed to actively pursue employment for a variety of personal or practical reasons. When Job Search has identified those clients with good employment potential and provided them with needed job seeking skills, many will be referred to Job Service as a key source of placement services. In addition, however, Job Search will go beyond the concept of Job Service by requiring all participants to personally initiate job placements by directly contacting employers, answering ads and in general, ferreting out jobs that traditionally are not listed with Job Service.

2. Community Work Experience Program (CWEP)- This program was made available under the Omnibus Budget Reconciliation Act (OBRA). In these programs, AFDC recipients perform unsalaried public service work as a condition of eligibility for AFDC benefits. The program generates "up-front" administrative and supportive services costs. However, CWEP studies are reporting long-range cost-savings, such as AFDC caseload reductions due to eventual placement of participants into unsubsidized employment. Intangible benefits, such as exposure to the labor market for long-term AFDC recipients, are also realized. Thus, the state might consider CWEP as an alternative for "hard-to-place" AFDC clients.

At present, the Division of Public Assistance is considering Job Search as a condition of eligibility for receipt of Food Stamps, AFDC, and General Relief. We are also considering adopting the CWEP as a follow-up to Job Search for AFDC recipients.


Attached is an article on West Virginia's Community Work Experience Program which is excerpted from the Welfare Management Institute Exchange (published by the Office of Family Assistance, Washington, D.C.). This article provides information on implementation and general acceptance of CWEP in West Virginia and is representative of the success stories heard from other states.

RECOMMENDATION

The proposed House Bill No. 99, Line 11 only covers applicants. Since requesting introduction of this bill we have realized that our intent is to establish the same requirements for current recipients and we suggest the substitution of "applicant/recipient" for the term "applicant." We believe that this change could significantly impact the effectiveness of the Job Search program.

The Department supports the proposed legislation with the suggested change. This bill is consistent with the program objections of the Department and should be enacted.

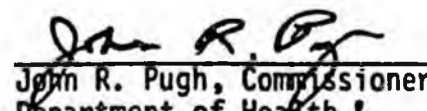
Recommended by:


John R. Taber, Director
Division of Public Assistance

Date:

2/4/85

Approved by:


John R. Pugh, Commissioner
Department of Health &
Social Services

Date:

2/6/85

MEMORANDUM

State of Alaska

TO: Honorable John R. Pugh
Commissioner
Department of Health
and Social Services

C. DATE: February 4, 1986

FILE NO: 366-297-86

TELEPHONE NO: 465-3603

FROM: Harold M. Brown
Attorney General

SUBJECT: Use of allocated
work incentive
program funds in
proposed Title
IV-A programs

By: George W. Edwards *GWC*
Assistant Attorney General
Human Services-Juneau

This memorandum is in response to your request for an opinion concerning your proposal to modify the work incentive program currently administered by the Department of Health and Social Services (DHSS) to provide for a higher level of federal matching funds under Title IV-A of the Social Security Act (42 U.S.C. §§ 601-615) than is presently available under Title IV-C of the Act (42 U.S.C. §§ 630-645).

Specifically, you have asked: (1) whether existing federal and Alaska statutes provide sufficient authority for the implementation and administration of the proposed job programs, and (2) whether legislative intent regarding general fund allocations allows you the flexibility to use a portion of allocated funds for state match to obtain federal funding for Title IV-A job programs rather than for the existing Title IV-C job program.

The programs you have proposed all provide a work incentive for welfare recipients and will enable the state to benefit from increased federal program funding. In seeking to maximize federal funds available for work incentive programs by directing funds from the Title IV-C work incentive (WIN) program to the Title IV-A generic work incentive programs, you are clearly furthering legislative intent in maximizing state benefits from federal matching funds while operating within state and federal statutory authority.

A work incentive program was enacted by the Alaska Legislature in 1968 and codified as AS 23.15.650. The intent of the legislature may appropriately be determined through the transmittal letters of then Governor Hickel which accompanied the program bill (HB 649) and the program appropriations bill (HB 648). United Faculty of Florida v. Board of Regents, 365 So.2d 1073 (Fla. App. 1979). That intent was to provide a program which would create work incentives among grant recipients under the Aid to Families with Dependent Children (AFDC) program and which

would be entitled to federal matching funds under the WIN program.

In 1968 the federal government's WIN share under Title IV-C was 90 percent of the state's program cost. That percentage has since been reduced to about 50 percent and is expected to drop precipitously this year. While the federal WIN program is not scheduled to go out of existence, its value to the state as a funding source is no longer what the legislature was relying upon in 1968. Presently, programs authorized under Title IV-A offer a higher percentage of federal matching funds.

The duty to administer work incentive programs and to seek matching funds from the federal government lies with DHSS pursuant to AS 47.05.010 which states that the department shall:

(1) administer adult public assistance, aid to families with dependent children, and all other assistance programs, and receive and spend funds made available to it;

. . . .

(8) cooperate with the federal government in adopting state plans to make the state eligible for federal matching in appropriate categories of assistance . . . ;

The duty to carry out work incentive programs in the most fiscally responsible manner is mandated by AS 37.07.080(a) which states:

(a) Except as limited by policy decisions of the governor, appropriations by the legislature, and other provisions of law, the several state agencies have full authority for administering their program service assignments and are responsible for their proper management.

The proposed programs clearly constitute work incentive programs as envisioned by the legislature since each has a parallel program within the existing WIN structure. 42 U.S.C. § 632(b) describes component WIN programs as including job search services, work experience training, public service employment, and on-the-job training.

The proposed programs are a job search program under 42 U.S.C. § 602(a)(35), a work experience program under 42 U.S.C.

§ 609, and a work supplementation program under 42 U.S.C. § 614. The latter two proposed programs are statutorily recognized as alternatives to the WIN program. See 42 U.S.C. §§ 609(a)(3) and 614(b)(2).

One matter of potential concern is found in 42 U.S.C. § 644. The section appears to limit the power to administer the Title IV-C program to state agencies not also administering Title IV-A programs. Since programs from both titles have apparently overlapped in the past, we presume this section is not expected to be a problem.

Since the proposed programs simply duplicate three components of the existing WIN program, and since that program will continue to exist in Alaska pursuant to AS 23.15.650, on a more limited scale, initiation of the proposed programs is lawful. The decision to initiate the proposed programs is properly one for the commissioner of DHSS unless the governor's approval is required as suggested below.

After 1968, the legislature didn't again appropriate funds specifically for the program created under AS 23.15.650. Allocations have since been made both to DHSS and the Department of Labor for work incentive programs. During fiscal 1985 just over \$600,000 was allocated to DHSS for what is described in the Governor's Component Budget Summary as a work incentive subprogram.

The fact that funds are no longer appropriated for a specific work incentive program but are allocated for a generic program places the discretion for application of the funds with the executive branch. If the proposed program changes require the transfer of an allocation within DHSS from one budgeted program to another, approval of the Governor's Office of Management and Budget (OMB) is necessary pursuant to AS 37.07.080 which states in part:

(e) Transfers or changes between objects of expenditures or between allocations may be made by the head of a state agency upon approval of the office. No transfers may be made between appropriations except as provided in an act making the transfers between appropriations.

If DHSS in fact proposes to transfer funds from one program into another such that the actual operation of the existing work incentive program within DHSS will be altered, we believe the approval of OMB must first be obtained.

Honorable John R. Pugh, Commissioner
Department of Health and Social Services

February 4, 1986
Page 4

If the proposed transfer will instead effect only the source of federal funding and not the actual operation of the existing work incentive program within DHSS, the approval of OMB will not be necessary.

The duty to maximize the federal contribution in this instance lies with DHSS. The discretion to use allocated funds within an existing program also lies with DHSS. The authority to transfer allocated funds between programs must come from the governor through OMB.

GWE:nb



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 23, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to public assistance employment programs. The bill authorizes the creation of programs that encourage public assistance applicants to work as an alternative to receiving aid.

The bill has three components: it authorizes the Department of Health and Social Services to establish employment and training programs; it allows the department to require participation in a program as a condition of eligibility or as recompense for aid payments; and it allows the department to give an applicant money or provide services that enable the applicant to participate in a program.

Under the first component, the department may establish programs that encourage persons to prepare for, seek, and retain employment so that they will not need public assistance. The Work Incentive Program administered by the Department of Labor under AS 23.15.250 has been successful and the Department of Health and Social Services needs the authority granted in this bill to enable it to adopt and administer similar programs.

The second component allows the department to mandate participation in a program it establishes as a condition of eligibility, or as recompense, for assistance. Participation in a program would give an applicant placement information, vocational skills, on-the-job training, or other assistance the applicant needs to become self-supporting.

The final component allows the department to provide an applicant with money or services the applicant needs in order to participate in employment programs (e.g. bus fare, day care), without having to reduce the applicant's assistance by the amount of money or the value of the services pro-

vided. Applicants' assistance payments need not be reduced as a consequence of receiving the money or services because the bill permits total benefits to exceed maximum payment levels.

The experience of other states indicates that training and employment programs have been successful in putting welfare applicants on their way to self-support. I urge you to adopt this bill.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield". The signature is written in dark ink and is positioned above the typed name.

Bill Sheffield
Governor

Offered: 3/26/86
Referred: Judiciary and
Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 99 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to public assistance employment
7 programs."

8

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

9

* Section 1. AS 47.05 is amended by adding a new section to read:

10

Sec. 47.05.070. AUTHORITY TO ESTABLISH EMPLOYMENT PROGRAMS. (a)

11

The department may establish programs that provide applicants for
12 public assistance and public assistance recipients with social ser-
13 vices, including child care and transportation, needed to participate in
14 the program and with incentives and training needed to obtain employ-
15 ment, or with actual work experience.

16

(b) The department may require participation in a program as a
17 condition of eligibility for public assistance.

18

(c) The department may provide an applicant or recipient with
19 money or other resources it finds necessary to enable the applicant or
20 recipient to participate in a program. The total value of money or
21 other resources and aid payments may exceed maximum payment levels
22 established under this title.

23

(d) The department may not require an applicant or recipient to
24 participate in a program under this section as a condition of eligi-
25 bility for public assistance if the applicant or recipient is

26

(1) under 16 years of age or 65 years of age or older;

27

(2) a full-time student under 18 years of age;

28

(3) ill or incapacitated, if medical evidence or other

29

sound basis confirms that the illness or incapacity prevents entry

1 into employment or training;

2 (4) residing in a remote area that requires more than two
3 hours traveling time to complete a round trip between home and program
4 area or work or training site by reasonably available transport;

5 (5) with only brief and infrequent absence, the primary
6 caretaker of a child or children under six years of age residing in
7 the same household or of a household member who has a verified phys-
8 ical or mental impairment that requires the presence of the primary
9 caretaker in the home on a substantially continuous basis;

10 (6) the primary caretaker of a child in the household if
11 another adult in the same household is registered and participating in
12 the program;

13 (7) employed and working at least 30 hours a week at a job
14 expected to last at least 30 days.

Offered: 4/18/86
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 99 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public assistance employment
7 programs."

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

9 * Section 1. AS 47.05 is amended by adding a new section to read:

10 Sec. 47.05.070. AUTHORITY TO ESTABLISH EMPLOYMENT PROGRAMS. (a)

11 The department may establish programs that provide applicants for
12 public assistance and public assistance recipients with social ser-
13 vices, including child care and transportation, needed to participate in
14 the program and with incentives and training needed to obtain employ-
15 ment, or with actual work experience.

16 (b) The department may require participation in a program as a
17 condition of eligibility for public assistance. However, the depart-
18 ment may not require an applicant or recipient to perform uncompen-
19 sated work as a condition of eligibility for public assistance.

20 (c) The department shall provide an applicant or recipient with
21 money or other resources it finds necessary to enable the applicant or
22 recipient to participate in a program. The total value of money or
23 other resources and aid payments may exceed maximum payment levels
24 established under this title.

25 (d) The department may not require an applicant or recipient to
26 participate in a program under this section as a condition of eligi-
27 bility for public assistance if participation will cause a substantial
28 hardship for the applicant or recipient, for other extraordinary
29 cause, or if the applicant or recipient is

- 1 (1) under 16 years of age or 65 years of age or older;
- 2 (2) a full-time student under 18 years of age;
- 3 (3) ill or incapacitated, if medical evidence or other
- 4 sound basis confirms that the illness or incapacity prevents entry
- 5 into employment or training;
- 6 (4) residing in a remote area that requires more than two
- 7 hours traveling time to complete a round trip between home and program
- 8 area or work or training site by reasonably available transport;
- 9 (5) with only brief and infrequent absence, the primary
- 10 caretaker of a child or children under six years of age residing in
- 11 the same household or of a household member who has a verified phys-
- 12 ical or mental impairment that requires the presence of the primary
- 13 caretaker in the home on a substantially continuous basis;
- 14 (6) the primary caretaker of a child in the household if
- 15 another adult in the same household is registered and participating in
- 16 the program;
- 17 (7) employed and working at least 30 hours a week at a job
- 18 expected to last at least 30 days.

Introduced: 1/23/85
Referred: Health, Education & Social
Services and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

HOUSE BILL NO. 99

2

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to public assistance employment
7 programs."

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

9 * Section 1. AS 47.05 is amended by adding a new section to read:

10 Sec. 47.05.012. AUTHORITY TO ESTABLISH EMPLOYMENT PROGRAMS. (a)

11 The department may establish programs that provide applicants for
12 public assistance with incentives, opportunities, training, or ser-
13 vices needed to obtain employment, or with actual work experience.

14 (b) The department may require participation in a program as a
15 condition of eligibility, or as recompense, for public assistance.

16 (c) The department may provide an applicant with money or other
17 resources it finds necessary to enable the applicant to participate in
18 a program. The total value of money or other resources and aid pay-
19 ments may exceed maximum payment levels established under this title.