Senate Bill 74 (Version R.A – Final as Amended)
SECTIONAL ANALYSIS

Section 1 (page 2-3) Telehealth for Audiologists
AS 08.11.080
Amends by prohibiting the department from imposing disciplinary sanctions on a licensee for using telehealth technologies in the evaluation, diagnosis or treatment of a person when physically separated from the person if the licensee or another licensed health care provider is available to provide follow-up care, the licensee follows patient consent protocols for sending medical records of the encounter to the person’s primary care provider, the licensee meets the requirements established by the board in regulation; and, requiring the department to adopt regulations on telehealth services establishing standards of care, training, confidentiality, supervision, practice, and related issues.

Section 2 (page 2) Telehealth for Speech-Language Pathologist Assistants
AS 08.11.083
Amends by prohibiting the department from imposing disciplinary sanctions on a licensee for using telehealth technologies in the evaluation, diagnosis or treatment of a person when physically separated from the person if the licensee or another licensed health care provider is available to provide follow-up care, the licensee follows patient consent protocols for sending medical records of the encounter to the person’s primary care provider, the licensee meets the requirements established by the board in regulation; and, requiring the department to adopt regulations on telehealth services establishing standards of care, training, confidentiality, supervision, practice, and related issues.

Section 3 (page 3-4) Telehealth for Speech-Language Pathologists
AS 08.11.085
Amends by prohibiting the department from imposing disciplinary sanctions on a licensee for using telehealth technologies in the evaluation, diagnosis or treatment of a person when physically separated from the person if the licensee or another licensed health care provider is available to provide follow-up care, the licensee follows patient consent protocols for sending medical records of the encounter to the person’s primary care provider, the licensee meets the requirements established by the board in regulation; and, requiring the department to adopt regulations on telehealth services establishing standards of care, training, confidentiality, supervision, practice, and related issues.

Section 4 (page 4) Telehealth for Licensed Professional Counselors
AS 08.29.400
Amends by prohibiting the Board of Licensed Professional Counselors from imposing disciplinary sanctions on a licensee for using telehealth technologies in the evaluation, diagnosis or treatment of a person when physically separated from the person if the licensee or another licensed health care provider is available to provide follow-up care,
the licensee follows patient consent protocols for sending medical records of the encounter to the person’s primary care provider, the licensee meets the requirements established by the board in regulation; and, requiring the board to adopt regulations on telehealth services establishing standards of care, training, confidentiality, supervision, practice, and related issues.

Section 5 (page 4-5) Dentists to register for PDMP
AS 08.36.070(a)
Amends to require a licensed dentists with a federal Drug Enforcement Administration (DEA) registration number to register with the controlled substance database (PDMP)

Section 6 (page 5-6) Telehealth for Marital and Family Therapists
AS 08.63.210
Amends by prohibiting the Board of Marital and Family Therapy from imposing disciplinary sanctions on a licensee for using telehealth technologies in the evaluation, diagnosis or treatment of a person when physically separated from the person if the licensee or another licensed health care provider is available to provide follow-up care, and the licensee follows patient consent protocols for sending medical records of the encounter to the person’s primary care provider, the licensee meets the requirements established by the board in regulation; and, requiring the board to adopt regulations on telehealth services establishing standards of care, training, confidentiality, supervision, practice, and related issues.

Section 7 (page 6) Telehealth for Physicians & Register for PDMP
AS 08.64.101
Amends by adding to the duties of the State Medical Board a requirement (6) to adopt regulations establishing guidelines for a physician who renders a diagnosis, provides treatment, or prescribes, dispenses, or administers a prescription drug to a person without conducting an in-person physical examination as allowed under AS 08.64.364; and, provides that the guidelines must include a nationally recognized model policy for standards of care of a patient who is at a different location than the physician.

Further amends to (7) require a licensee (physician) with a federal Drug Enforcement Administration (DEA) registration number to register with the controlled substance database (PDMP).

Section 8 (page 6-7) Telehealth for Physicians
AS 08.64.364(a)
Amends by prohibiting the State Medical Board from imposing disciplinary sanctions on a physician for rendering a diagnosis, providing treatment, or prescribing, dispensing, or administering a prescription drug that is not a controlled substance without an in-person physical examination if the physician or another licensed health care provider, or physician in the physician’s group practice is available for follow-up care, and the physician follows patient consent protocols for sending medical records of the encounter to the person’s primary care provider; and removes the requirement that the physician is located in the state.
Section 9 (page 7) Telehealth for Physicians
AS 08.64.364(c) – (d)
Amends by prohibiting the State Medical Board from imposing disciplinary sanctions on a physician for prescribing, dispensing, or administering a prescription drug that is a controlled substance or botulinum toxin if the requirements of Section 4 are met, and the physician prescribes, dispenses, or administers the controlled substance when an appropriate licensed health care provider is present with the patient to assist the physician with examination, diagnosis, and treatment; and providing that a physician may not prescribe an abortion-inducing drug unless the physician complies with AS 18.16.010; or prescribe, dispense, or administer a prescription drug in response to an Internet questionnaire or electronic mail message to a person with whom the physician does not have a prior physician-patient relationship.

Section 10 (page 7-9) Advanced Nurse Practitioner to register for PDMP
AS 08.68.100(a)
Amends to require a licensed advanced nurse practitioner with a federal Drug Enforcement Administration (DEA) registration number to register with the controlled substance database (PDMP)

Section 11 (page 9) Optometrists to register for PDMP
AS 08.72.060(c)
Amends to require a licensee (optometrists) with a federal Drug Enforcement Administration (DEA) registration number to register with the controlled substance database (PDMP)

Section 12 (page 9-10) Pharmacists to register for PDMP
AS 08.80.030(b)
Amends to require a licensed pharmacist with a federal Drug Enforcement Administration (DEA) registration number to register with the controlled substance database (PDMP)

Section 13 (page 10-11) Telehealth for Physical therapists & Occupational therapists
AS 08.84.120
Amends by prohibiting the Board of Physical therapy and occupational therapy from imposing disciplinary sanctions on a licensee for using telehealth technologies in the evaluation, diagnosis or treatment of a person when physically separated from the person if the licensee or another licensed health care provider is available to provide follow-up care, and the licensee follows patient consent protocols for sending medical records of the encounter to the person’s primary care provider, the licensee meets the requirements established by the board in regulation; and, requiring the board to adopt regulations on telehealth services establishing standards of care, training, confidentiality, supervision, practice, and related issues.

Section 14 (page 11) Telehealth for Psychologists & Psychological Associate Examiners
AS 08.86.204
Amends by prohibiting the Board of Psychologist and Psychological Associate Examiners from imposing disciplinary sanctions on a licensee for using telehealth technologies in the evaluation, diagnosis or treatment of a person when physically separated from the person if the licensee or another licensed health care provider is
available to provide follow-up care, and the licensee follows patient consent protocols for sending medical records of the encounter to the person’s primary care provider, the licensee meets the requirements established by the board in regulation; and, requiring the board to adopt regulations on telehealth services establishing standards of care, training, confidentiality, supervision, practice, and related issues.

Section 15 (page 11-12) Telehealth for Social Workers
AS 08.95.050
Amends by prohibiting the Board of Social Work Examiners from imposing disciplinary sanctions on a licensee for using telehealth technologies in the evaluation, diagnosis or treatment of a person when physically separated from the person if the licensee or another licensed health care provider is available to provide follow-up care, and the licensee follows patient consent protocols for sending medical records of the encounter to the person’s primary care provider, the licensee meets the requirements established by the board in regulation; and, requiring the board to adopt regulations on telehealth services establishing standards of care, training, confidentiality, supervision, practice, and related issues.

Section 16 (page 12)
AS 09.10.075. Actions related to claims based on medical assistance payment fraud.
Adopts a new section which establishes time limits in which a person may or may not bring an action under new sections AS 09.58.010-09.58.950, the Alaska Medicaid False Claims Act, and a statute of limitations. An action may be brought within six years of when the act or omission was committed, or three years after the date when the act or omission was known or reasonably should have been known by the attorney general and department, whichever is later, but no action may be brought for a violation more than ten years after the date of violation.

Section 17 (page 12)
AS 09.10.120(a).
Amends to include reference to new subsection AS 09.10.075, creating an exception for Medicaid fraud action time limits.

Section 18 (page 12-21)
Chapter 58. Alaska Medical Assistance False Claim and Reporting Act
Establishes the Alaska Medicaid False Claims Act. This language is to comply with Office of Inspector General guidelines for false claims act certification. This allows the state to increase its match on recoveries by ten percent for a 60/40 split in favor of the state.

AS 09.58.010. False claims for medical assistance; civil penalty.
This is a general provision which identifies the five types of claims that would give rise to a false claim under this section (for full list see page 12, line 26 – page 13, line 9). The penalties for false claims would be civil penalties not less than $5500 and not more than $11,000, three times the amount of actual damages, reasonable attorneys’ fees and costs as provided in court rules, possible reduction in penalties, and establishes corporate liability for false claims.
AS 09.58.015. Attorney General invitation; civil action.
Authorizes the attorney general to investigate claims brought under this statute and to work collaboratively with DHSS on such matters.

AS 09.58.020. Private plaintiff; civil action.
Provides that a private citizen (relator) can bring a Medicaid False Claims Act case. If a relator brings an action, they must serve the attorney general’s office and disclose the evidence upon which the complaint is filed. The relator’s action is filed under seal for at least sixty days to allow the attorney general’s office to investigate the claim. The attorney general can get an extension of time if the sixty days is not sufficient. After investigation, the attorney general must do one of the following:
(1) Intervene in the matter and take control of the action;
(2) Notify the court that it will not be intervening, but allow the relator to proceed;
or
(3) Dismiss the action if the evidence does not support a false claim.

AS 09.58.025. Subpoenas.
Gives the attorney general the authority to issue subpoenas to assist in its investigation of a false claim.

AS 09.58.030. Rights in fraudulent claims actions.
This outlines the relative role of the parties in the event that the attorney general intervenes in a case (exclusive authority over the case/action), including moving to dismiss the case at any time or settling with the provider despite the objection of the relator. If the attorney general defers to the relator, the attorney general can ask to be served on all pleadings and intervene at any time. Further, the attorney general can ask that discovery in the case be stayed during the pendency of the criminal investigation.

AS 09.58.040. Award to false or fraudulent claim plaintiff.
Outlines how the relator will be compensated in a filed claim act.
(1) If the attorney general intervenes, the relator will be awarded 15% to 25% of the total award;
(2) If the attorney general defers and allows the case to go forward, the relator receives 25% to 30% of the total award; and,
(3) Authorizes the court to limit or reduce the award if the evidence takes into account the role of the relator in bringing the case and the overall scheme.

AS 09.58.050. Certain actions barred.
Provides a list of situations that do not constitute a false claim, such as a claim that is currently subject to a criminal or civil action by the State. (For full list page 18, line 20 – page 19, line 3).

AS 09.58.060. State not liable for attorneys’ fees and other expenses.
Provides that the State is not responsible for the costs and fees of a relator in bringing an action.

AS 09.58.070. Employee protection for retaliation.
Provides whistleblower protection for employees who report false claims to the State.
AS 09.58.080. Regulations.
Provides authority for the attorney general to adopt regulations to implement this new cause of action.

AS 09.58.090. Special provision.
Requires a minimum threshold in fraud damage to the state in the amount of $5500.

AS 09.58.100. Definitions

AS 09.58.110. Short title.

Section 19 (page 21)
AS 09.58.25 Subpoenas.
Gives the attorney general the authority to issue subpoenas to assist in its investigation of a false claim after the provisions related to private plaintiffs (AS.09.58.020) sunset per section 51 of this bill. The effective date of this section is July 1, 2019 to coincide with the sunset as provided by section 71 of this bill.

Section 20 (page 21)
AS 09.58.070(b)
Allows the Whistleblower protections under Sec. 09.58.070 of the Alaska Medical Assistance False Claim and Reporting Act to continue and conforms to the sunset added by Section 51 of this bill by removing the provisions AS. 09.58.020 that refers to private plaintiffs. The effective date of this section is July 1, 2019 to coincide with the sunset as provided by section 71 of this bill.

Section 21 (page 21-22) Prescription Drug Monitoring Program (PDMP)
AS 17.30.200(a)
Amends by only requiring data collection for prescribing, administering or dispensing II, III, and IV federal controlled substances for the controlled substance prescription database.

Section 22 (page 22) Sunset/Reverting on Prescription Drug Monitoring Program (PDMP)
AS 17.30.200(a)
Part of the PDMP provisions that revert back changes made in Section 21 to current day status with an effective date of January 1, 2021. Maintains the schedule drugs collected at only Federal Schedules II, III, and IV when the changes revert.

Section 23 (page 22-23) Prescription Drug Monitoring Program (PDMP)
AS 17.30.200(b)
Amends by only requiring data collection for prescribing, administering or dispensing II, III, and IV federal controlled substances for the controlled substance prescription database and amends by requiring that the database be updated on at least a weekly basis.
**Section 24** (page 23-24) *Sunset/Reverting on Prescription Drug Monitoring Program (PDMP)*  
**AS 17.30.200(b)**  
Part of the PDMP provisions that revert back changes made in Section 23 to current day status with an effective date of January 1, 2021.

**Section 25** (page 24-26) *Prescription Drug Monitoring Program (PDMP)*  
**AS 17.30.200(d)**  
Adds new language to further prohibit sharing database information with the federal government.

(3) Amends to authorize a licensed practitioner to delegate database access to supervised employees or clinical staff; the agent or employee must be licensed or registered under AS 08;  
(4) Amends to authorize a registered pharmacists to delegate database access to supervised employees or clinical staff; the agent or employee must be licensed or registered under AS 08;  
(5) Removes subpoena, require a higher threshold search warrant or court order to be obtained for law enforcement to access the PDMP  
(7) Adds a new section to authorize database access to the State of Alaska Medicaid Pharmacy Program;  
(8) Adds a new section to authorize database access to the State of Alaska Medicaid Drug Utilization Review Committee for utilization review of prescription drugs provided to recipients of medical assistance;  
(9) Adds a new section to authorize database access to the State of Alaska Medical Examiner;  
(10) Adds a new section to authorize de-identified data access to the State of Alaska Department of Health and Social Services Division of Public Health. The Division of Public Health would not need access to identifiable data to fulfill public health objectives regarding controlled substances including prescription opiates.  
(11) Adds a new section to authorize a practitioner, pharmacists, or clinical staff employed by an Alaska tribal health organization, including commissioned corps officers of the United States Public Health Service employed under a memorandum of agreement employed by the United States Indian Health Services to access the database.

**Section 26** (page 26-28) *Sunset/Reverting on Prescription Drug Monitoring Program (PDMP)*  
**AS 17.30.200(d)**  
Part of the PDMP provisions that revert back changes made in Section 25 to current day status with an effective date of January 1, 2021.

**Section 27** (page 28) *Prescription Drug Monitoring Program (PDMP)*  
**AS 17.30.200(e)**  
Amends to require all prescribers and all pharmacists to register with the controlled substance prescription database. Failure to register is grounds for the board to take disciplinary action against the license or registration of the pharmacy or pharmacist.

**Section 28** (page 28) *Sunset/Reverting on Prescription Drug Monitoring Program (PDMP)*  
**AS 17.30.200(e)**  
Part of the PDMP provisions that revert back changes made in Section 27 to current day status with an effective date of January 1, 2021.
Section 29 (page 28) Prescription Drug Monitoring Program (PDMP)
AS 17.30.200(h)
Amends section to conform to requirement to check the database. Immunity for using the PDMP remains even with the change from optional to mandatory.

Section 30 (page 28-29) Sunset/Reverting on Prescription Drug Monitoring Program (PDMP)
AS 17.30.200(h)
Part of the PDMP provisions that revert back changes made in Section 29 to current day status with an effective date of January 1, 2021.

Section 31 (page 29) Prescription Drug Monitoring Program (PDMP)
AS 17.30.200(k)
Amends to adopt regulations to:
(3) set a procedure and time frame for registration;
(4) require prescribers to review the controlled substance prescription database when prescribing, administering or dispensing a federal II or III controlled substance to a patient and allows for an exemption for
   (A) inpatient, emergent situations, in an emergency room, and immediately before, during, or within the first 48 hours of surgery or a medical procedure, in a hospice or nursing home that has an in-house pharmacy and
   (B) a non-refillable prescription of a controlled substance in a quantity intended to last for not more than 3 days.

Section 32 (page 30-31) Sunset/Reverting on Prescription Drug Monitoring Program (PDMP)
AS 17.30.200(k)
Part of the PDMP provisions that revert back changes made in Section 31 to current day status with an effective date of January 1, 2021.

Section 33 (page 31) Prescription Drug Monitoring Program (PDMP)
AS 17.30.200(m)
Amends to add to the annual report to the legislature on performance measures of the PDMP to include information related to:
   a) Security of the database
   b) Reductions, if any, in the inappropriate use or prescription of controlled substances resulting from the use of the database.

Section 34 (page 31-32) Prescription Drug Monitoring Program (PDMP)
AS 17.30.200
Adding new subsections to
(o) Require prescribers and pharmacists to review the PDMP database when prescribing or dispensing a federal II, III or IV controlled substance to a patient.
(p) Require notification to boards when a practitioner registers with the database.
(q) Authorize the Board of Pharmacy to forward unsolicited notifications to prescribers and dispensers of database information about patients who may be obtaining controlled substances inconsistent with generally recognized standards of care.
(r) Collect dispensing data and update the PDMP database on at least a weekly basis.
(s) the Department of Commerce, Community, and Economic Development shall:
1. Assist the board of pharmacy and provide necessary staff and equipment to implement the PDMP.
2. Establish fees for registration with the database with a pharmacist or practitioner required to register so that the total amount of fees collected by the department equals the total operational costs of the database minus all federal funds acquired for the operational costs of the database; in setting the fee levels, the department shall:
   a. Set the fees for registration with the database so that the fees are the same for all practitioners and pharmacists required to register; and
   b. Consult with the board to establish fees under this subsection.

Section 35 (page 32) **DOC to apply for Medicaid for hospitalization outside facility**

AS 33.30.028

Amends to require the Commissioner of DOC to apply for medical assistance (Medicaid) for prisoners during a period of hospitalization outside of a correctional facility. Allows DOC to obtain necessary information to determine whether a prisoner is eligible for medical assistance and that the information obtained may only be used to apply for assistance.

Section 36 (page 33) **Program Receipts**

AS 37.05.146(c)

Amends to include a new paragraph (88) adding monetary recoveries from the Alaska Medicaid False Claims Act to the program and non-general fund program receipts definitions.

Section 37 (page 33) **Medicaid False Claims proceedings not Public Records**

AS 40.25.120(a)

Amends to include a new paragraph (15) a conforming amendment to include new AS.09.58 to existing public records statutes.

Section 38 (page 33)

AS 44.33.381. Telemedicine business registry.

Amends by adding a new section establishing within the Department of Commerce, Community, and Economic Development a telemedicine business registry of businesses performing telemedicine services in the state.

Section 39 (page 33-34)

AS 47.05.105 Enhanced computerized eligibility verification system.

Amends by adding a new subsection requiring the department to establish a computerized enhanced eligibility verification system to verify eligibility and to deter waste and fraud. It also requires DHSS enter into a competitively bid contract with a third-party vendor for the eligibility verification system. The annual savings must exceed the cost of implementing the system.

Section 40 (page 34-35) **Audits**

AS 47.05.200(a)

Amends Medicaid Audits statute, changes the number of program audits to no less than fifty per year and adding that the state shall attempt to minimize concurrent state or federal audits.
Section 41 (page 35) Interest and Penalties on Overpayments

AS 47.05.200(b)
Amends so that the Department may assess interest and penalties on overpayments, identified in audits conducted under this section, by calculating interest using existing statutory rates from the date of the final agency decision.

Section 42 (page 35-36)

AS 47.05.235. Duty to identify and repay self-identified overpayments.
Amends by adding a new section which requires all enrolled Medicaid providers to conduct a bi-annual review or audit of a statistically valid sample of claims, unless the provider is being audited under AS 47.05.200(a), and if overpayments are identified, to report those findings to the department within ten business days, and to establish a repayment agreement with the state. The department may not assess interest or penalties on an overpayment self-identified and repaid by a provider.

Section 43 (page 36-40)

AS 47.05.250. Civil penalties.
Authorizes the department to develop regulations to impose civil fines and sets limits on the amount of the fines.

AS 47.05.270. Medical assistance reform program.
AS 47.05.270 (a) the reform program must include 11 items:
1) Referrals to community and social support services, including career and education training services available through the Department of Labor & Workforce Development, the University of Alaska, or other sources;
2) Electronic distribution of benefits (EOBs) to recipients;
3) Expanding the use of telehealth for primary care, behavioral health and urgent care;
4) Enhancing fraud prevention, detection, and enforcement;
5) Reducing the cost of behavioral health, senior, and disabilities services provided to Medicaid recipients under the state’s home and community-based services waivers;
6) Pharmacy initiatives;
7) Enhanced care management;
8) Redesigning the payment process by implementing fee agreements that include: premium payments for centers of excellence, penalties for hospital-acquired infections, readmissions, and outcome failures, bundled payments, or global payments;
9) Stakeholder involvement in setting annual targets for quality and cost-effectiveness; and
10) Reducing travel by requiring a recipient to obtain care in their home community to the extent appropriate services are available.
11) Establish guidelines for health care providers to develop health care delivery models supported by evidence-based practices that encourage wellness and disease prevention.
AS 47.05.270 (b): Requires the department to efficiently manage a comprehensive and integrated behavioral health system that uses evidence based practices that are data driven with measureable outcomes. The department and the Alaska Mental Health Trust Authority must provide a plan for a continuum of community based services that includes housing, employment and criminal justice issues.

AS 47.05.270 (c): Has the department identify the areas of the state where improvements in access to telehealth would be most effective in reducing the costs of Medicaid. Allows the department to enter into agreements with IHS providers if necessary to improve access to telehealth facilities and equipment.

AS 47.05.270 (d): Requires the department to prepare and submit a report to the legislature regarding reforms, savings and costs related to the Medicaid program on or before November 15 of each year. *Full requirements to be included in the report can be found on Page 38, line 24 – page 40, line 1*

AS 47.05.270 (e): Provides a definition for telehealth.

Section 44 (page 40-41) Primary Care Case Management
AS 47.07.030(d)
Amends to require DHSS to implement the primary care case management system. The purpose of this new system is to increase Medicaid enrollees’ appropriate use of primary and preventive care, while decreasing the use of specialty care and hospital emergency department services. An exemption applies to recipients with chronic, acute, or terminal medical conditions.

Section 45 (page 40-42) Waivers
AS 47.07.036
Amends by adding new subsections (d) – (f) to outline cost containment and reform measures DHSS may undertake, including seeking demonstration waivers related to innovative service delivery models, applying for other options under the Social Security Act to obtain or increase federal match and improving telemedicine for Medicaid recipients. This section also requires DHSS to apply for an 1115 waiver for a demonstration project for one or more groups of Medicaid recipients in one or more geographic areas. The demonstration project may include managed care organizations, community care organizations, patient-centered medical homes, or other innovative payment models. This section also requires DHSS to apply for an 1115 waiver for a demonstration project focused on improving the state’s behavioral health system.

Section 46 (page 42-46)
AS 47.07.038. Collaborative, hospital-based project to reduce use of emergency department services.
Requires the department to partner with a statewide professional hospital organization to design and implement a demonstration project to reduce non-urgent use of emergency departments by Medicaid recipients.
AS 47.07.039. Coordinated care demonstration projects

AS 47.07.039 (a)
Requires DHSS to solicit and contract with one or more third-party entities for coordinated care demonstration projects for individuals who qualify for Medicaid benefits on or before December 31, 2016. DHSS may use an innovative procurement process as described under AS 36.30.308. A proposal for consideration must include three or more of the following:

1) Comprehensive primary-care-based management, including behavioral health services and coordination of long-term services and support;
2) Care coordination, including the assignment of a primary care provider located in the local geographic area of the recipient;
3) Health promotion;
4) Comprehensive transitional care and follow-up care after inpatient treatment;
5) Referral to community and social support services, including career and education training services;
6) Sustainability and the ability to replicate in other regions of the state;
7) Integration and coordination of benefits, services, and utilization management;
8) Local accountability for health and resource allocation.
9) An innovative payment process, including bundled payments or global payments.

AS 47.07.039(b)
Establishes a project review committee for proposals submitted under (a) of this section. The committee is comprised of:

1) The Commissioner of DHSS or their designee;
2) The Commissioner of Administration or their designee;
3) The CEO of the Alaska Mental Health Trust Authority or their designee, who serves as chair of the committee
4) Two representatives of stakeholder groups, appointed by the Governor for staggered three-year terms;
5) A Non-voting member of the Senate appointed by the Senate President; and
6) A Non-voting member of the House of Representatives appointed by the Speaker of the House of Representatives.

AS 47.07.039(c)
Grants DHSS authority to contract with third-parties to implement the demonstration projects listed under (a) of this section that include managed care organizations, primary care case managers, accountable care organizations, prepaid ambulatory health plan, or a provider-led entity. Allows for fee structures including but not limited to global payments, bundled payments, capitated payments, and shared savings and risk. Requires DHSS to work with the division of insurance, DCCED to streamline the application process for a company to obtain a certificate of authority as needed to participate in a demonstration project.

AS 47.07.039(d)
Requires any project under (a) to include cost-saving measures including the expanded use of telehealth for primary care, urgent care, and behavioral health services.
AS 47.07.039(e)
Requires DHSS to contract with a third-party actuary to review demonstration projects after two years of implementation and make recommendations for the implementation of a similar project on a statewide basis. On or before December 31, 2018, and each year thereafter, the actuary shall submit a final report to the DHSS for any project that has been in operation for at least two years.

AS 47.07.039(f)
Directs DHSS to prepare a plan regarding regional or statewide implementation of a coordinated care project based on the results of the demonstration projects under this section. Requires DHSS on or before November 15, 2019 to submit a report to the legislature on any changes or recommendations for wider regional or statewide implementation.

AS 47.07.039(g)
Refers to the definition of telehealth in AS 47.05.270(e)

Section 47 (page 46-47)
AS 47.07.076 Report to legislature.
Requires the department and the attorney general to annually prepare a report regarding fraud prevention, abuse, prosecution, and vulnerabilities in the Medicaid program.

Further requires under subsection (c) a semi-annual report from the department to the legislature on the Medicaid Management Information System (MMIS).

Section 48 (page 47) Removal of Grantee Requirement
47.07.900(4)
Amends Medicaid Administration definitions, by removing the grantee status requirement for outpatient community mental health clinics serving Medicaid patients.

Section 49 (page 47) Removal of Grantee Requirement
AS 47.07.900(17)
Amends by removing the grantee/contractor status requirement from drug and alcohol treatment centers and outpatient community mental health clinics. This change, and the one in the previous section, allows mental health and drug treatment service providers who do not receive grants from the department to become enrolled Medicaid providers and deliver services to Medicaid recipients.

Section 50 (page 47-48) Alaska Pioneer Home Payment Assistance
AS 47.55.020(e)
Amends by requiring individuals applying for Pioneer Home payment assistance to show proof of having applied to Medicaid.

Section 51 (page 48) Sunset on Private Plaintiff Provisions
Repeals AS 09.58.020 (Private plaintiff; civil action), AS 09.58.030 (rights in false or fraudulent claims), AS 09.58.040 (award to false or fraudulent claim plaintiff), AS 58.050 (certain actions barred), and AS 09.58.060 (state not liable for attorney fees, costs, and other expenses) effective July 1, 2019
Section 52 (page 48) Sunset/Reverting on Prescription Drug Monitoring Program (PDMP)
Repeals AS 08.36.070(a)(10), AS 08.64.101(7); AS 08.68.100(a)(11); AS 08.72.060(c)(3); AS 08.80.030(b)(13); AS 17.30.200(o), 17.30.200(p), 17.30.200(q), 17.30.200(r), and 17.30.200(s) effective July 1, 2021.

Section 53 (page 48)
Repeals AS 47.07.076(c) – MMIS report; conditional effect is given by Section 61.

Section 54 (page 48-49)
Uncodified: Indirect Court Rule Amendments.
Adds a new section to outline court rule amendments as a result of the enactment of section 18 and repealed by section 51.

Section 55 (page 49-50)
Requires DHSS to collaborate with Alaska Tribal health organizations and the U.S. DHHS to implement new federal policy regarding 100% federal funding for services provided to Medicaid-eligible American Indian and Alaska Native individuals within six months of the rule change being finalized. Requires DHSS to report to the co-chairs of Finance the estimated savings and calculations of savings to the state general fund within thirty days of the rule being finalized.

Section 56 (page 50-51)
Uncodified: Health Information Infrastructure Plan.
Requires DHSS to develop a plan to strengthen the health information infrastructure, including health data analytics capability, to support transformation of the health system in Alaska.

Section 57 (page 51-52)
(a) Requires DHSS in conjunction with the Alaska Mental Health Trust Authority to conduct a study analyzing the feasibility of privatizing the Alaska Psychiatric Institute.

(b) Requires the Department of Administration to conduct a study analyzing the feasibility of creating a health care Authority to coordinate health care plans and consolidate purchasing effectiveness for all state employees, retired state employees, retired teachers, Medicaid Assistance recipients, University of Alaska employees, employees of state corporations, and school district employees.

(c) Requires DHSS to conduct a study analyzing the feasibility of privatizing select facilities of the division of juvenile justice and pharmacy services delivered at the Alaska Pioneers’ Homes.

(d) Provides a definition for “school district”
Section 58 (page 52-53)
Uncodified: Report to the Legislature – Schedule II Controlled Substances
Requires a joint report from the Board of Pharmacy, Board of Examiners in Optometry, Board of Dental Examiners, Board of Nursing, and the State Medical Board regarding recommended guidelines for prescribing schedule II controlled substances.

Section 59 (page 53)
Uncodified: Medicaid State Plan; Waivers; Instructions; Notice to Revisor of Statutes.
Requires the department to amend the state Medicaid plan and apply for any waivers necessary to implement the projects and programs described in the bill. Requires the Commissioner of Health and Social Services to certify to the revisor of statutes federal approval of specified measures.

Section 60 (page 53-54)
Uncodified: Transitions: Regulations.
Allows the departments of Health and Social Services and Commerce, Community Development to adopt regulations necessary to implement the changes made by the Act. The regulations may not take effect before the dates the relevant provision of the Act takes effect.

Section 61 (page 54-55)
Uncodified: Conditional effect.
Conditional effects (a) – (d) for DHSS with provisions in Sections 43 and 46

(e) Provides that AS 09.58.020, AS. 58.025, AS 09.58.030, AS 09.58.40, and AS 09.58.040, are effective conditional on Section 54, the indirect court rule change, receiving a two-thirds majority vote. The new sections do not take effect unless the bill receive the necessary two-thirds vote.

(f) Section 53 takes effect only if the commissioner of health and social services certifies to the revisor of statutes that the MMIS has been certified by the United States Department of Health and Human Services.

(g) Provides that AS 09.58.101(f), enacted by Section 18, is conditional upon approval from the Office of Inspector General certifying that it meets the requirements of 42 U.S.C. 1396(h) Social Security Act.

Section 62 - 67 (page 55)
Effective Dates
Provides for effective dates for provisions that require waiver and state plan amendment approvals or certification from the United States Department of Health and Human Services.

Section 68 (page 55)
Effective Dates
Provides an immediate effective date for Sections 57 and 59 – 61.
Section 69 (page 55)
Effective Dates
Provides for a July 1, 2016 effective date for AS 47.07.076(c), MMIS report under section 47 of the bill.

Section 70 (page 55)
Effective Dates
Provides an effective date of September 1, 2016 for AS 17.30.200(s), enacted by section 34 of the bill.

Section 71 (page 55)
Effective Dates
Provides for a July 1, 2017 effective date for Sections 5, 10-12, 21, 23, 25, 27, 29, 31, and 33 relating to the Prescription Drug Monitoring Program (PDMP).

Section 72 (page 55)
Effective Dates
Provides a delayed effective date of July 1, 2019 for Sections 19 and 20 to conform with the sunset provisions in Section 51.

Section 73 (page 55)
Effective Dates
Provides a delayed effective date of January 1, 2021 for Sections 22, 24, 26, 28, 30, and 32 that revert/sunset the PDMP back to current day status.