

**SENATE BILL NO. 112**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 4/15/19

Referred: Health and Social Services, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to medical assistance for needy persons; relating to material  
2 incorporated by reference; relating to payment for prescribed drugs; and providing for  
3 an effective date."

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

5 \* **Section 1.** AS 47.05.012 is amended by adding new paragraphs to read:

6 (15) the preferred drug list established and adopted by the department,  
7 as defined in AS 47.07.065(b);

8 (16) prior authorization medications list under a state program  
9 permitted under 42 U.S.C. 1396r-8.

10 \* **Sec. 2.** AS 47.07.020(a) is amended to read:

11 (a) All residents of the state for whom the Social Security Act requires  
12 Medicaid coverage are eligible to receive medical assistance under 42 U.S.C. 1396 -  
13 1396p (Title XIX, Social Security Act), except the department is not required to  
14 cover individuals who are eligible for medical assistance under this section as a

1            **result of the expansion authorized by P.L. 111-148 (Patient Protection and**  
 2            **Affordable Care Act).**

3            \* **Sec. 3.** AS 47.07.020 is amended by adding a new subsection to read:

4                    (o) Notwithstanding (a) and (b) of this section, the department may not add a  
 5                    new category of eligible persons to the medical assistance program unless authorized  
 6                    by law.

7            \* **Sec. 4.** AS 47.07 is amended by adding a new section to read:

8                    **Sec. 47.07.022. Coverage for eligible individuals.** If the department covers  
 9                    individuals who are eligible for medical assistance under AS 47.07.020 as a result of  
 10                   the expansion authorized by 42 U.S.C. 18001 (2010) (Patient Protection and  
 11                   Affordable Care Act), it shall

12                            (1) provide third party payer coverage through a state-paid premium  
 13                            authorized by a waiver obtained under AS 47.07.030(c); or

14                            (2) provide coverage through the state-paid medical assistance  
 15                            program.

16            \* **Sec. 5.** AS 47.07.030(c) is amended to read:

17                    (c) Notwithstanding (b) of this section, **unless legislative approval is**  
 18                    **required under federal law,** the department may offer a service for which the  
 19                    department has received a waiver from the federal government [IF THE  
 20                    DEPARTMENT WAS AUTHORIZED, DIRECTED, OR REQUESTED TO APPLY  
 21                    FOR THE WAIVER BY LAW OR BY A CONCURRENT OR JOINT  
 22                    RESOLUTION OF THE LEGISLATURE].

23            \* **Sec. 6.** AS 47.07.036(b) is amended to read:

24                    (b) The department, in implementing this section, shall take all reasonable  
 25                    steps to implement cost containment measures, **including regulations,** that do not  
 26                    eliminate program eligibility or the scope of services required or authorized under  
 27                    AS 47.07.020 and 47.07.030 before implementing cost containment measures under  
 28                    (c) of this section that directly affect program eligibility or coverage of services. The  
 29                    cost containment measures taken under this subsection may include new utilization  
 30                    review procedures, changes in provider payment rates, precertification requirements  
 31                    for coverage of services, and agreements with federal officials under which the federal

1 government will assume responsibility for coverage of some individuals or some  
2 services for some individuals through such federal programs as the Indian Health  
3 Service or Medicare.

4 \* **Sec. 7.** AS 47.07.065 is amended by adding a new section to read:

5 (b) The department shall take reasonable measures to capture cost savings and  
6 cost containment for prescribed drugs under the medical assistance program through  
7 the adoption and updating of a preferred drug list and a prior authorization  
8 medications list under a state program permitted under 42 U.S.C. 1396r-8 (Title XIX,  
9 Social Security Act). For the purposes of this section,

10 (1) a preferred drug list means a list of prescription medications within  
11 a therapeutic class and suggested as the first choice when prescribed for individuals  
12 within the medical assistance program;

13 (2) cost savings and cost containment measures include pursuing and  
14 securing negotiated rates, rebates, contracts or other agreements on covered outpatient  
15 drugs.

16 \* **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to  
17 read:

18 **EMERGENCY REGULATIONS AUTHORIZED.** In implementing the necessary cost  
19 containment measures to ensure that persons eligible for medical assistance under AS 47.07  
20 continue to receive essential medical care, the Department of Health and Social Services may  
21 adopt emergency regulations under AS 44.62.250 necessary to implement the changes made  
22 by this Act.

23 \* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to  
24 read:

25 **MEDICAID: WAIVERS.** The Department of Health and Social Services shall amend  
26 and apply for a section 1115 waiver under 42 U.S.C. 1315(a) to provide coverage through the  
27 individual marketplace for individuals who are or may become eligible for medical assistance  
28 under AS 47.07.020, as amended by secs. 2 and 3 of this Act, except that elderly, disabled, or  
29 medically fragile recipients of medical assistance or other recipients of medical assistance  
30 identified by the department will not be included in the section 1115 waiver.

31 \* **Sec. 10.** This Act takes effect immediately under AS 01.10.070(c).