

HOUSE BILL NO. 335

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES GARA, Holmes, Cissna, Petersen, Gardner, Buch, Kawasaki, Tuck, Salmon, Kerttula, Gruenberg

Introduced: 2/10/10

Referred: Health and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing a program and account for grants to support access to Medicare**
2 **and primary health care services in shortage areas."**

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

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **SHORT TITLE.** This Act may be known as the Medicare and Primary Care Access
7 Act.

8 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 **LEGISLATIVE FINDINGS.** The legislature finds that

11 (1) persons 65 years of age or older are increasingly unable to find medical
12 providers in the state who are willing to accept medical assistance or Medicare reimbursement
13 for health care services;

14 (2) because there is a shortage in the state of medical providers who are

1 willing to accept Medicare patients, persons who have contributed to the Medicare insurance
2 system are unable to benefit from the insurance;

3 (3) Medicare reimbursement rates for certain services are too low to provide
4 reasonable incentives to medical providers;

5 (4) because Medicare reimbursement rates are established by federal law, the
6 state should provide additional near-term incentives to increase access to health care by state
7 residents who are Medicare recipients;

8 (5) the federal government currently provides facility grants and higher
9 reimbursement rates to physicians at community health centers;

10 (6) to increase access to primary health care services, the state should provide
11 incentives by expanding the availability of nonprofit primary care clinics when the clinics can
12 provide cost-effective help to solve medical access problems.

13 * **Sec. 3.** AS 47.05 is amended by adding new sections to read:

14 **Article 4. Grants for Primary Health Care Services in Physician Shortage Areas.**

15 **Sec. 47.05.400. Grant program established.** (a) A grant program is
16 established in the department to provide supplemental funding to a health care facility
17 that provides primary care services to needy persons and to persons 65 years of age or
18 older who are recipients of medical assistance or Medicare. The purpose of the
19 program is to increase the availability of health care services in areas in which the
20 commissioner determines a physician shortage exists.

21 (b) The department shall establish annual application and award procedures
22 that prioritize funding to health care facilities that will provide the most cost-effective
23 expansion of the medical services needed in shortage areas.

24 (c) Grants awarded under this program may, to the extent permitted by federal
25 law, be used to provide additional incentives to physicians to provide services at the
26 health care facility.

27 **Sec. 47.05.410. Grant account established.** (a) A primary health care services
28 grant account is established in the general fund. The commissioner shall use the
29 account for the grant program established under AS 47.05.400 - 47.05.450.

30 (b) The account established under this section consists of funds appropriated
31 to the account by the legislature, which may include

- 1 (1) federal receipts;
- 2 (2) state money;
- 3 (3) donations and gifts;
- 4 (4) interest accrued on the account.

5 (c) Appropriations made to the account established under this section do not
6 lapse.

7 **Sec. 47.05.450. Definitions.** In AS 47.05.400 - 47.05.450,

- 8 (1) "commissioner" means the commissioner of health and social
9 services;
- 10 (2) "department" means the Department of Health and Social Services;
- 11 (3) "health care facility" means a primary care clinic, community
12 health center, or other outpatient health clinic that is eligible to receive medical
13 assistance or Medicare reimbursement and that is operated as a nonprofit entity in the
14 state.