

DEPARTMENT OF HEALTH & SOCIAL SERVICES



EMERGENCY REGULATIONS PROPOSED CHANGES TO REGULATIONS

7 AAC 150. Prospective Payment System; Other Payment.

- 7 AAC 150. *Adjustment factors.*
- 7 AAC 160. *Methodology and criteria for approval or modification of a payment rate.*
- 7 AAC 190. *Optional payment rate methodology and criteria for small facilities.*



PUBLIC REVIEW DRAFT
June 12, 2019

COMMENT PERIOD ENDS: August 8, 2019

Please see the public notice for details about how to comment on these proposed changes.

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Notes to reader:

1. Except as discussed in note 2, new text that amends an existing regulation is **bolded and underlined**.
2. If the lead-in line above the text of each section of the regulations states that a new section, subsection, paragraph, or subparagraph is being added, or that an existing section, subsection, paragraph, or subparagraph is being repealed and readopted (replaced), *the new or replaced text is not bolded or underlined.*
3. [ALL-CAPS TEXT WITHIN BRACKETS] indicates text that is to be deleted.
4. When the word “including” is used, Alaska Statutes provide that it means “including, but not limited to.”
5. Only the text that is being changed within a section of the current regulations is included in this draft. Refer to the text of that whole section, published in the current Alaska Administrative Code, to determine how a proposed change relates within the context of the whole section and the whole chapter.

**Title 7 Health and Social Services.
Chapter 150. Prospective Payment System; Other Payment.**

7 AAC 150.150. Adjustment factors.

7 AAC 150.150 is amended by adding a new subsection to read:

(h) For state fiscal year 2020, the department will not adjust for inflation, the noncapital or capital components of the payment rate. A facility licensed as a Critical Access Hospital (CAH) through the State of Alaska, Division of Health Care Services, *Health Facilities Licensing Certification List*, revised February 28, 2019, will be exempt from this provision. (Eff. 2/1/2010, Register 193; am 10/1/2017, Register 223; am ___/___/___, Register _____)

Authority: AS 47.05.010 AS 47.07.071 AS 47.07.073
AS 47.07.070

7 AAC 150.160. Methodology and criteria for approval or modification of a payment rate.

7 AAC 150.160(b) is amended by adding a new paragraph to read:

(b) The department will express the inpatient hospital payment rate for general acute care, specialty, and inpatient psychiatric hospitals as a per-day rate. The per-day inpatient hospital

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payment rate will be based on allowable costs calculated from the appropriate base year adjusted Medicare cost report as follows:

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(11) in state fiscal year 2020, the payment rate will be set at 95 percent of the rate calculated in (1) – (9) of this subsection; a facility licensed as a Critical Access Hospital (CAH) through the State of Alaska, Division of Health Care Services, Health Facilities Licensing Certification List, revised February 28, 2019, will be exempt from this provision and will be reimbursed at 100 percent of the rate calculated in (1) – (9) of this subsection.

7 AAC 150.160(c) is amended by adding a new paragraph to read:

(c) The department will express outpatient general acute care hospital payment rates as a percentage of charges calculated as follows:

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(8) in state fiscal year 2020, the payment rate will be set at 95 percent of the rate calculated in (1) – (6) of this subsection; a facility licensed as a Critical Access Hospital (CAH) through the State of Alaska, Division of Health Care Services, Health Facilities Licensing Certification List, revised February 28, 2019, will be exempt from this provision and will be reimbursed at 100 percent of the rate calculated in (1) – (6) of this subsection.

7 AAC 150.160(h) is amended to read:

(h) The department will determine a rate of payment for ambulatory surgical centers based on the federal Medicare ambulatory surgical center payment rates for federal fiscal year

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2000, adopted by reference in 7 AAC 160.900, and as adjusted annually by the adjustment factors in 7 AAC 150.150. In state fiscal year **2020** [2018], the payment rate is 95 percent of the rate calculated in this subsection.

(Eff. 2/1/2010, Register 193; am 10/1/2017, Register 223; am 11/10/2018, Register 228; am ___/___/___, Register _____)

Authority: AS 47.05.010 AS 47.07.070

7 AAC 150.190. Optional payment rate methodology and criteria for small facilities.

7 AAC 150.190(g)(3) is amended to read:

(1) a first year payment rate for long-term care will be expressed as a per-day rate as calculated in 7 AAC 150.160(e); for each complete fiscal year of the small facility that begins during the period after the first payment year of the rate agreement made under (d) of this section and that ends at the expiration of the rate agreement, the first year payment rate will be increased by updating the noncapital portion of the payment rate annually at the rate of three percent per year and by updating the capital portion of the payment rate annually at the rate of 1.1 percent per year; for state fiscal year **2020** [2018], the **inflation referenced in this paragraph will not be applied** [DEPARTMENT WILL NOT APPLY THE RATE INCREASES DESCRIBED IN THIS PARAGRAPH];

(Eff. 2/1/2010, Register 193; am 10/1/2017, Register 223; am ___/___/___, Register _____)

Authority: AS 47.05.010 AS 47.07.071 AS 47.07.073
 AS 47.07.070