



**Senate Bill 112, Medicaid Expansion; Drug Cost Containment, Version A**

DETAILED SECTIONAL ANALYSIS

Section 1: Amends AS 47.05.012 to include the Medicaid Preferred Drug List and prior authorization medication list to material incorporated by reference via regulation.

Section 2: Amends AS 47.07.020(a) to make coverage of the Medicaid expansion population optional by the department.

Section 3: Requires explicit statutory authority to be enacted before a new category of eligible persons can be added to the Medicaid program

Section 4: Adopts new section AS 47.07.022 which creates two options for the Department to provide Medicaid services to the optional Medicaid expansion population.

- (1) Allows for coverage to be purchased by a third-party payer or insurer through a state-paid premium
- (2) Allows for coverage through a state-paid medical assistance (Medicaid) program for low income Alaskans.

Section 5: Streamlines AS 47.07.030(c) to give the Department flexibility to implement services from approved federal waivers by removing the requirement that approval must come from the Department of Law or the legislature first unless legislative approval is required by federal law.

Section 6: Amends AS 47.07.036(b) to add regulations as a tool for the Department to use under Medicaid cost containment measures.

Section 7: Amends AS 47.07.065 to require the Department to capture cost savings and cost containment for prescribed drugs by adopting and updating the preferred drug list and the prior authorization medications list. Provides for a definition of the preferred drug list and lists specific types of cost savings and cost containment measures for the pharmacy program that can be utilized.

Section 8: Allows the Department to adopt emergency regulations under AS 44.62.250 to implement the necessary Medicaid cost containment measures under AS 47.07 to ensure that individuals who are eligible for medical assistance continue to receive care.

Section 9: Provides authority for the Department to apply for an 1115 waiver to provide coverage through the individual marketplace for individuals who are or may become eligible for Medicaid. This waiver will exclude the elderly, disabled or medically fragile; those populations will remain in the traditional Medicaid program.

Section 10: Provides for an immediate effective date.



*"Incorrect"*

**House Bill 135, Medicaid Expansion; Drug Cost Containment (Version A)**

DETAILED SECTIONAL ANALYSIS

Section 1: Amends AS 47.05.012 to include the Medicaid Preferred Drug List and prior authorization medication list to material incorporated by reference via regulation.

Section 2: Amends AS 47.07.020(a) to make coverage of the Medicaid expansion population optional by the department.

Section 3: Requires explicit statutory authority to be enacted before a new category of eligible persons can be added to the Medicaid program

Section 4: Adopts new section AS 47.07.022 which creates two options for the Department to provide Medicaid services to the optional Medicaid expansion population.

- (1) Allows for coverage to be purchased by a third-party payer or insurer through a state-paid premium
- (2) Allows for coverage through a state-paid medical assistance (Medicaid) program for low income Alaskans.

Section 5: Streamlines AS 47.07.030(c) to give the Department flexibility to implement services from approved federal waivers by removing the requirement that approval must come from the Department of Law or the legislature first unless legislative approval is required by federal law.

Section 6: Amends AS 47.07.036(b) to add regulations as a tool for the Department to use under Medicaid cost containment measures.

Section 5: Amends AS 47.07.036(c) to require the Department to adopt regulations that identify optional Medicaid services under AS 47.07.030(b)-(d) in order of priority. Makes conforming changes to new subsection numbering.

Section 6: Directs the Department to amend and submit any state plan amendments or waivers necessary to implement the Act.

Section 7: Amends AS 47.07.065 to require the Department to capture cost savings and cost containment for prescribed drugs by adopting and updating the preferred drug list and the prior authorization medications list. Provides for a definition of the preferred drug list and lists specific types of cost savings and cost containment measures for the pharmacy program that can be utilized.