

State of Alaska FY2009 Governor's Operating Budget

Department of Administration Group Health Insurance Component Budget Summary

Component: Group Health Insurance

Contribution to Department's Mission

This component holds the funds for group health administration which is managed as a program of the Retirement and Benefits component.

Core Services

- Health claims processing
- Customer service
- Initial complaint and dispute resolution
- Utilization review and case management
- Assisting the state with compliance with the Consolidated Omnibus Budgetary Reconciliation Act (COBRA), HIPAA, IRS Section 125 Cafeteria Plan, and all other federal laws pertinent to administration of the varied and flexible benefit plans
- Establishing health care provider and pharmacy networks
- Providing a toll-free health advice telephone line staffed with nurses, and a wellness newsletter
- Issuing payments for Health Care Reimbursements Accounts (HCRAs)
- Appeals regarding eligibility/enrollment and health claims

FY2009 Resources Allocated to Achieve Results		
FY2009 Component Budget: \$13,000,400	Personnel:	
	Full time	0
	Part time	0
	Total	0

Key Component Challenges

See Retirement and Benefits component.

Significant Changes in Results to be Delivered in FY2009

See Retirement and Benefits component.

Major Component Accomplishments in 2007

- \$3.3M deposited to retiree health fund due to initial Retiree Drug Subsidy payment from Centers for Medicare Medicaid Services for first half of 2006
- Initiated quarterly Health Matters newsletter as informational resource on health plan provisions for retirees and active employees

Statutory and Regulatory Authority

AS 39.30.090-095	Group Life and Health Insurance, Group Health and Life Benefits Fund
AS 39.35.535	Retiree Medical Benefits under the Defined Benefit Plan
2 AAC 38.010-100	Same-sex Partner Insurance Coverage
2 AAC 39.010-925	Group Medical, DVA and LTC Insurance (also miscellaneous provisions)

Contact Information

Contact: Pat Shier, Director, Retirement & Benefits

Phone: (907) 465-4817

Fax: (907) 465-3086

E-mail: Pat.Shier@alaska.gov

**Group Health Insurance
Component Financial Summary**

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	11,843.4	12,300.4	13,000.4
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	11,843.4	12,300.4	13,000.4
Funding Sources:			
1017 Benefits Systems Receipts	11,843.4	12,300.4	13,000.4
Funding Totals	11,843.4	12,300.4	13,000.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
Benefits System Receipts	51390	11,843.4	12,300.4	13,000.4
Unrestricted Total		11,843.4	12,300.4	13,000.4
Restricted Revenues				
None.		0.0	0.0	0.0
Restricted Total		0.0	0.0	0.0
Total Estimated Revenues		11,843.4	12,300.4	13,000.4

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	0.0	0.0	12,300.4	12,300.4
Proposed budget increases:				
-Health Claims Processing Cost and Customer Base Increases	0.0	0.0	700.0	700.0
FY2009 Governor	0.0	0.0	13,000.4	13,000.4