

State of Alaska FY2010 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, dental, vision, audio, and long-term care claim processing.
- Customer service.
- Receipt and load of files for eligibility determinations.
- 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 health claims.
- Maternity management program services.
- Health Improvement Program delivery and Project Coordinator services.
- Employee Assistance Plan services.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$18,100,400

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 FY2010

See Retirement and Benefits component.

Major Component Accomplishments in 2008

- Deposited \$4.3M to retiree health fund due to the Retiree Drug Subsidy (RDS) payment from Centers for Medicare & Medicaid Services for second half of 2006, \$9.95M for 2007, and \$2.58M for first half of 2008. Total deposited in 2008 from the RDS is \$16.83M.
- Initiated health improvement program for active employees to encourage healthy lifestyle choices to improve active employee's health resulting in decreased healthcare costs to the Group Life and Health Insurance Fund and subsequently to the Retiree Health Fund in the future.

Statutory and Regulatory Authority

AS 39.30.090-095	Group Life and Health Insurance, Group Life and Health Insurance Fund
AS 39.35.535	Retiree Medical Benefits under the Defined Benefit Plan (PERS)
AS 14.25.168	Retiree Medical Benefits under the Defined Benefit Plan (TRS)
AS 22.25.090	Retiree Medical Benefits under the Defined Benefit Plan (JRS)
AS 39.35.880	Retiree Medical Benefits under the Defined Contribution Plan (PERS)
AS 14.25.480	Retiree Medical Benefits under the Defined Contribution Plan (TRS)
2 AAC 38.010-100	Same-sex Partner Insurance Coverage
2 AAC 39.010-925	Group Medical, DVA and LTC Insurance (also miscellaneous provisions)

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Group Health Insurance Component Financial Summary

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	18.4	20.0	20.0
73000 Services	12,161.5	12,980.4	18,080.4
74000 Commodities	107.0	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	12,286.9	13,000.4	18,100.4
Funding Sources:			
1017 Benefits Systems Receipts	12,286.9	13,000.4	18,100.4
Funding Totals	12,286.9	13,000.4	18,100.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Benefits System Receipts	51390	12,286.9	13,000.4	18,100.4
Restricted Total		12,286.9	13,000.4	18,100.4
Total Estimated Revenues		12,286.9	13,000.4	18,100.4

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor***All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	0.0	0.0	13,000.4	13,000.4
Proposed budget increases:				
-Third Party Administrator Contract	0.0	0.0	5,100.0	5,100.0
FY2010 Governor	0.0	0.0	18,100.4	18,100.4