

**Insurance - Department of Health Rate Review Project**

**FY2024 Request: \$5,000,000**

**Reference No: AMD 65075**

**AP/AL:** Appropriation

**Project Type:** Life / Health / Safety

**Category:** Health/Human Services

**Location:** Statewide

**House District:** Statewide (HD 1-40)

**Impact House District:** Statewide (HD 1-40)

**Contact:** Hannah Lager

**Estimated Project Dates:** 07/01/2023 - 06/30/2028

**Contact Phone:** (907)465-5533

**Brief Summary and Statement of Need:**

The Division of Insurance will enter into a reimbursable services agreement with the Department of Health for a review of the rate structures within the Medicaid program. This rate review project will allow the Department of Health to study internal structures for Medicaid rates and the methodology used to set them.

<b>Funding:</b>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>Total</u>
1108 Stat Desig	\$5,000,000						\$5,000,000
<b>Total:</b>	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$5,000,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> Ongoing
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

**Project Description/Justification:**

The Department of Health will undertake a comprehensive review of the various rate structures within the Medicaid program to evaluate their effectiveness in providing access to sustainable and affordable health care services and supporting a robust continuum of care. This multi-year effort will include, but is not limited to, evaluating the underlying methodology, inflationary factors, frequency of rebasing, data collection, and other factors that impact the rate setting process.

This project will be funded by ceded premiums transferred to the Division of Insurance from the Alaska Comprehensive Health Insurance Association (ACHIA). ACHIA administers the Alaska Reinsurance Program (ARP), and receives ceded consumer premium revenue from insurers when those consumers' claims fall under the ARP. ACHIA has received more premium revenues than are needed to fund ongoing operations, and has agreed to transfer this amount to the Division of Insurance in FY2024 for use in this rate review project.