

State of Alaska FY2002 Governor's Operating Budget

Department of Health and Social Services
Health Purchasing Group
Component

Component: Health Purchasing Group

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Component Mission

To maintain access to health care and to provide health coverage for Alaskans in need.

Component Services Provided

The Health Purchasing Group (HPG) is responsible for medical claims processing; third-party billing and collections; medical policy development; prior authorization of certain medical services; operational contracts monitoring and administration (i.e., Medicaid Management Information System, Professional Review Organization, and Dental Consultant); provider enrollment relations; and surveillance and utilization review of medical care in terms of appropriateness of amount, duration, and scope. The HPG works with the Medicaid Rate Advisory Commission to establish appropriate rates of payment for Medicaid services and maintain the facility rate setting system in accordance with State and federal laws and regulations.

Component Goals and Strategies

The Health Purchasing Group component is responsible for paying medical claims accurately and promptly, ensuring that providers are informed of procedures and policies, ensuring client access to medical services by setting fair and equitable rates for the various medical services the program purchases, and ensuring medical necessity and quality assurance through medical utilization reviews.

Key Component Issues for FY2001 – 2002

Please see Medical Assistance Administration BRU key issues.

Major Component Accomplishments for FY2000

Please see Medical Assistance Administration BRU accomplishments.

Statutory and Regulatory Authority

Alaska Statutes:

AS 47.07 Medical Assistance for Needy Persons

AS 47.08 Assistance for Catastrophic Illness and Chronic or Acute Medical Conditions

AS 47.25 Public Assistance

Social Security Act:

Title XVIII Medicare

Title XIX Medicaid

Title XXI Children's Health Insurance Program

Administrative Code:

7 AAC 43 Medicaid

7 AAC 48 Chronic and Acute Medical Assistance

Code of Federal Regulations:

Title 42 CFR Part 400 to End

Key Performance Measures for FY2002

Measure: Please refer to Medical Assistance Administration BRU performance measures.
(Developed jointly with Legislature in FY2000.)

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none">• Please refer to Medical Assistance Administration BRU performance measures.		X			

Health Purchasing Group
Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,537.4	3,392.9	3,917.5
72000 Travel	64.6	90.3	90.3
73000 Contractual	12,613.1	13,433.9	12,620.6
74000 Supplies	44.4	42.7	42.7
75000 Equipment	222.4	125.9	125.9
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	15,481.9	17,085.7	16,797.0
Funding Sources:			
1002 Federal Receipts	10,774.4	11,804.2	11,658.9
1003 General Fund Match	4,576.9	5,121.3	5,006.2
1004 General Fund Receipts	130.6	131.8	131.9
1053 Investment Loss Trust Fund	0.0	28.4	0.0
Funding Totals	15,481.9	17,085.7	16,797.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	10,774.4	11,804.2	11,804.2	11,658.9	11,658.9
Restricted Total		10,774.4	11,804.2	11,804.2	11,658.9	11,658.9
Total Estimated Revenues		10,774.4	11,804.2	11,804.2	11,658.9	11,658.9

Health Purchasing Group

Proposed Changes in Levels of Service for FY2002

There are no changes to the level of services provided.

Summary of Component Budget Changes From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	5,281.5	11,804.2	0.0	17,085.7
Adjustments which will continue current level of service:				
-Transfer to MA Admin to increase FY01 partial year cost of position changes to full year in FY02	-63.0	-63.0	0.0	-126.0
-Transfer to Cert & Lic funding for facility surveyor & network specialist vacant part of FY01	-27.2	-27.2	0.0	-54.4
-Transfer Disability Determination RSA funding to Medicaid State Programs (RP 06-1-0002)	-52.5	-52.5	0.0	-105.0
-Year 2 Labor Costs - Net Change from FY2001	-0.7	-2.6	0.0	-3.3
FY2002 Governor	5,138.1	11,658.9	0.0	16,797.0

Health Purchasing Group
Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	53	62	Annual Salaries	3,116,391
Part-time	0	0	COLA	44,102
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	1,043,890
			<i>Less 6.82% Vacancy Factor</i>	<i>(286,865)</i>
			Lump Sum Premium Pay	0
Totals	53	62	Total Personal Services	3,917,518

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	1	0	0	0	1
Accountant IV	1	0	0	0	1
Accounting Tech I	1	0	0	0	1
Accounting Tech II	1	0	0	0	1
Accounting Tech III	1	0	0	0	1
Administrative Assistant	2	0	0	0	2
Administrative Clerk II	3	0	0	0	3
Analyst/Programmer V	1	0	0	0	1
Database Specialist II	1	0	0	0	1
Executive Director	1	0	0	0	1
Internal Auditor I	1	0	0	0	1
Internal Auditor III	5	0	0	0	5
Internal Auditor IV	1	0	0	0	1
Medicaid Pharm Program Manager	1	0	0	0	1
Medical Assist Admin I	7	0	0	0	7
Medical Assist Admin II	11	0	0	0	11
Medical Assist Admin III	5	0	0	0	5
Medical Assist Admin IV	9	0	0	0	9
Medical Officer	1	0	0	0	1
Micro/Network Spec II	1	0	1	0	2
Research Analyst I	1	0	0	0	1
Research Analyst II	1	0	0	0	1
Research Analyst III	2	0	0	0	2
Secretary	1	0	0	0	1
Social Svcs Assoc III	1	0	0	0	1
Totals	61	0	1	0	62