

State of Alaska FY2012 Governor's Operating Budget

Department of Administration Health Plans Administration Component Budget Summary

Component: Health Plans Administration

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 to active and retired members and their dependents, and to other customers.
- Receipt and load of files for eligibility determinations.
- Initial complaint and dispute resolution for members and providers.
- Utilization review and case management.
- Ensure 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 Flexible Spending Accounts (HFSAs).
- Appeals regarding health claims.
- Health Improvement Program delivery and Project Coordinator services.
- Employee Assistance Plan services.

Key Component Challenges

See Retirement and Benefits component.

Significant Changes in Results to be Delivered in FY2012

See Retirement and Benefits component.

Major Component Accomplishments in 2010

- Deposited a total of \$13M to the retiree health funds due to the Retiree Drug Subsidy (RDS) payment from Centers for Medicare & Medicaid Services for calendar year 2009.
- Transitioned to a new Third Party Administrator (TPA).
- Established division wide HIPAA Policies and Procedures.
- Continued American Recovery and Reinvestment Act (ARRA) provisions to provide health insurance continuation by collecting federal subsidies in qualified health continuation circumstances.
- Began implementing mandates of the Patient Protection and Affordable Care Act (PPACA).
- Transitioned to a new preferred provider hospital relationship with Alaska Regional Hospital in Anchorage.
- Teachers' Education Association of Mt. Edgecumbe moved back into the AlaskaCare health plan.
- Decided to exempt the AlaskaCare Employee health plan from the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) requirement parity in the application of certain limits of mental health benefits (Mental Health Parity). This will be re-evaluated prior to the beginning of the next benefit plan year, July 1, 2011.
- Implemented Michelle's Law extending health coverage for dependent colleges students who take a medically necessary leave of absence.

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)

Contact Information

Contact: Pat Shier, Director, Retirement & Benefits

Phone: (907) 465-4817

Fax: (907) 465-3086

E-mail: Pat.Shier@alaska.gov

**Health Plans Administration
Component Financial Summary**

All dollars shown in thousands

	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	19.6	20.0	20.0
73000 Services	14,795.2	15,080.4	15,080.4
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	14,814.8	15,100.4	15,100.4
Funding Sources:			
1017 Benefits Systems Receipts	14,814.8	15,100.4	15,100.4
Funding Totals	14,814.8	15,100.4	15,100.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Unrestricted Revenues				
Benefits System Receipts	51390	14,814.8	15,100.4	15,100.4
Unrestricted Total		14,814.8	15,100.4	15,100.4
Restricted Revenues				
None.		0.0	0.0	0.0
Restricted Total		0.0	0.0	0.0
Total Estimated Revenues		14,814.8	15,100.4	15,100.4

**Summary of Component Budget Changes
From FY2011 Management Plan to FY2012 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2011 Management Plan	0.0	0.0	15,100.4	0.0	15,100.4
FY2012 Governor	0.0	0.0	15,100.4	0.0	15,100.4

Component Detail All Funds
Department of Administration

Component: Health Plans Administration (2152)
RDU: Centralized Administrative Services (13)

	FY2010 Actuals	FY2011 Conference Committee (Final)	FY2011 Authorized	FY2011 Management Plan	FY2012 Governor	FY2011 Management Plan vs FY2012 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	19.6	20.0	20.0	20.0	20.0	0.0	0.0%
73000 Services	14,795.2	15,080.4	15,080.4	15,080.4	15,080.4	0.0	0.0%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	14,814.8	15,100.4	15,100.4	15,100.4	15,100.4	0.0	0.0%
Fund Sources:							
1017 Ben Sys	14,814.8	15,100.4	15,100.4	15,100.4	15,100.4	0.0	0.0%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	14,814.8	15,100.4	15,100.4	15,100.4	15,100.4	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Administration

Component: Health Plans Administration (2152)
RDU: Centralized Administrative Services (13)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2011 Conference Committee (Final) To FY2011 Authorized *****												
FY2011 Conference Committee												
ConfCom		15,100.4	0.0	20.0	15,080.4	0.0	0.0	0.0	0.0	0	0	0
1017 Ben Sys		15,100.4										
Subtotal		15,100.4	0.0	20.0	15,080.4	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2011 Authorized To FY2011 Management Plan *****												
Subtotal		15,100.4	0.0	20.0	15,080.4	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2011 Management Plan To FY2012 Governor *****												
Totals		15,100.4	0.0	20.0	15,080.4	0.0	0.0	0.0	0.0	0	0	0

Line Item Detail
Department of Administration
Travel

Component: Health Plans Administration (2152)
RDU: Centralized Administrative Services (13)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
72000	Travel		19.6	20.0	20.0
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
72000 Travel Detail Totals			19.6	20.0	20.0
72111		Airfare (Instate Employee)	5.0	5.1	5.1
72112		Surface Transport (Instate Employee)	0.6	0.7	0.7
72113		Lodging (Instate Employee)	3.1	3.1	3.1
72114		Meals & Incidentals (Instate Employee)	2.2	2.3	2.3
72116		Reimburse In State Travel Costs	0.1	0.0	0.0
72411		Airfare (Out of state Emp)	4.4	4.5	4.5
72412		Surface Transport (Out of state Emp)	0.0	0.2	0.2
72413		Lodging (Out of state Emp)	2.6	2.6	2.6
72414		Meals & Incidentals (Out of state Emp)	1.5	1.5	1.5
72416		Reimburse Out of State Travel Costs	0.1	0.0	0.0

Line Item Detail
Department of Administration
Services

Component: Health Plans Administration (2152)
RDU: Centralized Administrative Services (13)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
73000	Services		14,795.2	15,080.4	15,080.4
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
73000 Services Detail Totals			14,795.2	15,080.4	15,080.4
73052		Mgmt/Consulting (Non IA Svcs Financial)	207.9	500.0	500.0
73152		IT Consulting	396.7	500.0	500.0
73175		Health Services	1.9	10.0	10.0
		Professional services for independent medical review and coverage recommendations.			
73228		Postage	27.3	40.0	40.0
73650		Struc/Infstruct/Land	0.5	0.5	0.5
73753		Program Mgmt/Consult	14,042.1	13,869.5	13,869.5
		Professional services for third party administration and benefits consulting.			
73756		Print/Copy/Graphics	40.9	60.0	60.0
		Printing pamphlets, flyers, and forms related to group health insurance.			
73812	Legal	Law	70.0	90.0	90.0
73819	Commission Sales (IA Svcs)	E-Travel	0.2	0.4	0.4
73821	Hearing/Mediation (IA Svcs)	Administrative Hearings	7.7	10.0	10.0

Unrestricted Revenue Detail
Department of Administration

Component: Health Plans Administration (2152)
RDU: Centralized Administrative Services (13)

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51390	Benefits System Receipts	14,814.8	15,100.4	15,100.4

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51390	Benefits System Rec		various		14,814.8	15,100.4	15,100.4

Inter-Agency Services
Department of Administration

Component: Health Plans Administration (2152)
RDU: Centralized Administrative Services (13)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2010 Actuals	FY2011	
					Management Plan	FY2012 Governor
73812	Legal	Inter-dept	Law	70.0	90.0	90.0
			73812 Legal subtotal:	70.0	90.0	90.0
73819	Commission Sales (IA Svcs)	Inter-dept	E-Travel	0.2	0.4	0.4
			73819 Commission Sales (IA Svcs) subtotal:	0.2	0.4	0.4
73821	Hearing/Mediation (IA Svcs)	Intra-dept	Administrative Hearings	7.7	10.0	10.0
			73821 Hearing/Mediation (IA Svcs) subtotal:	7.7	10.0	10.0
			Health Plans Administration total:	77.9	100.4	100.4
			Grand Total:	77.9	100.4	100.4