Grants to States for Health Insurance Premium Review-Cycle I
Updated Grant Budget Narrative – Arizona
March 31, 2011

TOTAL BUDGET APPLIED FOR: $550,441

TOTAL BUDGET UPDATED: $ 521,692

PERSONNEL ($102,654 in total):

►***1 FTE Executive Consultant ("EC"),*** *($65,000/year, 10/18/2010-9/30/2011).* Responsible for day-to-day management and strategic direction of the project, obtains internal and public stakeholder support of objectives, conducts public meetings, prepares consumer transparency materials and oversees web posts, integrates insurance analysis and actuarial analysis, represents Arizona-specific interests to SERFF, coordinates SERFF systems changes with non-SERFF IT requirements for the project, and oversees ADOI implementation of SERFF and non-SERFF IT developments.

►***1 FTE Insurance Analyst ("IA"),*** *($11,308, 11/02/2010-1/20/2011).* In conjunction with actuaries, does substantive review of rate filings, drafts revisions to filing requirements, drafts standardized small group forms, acts as primary technical contact for SERFF, assists EC with preparation for stakeholder involvement/public meetings, and consults with and trains existing ADOI staff on project matters. Position vacant as of 1/20.2011

►***1 FTE Administrative Assistant ("AA"), (****$30,000 10/25/2010-9/30/2011)*. Processes and assigns project filings, enters data and runs queries on

substantive review, prepares reports and correspondence, handles rate filing questions and public records requests, manages EC's calendar for public meetings, assists EC at public meetings, and handles project-related billings.

FRINGE BENEFITS ($53,897 in total). Updated estimate based on fringe benefit expenses as of March 31, 2011, reflecting actual benefit elections, increased employer health insurance costs and vacancy in one of the grant positions.

TRAVEL ($5,300 in total). Includes $3,000 to send the EC to 2 grant-related health care reform meetings at $1,500 each, $1,150 to send either the EC or the IA to SERFF training, and $1,150 to send EC and necessary permanent staff to grant-related community meetings outside the Phoenix area.

SUPPLIES ($19,105 in total). Includes PC's w/ software *(3 X $1,405)*, laptop PC w/ software (1 X$1,404), printer *(1 X $500)*, projector (1 X $814), desk chairs and side chairs ($2,422), reference material *(3 X $500 – laws, rules, etc.)*, miscellaneous office supplies *(3 X $700 - paper, file folders, binders, business cards, etc.),* small equipment items *($3,000 - ten-key calculators, file cabinets, bookcases),* postage *($2,500*), and miscellaneous items for public meetings *($650 - digital recorder, equipment cart, etc.).*

CONTRACTUAL ($335,778 in total):

►Actuarial Services, $158,250. (Project Leader-15 hours @ $395/hour, Senior Actuary-150 hours @ $475/hour, Consulting Actuary -150 hours @ $350/hour, Actuarial Analyst-155 hours @ $180/hour, Administrative Suppor-9 hours @ $75/hour, all under AZ Contract SCC070018-5-A3).

Develop substantive review criteria, train ADOI staff, evaluate effectiveness of current processes/forms, recommend improvements to same, consult on key indicators for enforcement and transparency, assist EC with stakeholder involvement and preparation for public meetings, and communicate with industry actuaries.

► ***Technology Consultants. $86,008*** *($18,808 for NAIC SERFF – see attachment; 600 hours technology architect services @ $85/hr and 240 hours web development services @ $55/hr per AZ Contract EPS070113; 30 hours @ $100/hr for phone system programming per AZ Contract EPS050044).* Develop and implement new collection/reporting systems to interface with SERFF and web-site changes and to increase efficiency in filing reviews. Modify phone system to route callers with rate questions. Modify web site for public access to rates information, insurer links, and public announcements, and to obtain public comment.

► ***Project Coordinator. $91,520 (****1,040 hours project management services @ $88/hr per AZ Contract EPS080015).* Manage project schedule and budget, advise EC if project on track. Research and compare rate filing practices in other states; advise EC on findings.

OTHER ($4,958 in total). Includes $2,925 for voice/data telecommunication charges *[(1 FTE X 3 months X $108.33/mo)+(2 FTEs X 12 months X $108.33/mo),* $950 for SERFF training tuition for 2 FTEs *(2 X $475*) and $1,083 for expenses related to conducting public meetings, including without limitation, facility rental charges.