



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520
Toll-free within the Borough: 1-800-478-4441
PHONE: (907) 262-4441 • FAX: (907) 262-1892
www.borough.kenai.ak.us

DAVID R. CAREY
BOROUGH MAYOR

MEMORANDUM

TO: Gary Knopp, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: David R. Carey, Mayor *DK Carey*

FROM: Craig Chapman, Finance Director *C Chapman*

DATE: January 20, 2011

SUBJECT: Ordinance 2010-19-35, appropriating supplemental funding to cover estimated health insurance claim costs due to changes mandated by the Patient Protection and Affordable Care Act and creating a new one-half time position to assist with administering the program

The Patient Protection and Affordable Care Act (PPACA) passed by Congress in 2010 mandated a number of changes to the borough's health care plan including adding 35 dependent children under the age of 26, mandatory coverage of various services, screenings, immunizations, and preventive care, and elimination of deductibles on certain coverage. It is estimated the cost associated with these items will be approximately \$230,000, which is not budgeted.

To assist with the implementation of the new health care requirements and the transition from the borough's former third party administrator to a new administrator, the borough hired a temporary employee. Due to the increased workload necessary to manage the health insurance program and to ensure compliance with PPACA, the general services department is requesting the temporary position become a permanent one-half time position. The cost to the Health Insurance Trust Fund through the end of June is approximately \$33,655.

This ordinance would authorize the increase in charges to the various funds and the establishment of a one-half time insurance specialist position.

FINANCE DEPARTMENT FUNDS VERIFIED \$263,655.00	
ACT #	<i>Various accts. See attached</i>
BY:	<i>CRB</i>
DATE:	<i>1/20/11</i>