

Procedure and Process for Benefits and Expenditures

REVENUE

Risk Management Statement

From a financial perspective benefits is high risk due to the amount of money collected and paid out. However, management procedures and the separation of duties between the Benefits Department and the Accounting Department make this area low risk.

Process

A calendar was created so the Benefits tech can track when benefit premiums from campuses should come in. If they have not come in by the target date, the campus is contacted to find out when money can be expected. Money is received in two different ways depending on the campus. The community colleges and State Bar send a check, all UM and MSU campuses send money via Inter Unit Journal (IUJ). In addition to the benefit premiums due from the campuses, the Benefits Tech receives money for COBRA premiums and campus portions of wellness invoices. Wellness invoice, money in and out, is recorded in an excel spreadsheet.

Daily/Weekly

I check the IUJ report for money that is due from one of the UM or MSU campuses. Once I see an IUJ that is Benefits premiums which is identified in the description, I look in my emails to see if I have received back up excel spreadsheets they give detail on where money is to be coded. If back up has been received, I compare IUJ total and the backup report total to make sure they are the same. I then use an excel form (group insurance form) to compile detailed back up from campus totaling how much is to go into each org. I then make sure the amount on the group insurance form matches backup total and IUJ total. If they all match then form is sent to payroll tech (Debbie Bunker) to bring money using SABHRS. If there is a discrepancy between IUJ total and the campus back up, I contact campus personnel who put back up together. We work through the problem and once it is solved the form is sent to Debbie Bunker to bring money in using SABHRS.

All backup from campuses is entered into revenue spreadsheets which are used for reporting to Montana Association of Health Care Purchasers (MAHCP) and Actuaries Northwest, Inc. and help reconcile administrative invoices.

Also weekly Allegiance sends backup for cobra premiums collected for Allegiance traditional plan, allegiance managed care, Delta Dental and EyeMed vision. I use the same group insurance form to compile this backup and total the amounts to be put in each org. I then email to Debbie Bunker who creates deposit in SABHRS. She then sends the deposit number to both the contact at Allegiance and me. Allegiance then puts that number on the deposit ticket that accompanies the money to the First Interstate Bank in Missoula.

EXPENDITURES

Process

I have created a calendar that helps me keep track of when invoices are due to come in. If they have not come in by the target date, I contact the vendor to find out when the invoice can be expected. There are a couple different types of invoices that I pay on a routine basis; weekly or bi-weekly claims, admin and miscellaneous.

Weekly

Weekly invoices include claims. Bi-weekly invoices typically include both claims and admin. Weekly and bi-weekly invoices have a set day that they typically come in. When I receive them, I compare the amounts to the previous week. I keep track of this by vendor in an excel spreadsheet. If there is an increase/decrease of 35% in the claims, then they go to the Benefits Supervisor (Mary Lachenbruch) to review. She then contacts the account manager for the vendor invoice in question. Typically claims are the invoices in question, Mary then asks for the top 5 or 10 claims to see if the increase was due to high dollar claims. If nothing stands out there she then asks for

the number of claims within invoice time frame of either a week or two weeks. The problem will typically either be high dollar claims or high volume of claims. Additional back up is attached to invoice. If there is a decrease she calls to verify that nothing was missed when running the claims for that week. Once I have it back, I put the proper coding on the invoice which has been established with the Director of Benefits (Paul Bogumill) and/or Laurie Neils. I then give the invoice to Susan Smith to pay. If the invoice has not increased or decrease 35% then coding is put on the document, signed by the Benefits Supervisor, and taken to Susan Smith to pay.

Vendor claims that are tracked in an excel workbook are sent to Montana Association of Health Care Purchasers (MAHCP) on a monthly basis.

Note: The Benefits Supervisor (Mary Lachenbruch) is authorized to approve invoices up to \$600,000. We routinely have claims invoices that near this level. Invoices between \$600,000 and \$1,000,000 must be authorized by the Director of Benefits (Paul Bogumill).

Monthly

Monthly invoice include administrative costs. Invoices have a typical time of month that they come in. I compare them to the previous month and to the most completed revenue spreadsheet. If there is a 35% increase/decrease, I contact the vendor to work it out. When documentation is complete and within regular parameters, coding is put on document and approved by Benefits Supervisor (Mary Lachenbruch) and given to Susan Smith to pay.

Miscellaneous

Miscellaneous invoices can either be claims or administrative fees. These invoices have been negotiated with vendor and Director of Benefits, Paul Bogumill. By the time they make it to me, I put proper coding on which has been identified with Paul and then invoice is given to Susan Smith to pay.

Deposit Processes effective 1/1/2009

Insurance checks come to MUS_EB where they are logged in an excel spreadsheet by the Benefits Administrative Associate. Proper back up documentations is prepared for each check in the form of a coding sheet in excel by Benefits Tech. These back up coding sheets and the deposit ticket are emailed to OCHE Payroll Technician. She then processes the deposit in the SABHRS system. She then emails Benefit Tech the deposit number. Checks are then entered on bank deposit slip and walked down to US Bank for deposit. Once deposited proper documentation is then deadheaded to the State Treasury Department. Once treasury is finished, they deadhead deposit ticket to OCHE where Susan Smith checks it against the excel check log.