

**3.A. STRATEGY REQUEST**  
 80th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2006  
 TIME: 6:59:51PM

Agency code: 529 Agency name: Health and Human Services Commission

GOAL: 2 Medicaid  
 OBJECTIVE: 1 Medicaid Health Services  
 STRATEGY: 3 Pregnant Women Risk Group

Statewide Goal/Benchmark: 3 1  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>Output Measures:</b>						
1	Average Pregnant Women Recipient Months Per Month	118,353.00	123,733.00	128,533.00	134,125.00	140,128.00
<b>Efficiency Measures:</b>						
1	Average Pregnant Women Cost Per Recipient Month	570.72	591.80	620.26	608.07	607.95
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$532,971	\$944,627	\$920,732	\$811,142	\$804,053
1002	OTHER PERSONNEL COSTS	\$23,551	\$28,289	\$23,838	\$26,358	\$26,144
2001	PROFESSIONAL FEES AND SERVICES	\$19,017,065	\$24,261,654	\$19,437,135	\$16,776,825	\$16,762,024
2002	FUELS AND LUBRICANTS	\$5	\$152	\$131	\$134	\$133
2003	CONSUMABLE SUPPLIES	\$909	\$7,238	\$4,876	\$5,375	\$5,317
2004	UTILITIES	\$22,369	\$43,489	\$52,785	\$40,643	\$40,256
2005	TRAVEL	\$9,846	\$11,583	\$11,934	\$5,756	\$5,711
2006	RENT - BUILDING	\$6,164	\$70,686	\$96,067	\$78,182	\$77,324
2007	RENT - MACHINE AND OTHER	\$1,340	\$10,060	\$6,805	\$9,272	\$9,231
2009	OTHER OPERATING EXPENSE	\$141,703	\$127,786	\$82,405	\$88,026	\$87,223
3001	CLIENT SERVICES	\$814,034,660	\$814,603,747	\$976,284,771	\$960,807,229	\$974,550,855
4000	GRANTS	\$57,969	\$1,330,816	\$1,317,254	\$1,176,374	\$1,167,219
5000	CAPITAL EXPENDITURES	\$115,755	\$27,362	\$823,810	\$380,044	\$376,955
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$833,964,307</b>	<b>\$841,467,489</b>	<b>\$999,062,543</b>	<b>\$980,205,360</b>	<b>\$993,912,445</b>
<b>Method of Financing:</b>						
758	GR MATCH FOR MEDICAID	\$324,327,811	\$348,511,207	\$382,494,703	\$385,022,947	\$388,949,027
8056	SUPPLEMENTAL: GR MATCH FOR MEDICAID	\$0	\$314,358	\$0	\$0	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$324,327,811</b>	<b>\$348,825,565</b>	<b>\$382,494,703</b>	<b>\$385,022,947</b>	<b>\$388,949,027</b>

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Since services covered under this strategy are mandated under a State administered Medicaid program, the risk of non-compliance and federal financial participation would be jeopardized for failure to reimburse medical providers at a rate that is reasonable and adequate to ensure provider participation. The continuation of the 2006-07 General Appropriations Act (Article II, Health and Human Services Commission, Rider 66, S.B. 1, 79th Legislature, Regular Session, 2005) authorizing a deferral of managed care payment is assumed. Fiscal year 2008 assumes 13 managed care payments while fiscal year 2009 assumes 11 managed care payments.

Projected expenditures for maintaining current cost trends are requested as exceptional items. Provider rate restorations are also requested as exceptional items.

Congress authorized an adjustment to the calculation of Texas' Medicaid matching rate for the impact of Hurricane Katrina evacuees to the State's per capita income. This adjustment, which is unknown at this time, will impact Texas' (Federal Medical Assistance Percentage) FMAP for a three-year period beginning in FY 2008. The FMAPs for both FY 2008-09 are estimates as the FMAP for FY 2008 will be determined in Fall 2006 and the FMAP for FY 2009 will be determined in Fall 2007.