3.A. STRATEGY REQUEST

80th Regular Session, Agency Submission, Version 1 Automated Budget and Evaluation System of Texas (ABEST) DATE: TIME: 8/18/2006

6:59:51PM

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

GOAL:

Medicaid

Statewide Goal/Benchmark:

3

OBJECTIVE:

Medicaid Health Services

Service Categories:

STRATEGY: 3 Pregnant Women Risk Group			Service	e: 17 Income:	A.2 Age: B.3
CODE DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
Output Measures: 1 Average Pregnant Women Recipient Months Per Month	118,353.00	123,733.00	128,533.00	134,125.00	140,128.00
Efficiency Measures: 1 Average Pregnant Women Cost Per Recipient Month	570.72	591.80	620.26	608.07	607.95
Objects of Expense: 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
TOTAL, OBJECT OF EXPENSE	\$833,964,307	\$841,467,489	\$999,062,543	\$980,205,360	\$993,912,445
Method of Financing:		00.10 7.11 007	6282 404 702	\$385,022,947	\$388,949,027
758 GR MATCH FOR MEDICAID	\$324,327,811	\$348,511,207	\$382,494,703		\$0
8056 SUPPLEMENTAL: GR MATCH FOR MEDICAID	\$0	\$314,358	\$0	\$0	\$388,949,027
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)	\$324,327,811	\$348,825,565	\$382,494,703	\$385,022,947	3300,747,0 47

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Agency code:

529

Agency name: Health and Human Services Commission

GOAL:

2 Medicaid

Statewide Goal/Benchmark:

3 1

\$993,912,445

OBJECTIVE:

Service Categories:

STRATEGY:

Medicaid Health Services
 Pregnant Women Risk Group

Service: 17

Ir

\$980,205,360

Income: A.2

Age: B.3

CODE DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
555 FEDERAL FUNDS 93.778.000 Medical Assistance Program	\$509,636,496	\$492,156,796	\$616,567,840	\$595,182,413	\$604,963,418
CFDA Subtotal, Fund 555 8059 SUPPLEMENTAL: FEDERAL FUNDS	\$509,636,496	\$492,156,796	\$616,567,840	\$595,182,413	\$604,963,418
93.778.000 Medical Assistance Program	\$0	\$485,128	\$0	\$0	\$0
CFDA Subtotal, Fund 8059 SUBTOTAL, MOF (FEDERAL FUNDS)	\$0 \$509,636,496	\$485,128 \$492,641,924	\$0 \$616,567,840	\$0 \$595,182,413	\$0 \$604,963,418

FULL TIME EQUIVALENT POSITIONS: STRATEGY DESCRIPTION AND JUSTIFICATION:

TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)

TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)

\$833,964,307 \$841,467,489 \$999,062,543 \$980,205,360 \$993,912,445 12.2 19.1 17.3 15.5 15.3

This program includes the hospital, physician, and other medical services provided to eligible pregnant women. Services are provided either: 1) through a Fee-For-Service (FFS) fisca agent arrangement with Affiliated Computer Services (ACS) or 2) through a managed care health delivery system consisting of two health care delivery models – Primary Care Case Management (PCCM) or an at-risk, capitates health plan – HMO. Under Title XIX, Medicaid medical services are legally mandated entitlement services.

The continuation of eligibility for Medicaid pregnant women from 158% to 185% of federal poverty level (FPL) as a result of leadership action in September 1, 2005 is assumed.

Projected 2008-09 expenditures in the base request reflect client service cost reductions to FY2006 levels. A 10% reduction in administrative functions in contracts, staffing, and general operating expenses is reflected.

Projected expenditures for maintaining current 2008-09 cost trends are requested as exceptional items. Provider rate restorations are also requested as exceptional items.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

3.A. STRATEGY REQUEST

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

GOAL:

Medicaid

Statewide Goal/Benchmark:

1

3

OBJECTIVE:

Medicaid Health Services

Service Categories:

Service: 17

Income: A.2

Age: B.3

STRATEGY:

Pregnant Women Risk Group

CODE DESCRIPTION

Exp 2005

Est 2006

Bud 2007

BL 2008

BL 2009

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.