

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2006
 TIME: 11:50:28PM

Agency code: 529

Agency name:

Health and Human Services Commission

CODE DESCRIPTION

		Excp 2008	Excp 2009
	Item Name: Increase Office of Inspector General (OIG) Support		
	Item Priority: 10		
Includes Funding for the Following Strategy or Strategies: 01-02-01 Office of Inspector General			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES		
2001	PROFESSIONAL FEES AND SERVICES	6,449,559	6,449,559
2003	CONSUMABLE SUPPLIES	130,500	130,500
2005	TRAVEL	42,977	42,977
2006	RENT - BUILDING	287,400	287,400
2009	OTHER OPERATING EXPENSE	495,948	495,948
		716,108	716,108
TOTAL, OBJECT OF EXPENSE		\$8,122,492	\$8,122,492

METHOD OF FINANCING:

1	GENERAL REVENUE FUND		
555	FEDERAL FUNDS	203,462	203,462
10.559.000	Summer Food Service Prog		
10.560.000	State Administrative Exp	205	205
10.561.000	St Admin Match Food Stamp	3,812	3,812
10.568.000	Emergency Food Assistanc	359,594	359,594
93.558.000	Temp AssistNeedy Families	20	20
93.566.000	Refugee and Entrant Assis	151,797	151,797
93.667.000	Social Svcs Block Grants	484	484
93.767.000	CHIP	130	130
93.778.000	Medical Assistance Program	5,700	5,700
758	GR MATCH FOR MEDICAID	3,610,846	3,610,846
759	GR MOE FOR TANF	2,660,983	2,660,983
777	INTERAGENCY CONTRACTS	0	0
8010	GR MATCH FOR TITLE XXI	711,092	711,092
8014	GR MATCH FOOD STAMP ADM	2,168	2,168
8032	GR CERTIFIED AS MATCH FOR MEDICAID	359,594	359,594
		52,605	52,605
TOTAL, METHOD OF FINANCING		\$8,122,492	\$8,122,492
FULL-TIME EQUIVALENT POSITIONS (FTE):			
		85.00	85.00

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DESCRIPTION / JUSTIFICATION:

Excp 2008

Excp 2009

The estimated fraud, waste, and abuse within Medicaid spending is about 7% to 10%. Analysis of current requirements, unaddressed increased workloads, and new requirements based on the Federal Deficit Reduction Act of 2005, showed 224 FTEs needed to meet the projected load. The 224 was reduced to 85 by analysis of risks (forgoing pursuit of lower dollar potential recoveries) and still accomplishing mandated functions, including the CMS Comprehensive Medicaid Integrity Plan (MIP), the first national strategy to detect and prevent Medicaid fraud and abuse. The 85 FTEs is a 14.95% increase. This exceptional item would increase nurse positions by 18 additional staff. The cost of a recruitment bonus, salary adjustments and a set allocation (\$150) to reimburse nurses for license and/or continuing education for these 18 positions totals \$192,557 annually. This amount is not included in Exceptional Item #16, "HHSC Nurse Retention & Recruitment", for Enterprise nurse positions.

EXTERNAL/INTERNAL FACTORS:

Risks identified include:

Deficit Reduction Act of 2005 – creates MIP, which increases CMS obligations and resources to combat fraud and abuse. MIP will require additional state resources in coordinating, investigating, and consulting with CMS MIP.

Deficit Reduction Act of 2005 – implements Payment Error Rate Measurement (PERM) for claims in 2007 and all Medicaid/SCHIP programs in 2008, with negative financial ramifications for high error rates. PERM requires strengthening Texas' program integrity oversight to show emphasis on identifying and collecting program overpayments and prosecution of violators.

OIG responsibility for audits/investigations for Long Term Care Facilities, Outpatient Hospitals, Managed Care Organizations, and other HHS programs, and implementation of the Texas Homeland Security Strategic Plan.

Funding at risk: Nursing Facilities - \$1.5 billion; community services - \$1.1 billion; application controls - \$18.9 million; annual MCO audits - \$1.8 billion; specialized audits - \$2.8 billion; vendor drug audits - \$2.4 million; CBA and Nursing Facility TILE reviews - \$4.4 billion; General Investigations: \$1.2 million.