

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: Restore Medicaid and CHIP Provider Rates to 2003 Levels		
	Item Priority: 19		
	Includes Funding for the Following Strategy or Strategies:		
	02-01-01 Medicare and SSI Risk Groups		
	02-01-02 TANF Adults & Children Risk Groups		
	02-01-03 Pregnant Women Risk Group		
	02-01-04 Children & Medically Needy Risk Groups		
	02-01-06 STAR+PLUS (Integrated Managed Care)		
	02-02-02 Medicaid Vendor Drug Program		
	03-01-01 Children's Health Insurance Program (CHIP)		
	03-01-02 Immigrant Children Health Insurance		
	03-01-03 School Employee Children Insurance		
OBJECTS OF EXPENSE:			
3001	CLIENT SERVICES		
TOTAL, OBJECT OF EXPENSE		297,401,720	309,620,233
		\$297,401,720	\$309,620,233
METHOD OF FINANCING:			
555	FEDERAL FUNDS		
93.767.000	CHIP		
93.778.000	Medical Assistance Program		
758	GR MATCH FOR MEDICAID	5,107,676	5,325,911
5040	TOBACCO SETTLMNT RECEIPTS	175,910,068	183,650,489
8025	TOBACCO RECEIPTS MATCH FOR CHIP	113,892,352	118,058,873
TOTAL, METHOD OF FINANCING		553,258	575,916
		1,938,366	2,009,044
		\$297,401,720	\$309,620,233

DESCRIPTION / JUSTIFICATION:

This request would restore rate reductions incurred in the 2004-05 biennium from FY 2003 levels - 2.5 percent for medical professionals and 5.0 percent for hospitals. These funds would be used to cover increases in both Fee-for-Service (the traditional health care payment system, where physicians and other providers receive a payment for each unit of service provided) and Managed Care (a system in which the overall care of a patient is overseen by a single provider or organization) delivery models.

Costs associated with Medicaid rate restoration total \$237.0 million GR (\$127.5 million for inpatient hospital, \$16.7 million for outpatient hospital, \$43.3 million for medical professionals, \$3.7 million for pharmacists' dispensing fee, \$1.7 million for ambulance and \$39.1 million for managed care.)

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The costs associated with CHIP restoration total \$5.1 million GR for managed care.

EXTERNAL/INTERNAL FACTORS:

Most of the the other Medicaid providers that had rate reductions imposed during the 2004-05 biennium have been substantially restored except acute providers.