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 code: 529 Agency name: Health and Human Services Commission

GOAL:

2 Medicaid

Medicald

Statewide Goal/Benchmark:

3 1

OBJECTIVE:

Medicaid Health Services

Service Categories:

Service: 17

Income: A.2

Age:

B.3

STRATEGY:	1	Medicare and	SSI	Risk	Groups

	•			-		C
CODE	DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
Output Me	asures:					
1 Av	erage Aged and Medicare Recipient Months Per Month	293,661.00	298,023.00	302,340.00	258,570.00	262,448.00
2 Ave	erage Disabled and Blind Recipient Months Per Month	230,226.00	250,237.00	269,598.00	254,667.00	271,194.00
Efficiency	Measures:					
	erage Aged and Medicare Related Cost Per Recipient onth	140.99	146.32	156.47	145.33	145.18
2 Ave	erage Disabled and Blind Cost Per Recipient Month	505.48	495.68	516.09	508.64	508.47
Objects of	Expense:					
1001 SA	LARIES AND WAGES	\$1,389,110	\$2,373,152	\$2,488,645	\$2,215,400	\$2,210,622
1002 OT	HER PERSONNEL COSTS	\$61,510	\$74,077	\$64,429	\$71,685	\$71,528
2001 PR	OFESSIONAL FEES AND SERVICES	\$52,500,041	\$66,295,630	\$52,605,521	\$56,316,514	\$56,355,058
2002 FU	ELS AND LUBRICANTS	\$15	\$398	\$354	\$364	\$362
2003 CO	NSUMABLE SUPPLIES	\$2,419	\$18,955	\$13,178	\$14,618	\$14,545
2004 UT	TILITIES	\$58,443	\$113,866	\$142,685	\$110,556	\$110,171
2005 TR	AVEL	\$25,661	\$30,330	\$32,254	\$15,656	\$15,626
2006 RE	NT - BUILDING	\$16,544	\$185,103	\$259,636	\$212,610	\$211,507
2007 RE	NT - MACHINE AND OTHER	\$3,551	\$26,344	\$18,391	\$25,214	\$25,250
2009 OT	THER OPERATING EXPENSE	\$369,614	\$334.576	\$222,750	\$239,452	\$238,719
3001 CL	IENT SERVICES	\$1,868,328,481	\$1,901,568,588	\$2,271,363,375	\$1,940,185,348	\$1,984,332,805
4000 GR	ANTS	\$5,934,105	\$3,483,857	\$3,561,841	\$3,201,077	\$3,196,502
5000 CA	PITAL EXPENDITURES	\$301,712	\$71,632	\$2,227,567	\$1,034,150	\$1,032,308
TOTAL, C	DBJECT OF EXPENSE	\$1,928,991,206	\$1,974,576,508	\$2,333,000,626	\$2,003,642,644	\$2,047,815,003
Method of	Financing:					
75 8 GF	R MATCH FOR MEDICAID	\$756,718,432	\$773,232,204	\$919,162,262	\$778,907,885	\$791,570,465

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

GOAL: 2 Medicaid

OBJECTIVE: 1 Medicaid Health Services

STRATEGY: 1 Medicare and SSI Risk Groups

Exp 2005 Est 2006 Bud 2007 BL 2008 BL 2009

CODE DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
	\$0	\$4,151,645	\$0	\$0	\$0
8056 SUPPLEMENTAL: GR MATCH FOR MEDICAID	\$0	\$0	\$3,948,564	\$7,984,800	\$9,873,864
8075 Cost Sharing - Medicaid Clients 8090 SUP GR MCH (SVINGS NOT ACHVD)	\$0	\$11,768,943	\$0	\$0	\$0
8090 SUP GR MCH (SVINGS NOT ACHVD) SUBTOTAL, MOF (GENERAL REVENUE FUNDS)	\$756,718,432	\$789,152,792	\$923,110,826	\$786,892,685	\$801,444,329
Method of Financing:		ř			
555 FEDERAL FUNDS 93.778.000 Medical Assistance Program	\$1,172,272,774	\$1,160,854,507	\$1,409,889,800	\$1,216,749,959	\$1,246,370,674
CFDA Subtotal, Fund 555	\$1,172,272,774	\$1,160,854,507	\$1,409,889,800	\$1,216,749,959	\$1,246,370,674
8059 SUPPLEMENTAL: FEDERAL FUNDS 93.778.000 Medical Assistance Program	\$0	\$24,569,209	\$0	\$0	\$0
	\$0	\$24,569,209	\$0	\$0	\$0
CFDA Subtotal, Fund 8059 SUBTOTAL, MOF (FEDERAL FUNDS)	\$1,172,272,774	\$1,185,423,716	\$1,409,889,800	\$1,216,749,959	\$1,246,370,674
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)		·		\$2,003,642,644	\$2,047,815,003
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)	\$1,928,991,206	\$1,974,576,508	\$2,333,000,626	\$2,003,642,644	\$2,047,815,003
FULL TIME EQUIVALENT POSITIONS:	31.7	50.0	46.8	42.1	42.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

3.A. STRATEGY REQUEST

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

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

GOAL:

Medicaid

Statewide Goal/Benchmark:

3

OBJECTIVE:

Medicaid Health Services

Service Categories:

STRATEGY:

Medicare and SSI Risk Groups

Service: 17

Income: A.2

B.3 Age:

CODE DESCRIPTION Exp 2005

Est 2006

Bud 2007

BL 2008

BL 2009

This strategy includes the hospital, physician, and other medical services provided to eligible aged, disabled, blind and Medicare-related recipients. Services are provided either: 1) through a Fee-For-Service (FFS) fiscal 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, capitated health plan - HMO. Under Title XIX, Medicaid medical services are legally mandated entitlement services.

This strategy includes the change of clients and expenses going to the STAR+PLUS strategy due to the expansion Managed Care for the Aged, Blind, and Disabled populations legislated during the 79th Regular Legislative Session, Expenses for the Medicaid Buy-In Program established by the 79th Legislature, Regular Session, 2005 are included.

Projected FY 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:

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.

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.