

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: 2 TANF Adults & Children Risk Groups

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
Output Measures:						
1	Average TANF Adult Recipient Months Per Month	70,061.00	55,674.00	55,691.00	55,966.00	56,201.00
2	Average TANF Children Recipient Months Per Month	294,024.00	255,651.00	267,360.00	244,036.00	253,692.00
3	Average Foster Care Children Recipient Months Per Month	0.00	0.00	0.00	36,380.00	40,773.00
Efficiency Measures:						
1	Average TANF Adult Cost Per Recipient Month	217.89	229.29	241.48	230.95	230.82
2	Average TANF Children Cost Per Recipient Month	98.05	111.84	120.29	112.17	111.85
3	Average Foster Care Children Cost Per Recipient Month	0.00	0.00	0.00	130.84	130.69
Objects of Expense:						
1001	SALARIES AND WAGES	\$464,509	\$516,399	\$510,193	\$446,754	\$439,782
1002	OTHER PERSONNEL COSTS	\$16,597	\$15,465	\$13,208	\$14,506	\$14,299
2001	PROFESSIONAL FEES AND SERVICES	\$13,573,643	\$26,384,872	\$10,793,964	\$9,244,007	\$9,229,242
2002	FUELS AND LUBRICANTS	\$3	\$83	\$72	\$74	\$72
2003	CONSUMABLE SUPPLIES	\$536	\$3,957	\$2,701	\$2,957	\$2,907
2004	UTILITIES	\$18,005	\$23,771	\$29,256	\$22,379	\$22,027
2005	TRAVEL	\$8,580	\$6,332	\$6,612	\$3,168	\$3,124
2006	RENT - BUILDING	\$3,275	\$38,644	\$53,220	\$43,012	\$42,277
2007	RENT - MACHINE AND OTHER	\$799	\$5,500	\$3,770	\$5,101	\$5,047
2009	OTHER OPERATING EXPENSE	\$119,554	\$69,848	\$45,671	\$48,473	\$47,729
3001	CLIENT SERVICES	\$514,649,590	\$445,133,343	\$529,039,506	\$508,102,452	\$509,832,877
4000	GRANTS	\$2,928,865	\$727,287	\$730,677	\$648,455	\$639,300
5000	CAPITAL EXPENDITURES	\$100,452	\$14,954	\$456,962	\$209,491	\$206,462
TOTAL, OBJECT OF EXPENSE		\$531,884,408	\$472,940,455	\$541,685,812	\$518,790,829	\$520,485,145

Method of Financing:

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GOAL: 2 Medicaid Statewide Goal/Benchmark: 3 1
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CODE	DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
758	GR MATCH FOR MEDICAID	\$208,461,731	\$177,441,693	\$212,362,692	\$203,737,488	\$203,789,104
8056	SUPPLEMENTAL: GR MATCH FOR MEDICAID	\$0	\$7,556,767	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$208,461,731	\$184,998,460	\$212,362,692	\$203,737,488	\$203,789,104
Method of Financing:						
555 FEDERAL FUNDS						
	93.778.000 Medical Assistance Program	\$323,422,677	\$276,280,128	\$329,323,120	\$315,053,341	\$316,696,041
CFDA Subtotal, Fund	555	\$323,422,677	\$276,280,128	\$329,323,120	\$315,053,341	\$316,696,041
8059 SUPPLEMENTAL: FEDERAL FUNDS						
	93.778.000 Medical Assistance Program	\$0	\$11,661,867	\$0	\$0	\$0
CFDA Subtotal, Fund	8059	\$0	\$11,661,867	\$0	\$0	\$0
SUBTOTAL, MOF (FEDERAL FUNDS)		\$323,422,677	\$287,941,995	\$329,323,120	\$315,053,341	\$316,696,041
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$518,790,829	\$520,485,145
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$531,884,408	\$472,940,455	\$541,685,812	\$518,790,829	\$520,485,145
FULL TIME EQUIVALENT POSITIONS:		10.6	10.4	9.6	8.5	8.3
STRATEGY DESCRIPTION AND JUSTIFICATION:						

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This program includes the hospital, physician, and other medical services provided to eligible TANF-related adults and children. 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.

SB6 enacted by the 79th Legislature, Regular Session, 2005 requires a health care delivery model for foster care children. Foster care children are Medicaid eligible and their acute cost are in the strategy.

Projected 2008-09 expenditures in the base request reflect client service cost reductions to FY 2006 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.