

**3.A. STRATEGY REQUEST**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/7/2004  
 TIME: 10:25:35AM

Agency code: **539**      Agency name: **AGING AND DISABILITY SERVICES**

GOAL:            1    Long-term Care Continuum  
 OBJECTIVE:    7    Intermediate Care Facilities - Mental Retardation  
 STRATEGY:    1    Intermediate Care Facilities - Mental Retardation

Statewide Goal/Benchmark:    3    0  
 Service Categories:  
 Service: 26    Income: A.2    Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Output Measures:</b>						
1	Average Number of Persons in ICF/MR Medicaid Beds Per Month	7,308.00	7,308.00	7,308.00	7,308.00	7,308.00
2	Average Number of ICF/MR Medicaid Beds Per Month	7,692.00	7,630.00	7,630.00	7,630.00	7,630.00
<b>Efficiency Measures:</b>						
1	Monthly Cost Per ICF/MR Medicaid Eligible Consumer	4,279.00	4,227.00	4,170.00	4,119.00	4,119.00
<b>Explanatory/Input Measures:</b>						
1	Number of Consumers in ICF/MR Medicaid Beds Per Year	7,308.00	7,308.00	7,308.00	7,308.00	7,308.00
2	Number ICF/MR Consumers with Residential Length of Stay 0-12 Months	487.00	394.00	394.00	394.00	394.00
3	Number ICF/MR Consumers with Residential Length of Stay 13-23 Months	453.00	433.00	433.00	433.00	433.00
4	Number ICF/MR Consumers with Residential Length of Stay 24+ Months	6,468.00	6,445.00	6,445.00	6,445.00	6,445.00
5	Average Monthly Number of Consumers in ICF/MR, 1-8 Beds	4,681.00	4,681.00	4,681.00	4,681.00	4,681.00
6	Monthly Cost Per ICF/MR Medicaid Eligible Consumer, 1 to 8 Beds	4,760.00	4,703.00	4,640.00	4,583.00	4,583.00
7	Average Monthly Number of Consumers in ICF/MR, 9-13 Beds	638.00	638.00	638.00	638.00	638.00
8	Monthly Cost Per ICF/MR Medicaid Eligible Consumer, 9-13 Beds	3,463.00	3,421.00	3,375.00	3,334.00	3,334.00
9	Average Monthly Number of Consumers in ICF/MR, 14+ Beds	1,989.00	1,989.00	1,989.00	1,989.00	1,989.00
10	Monthly Cost Per ICF/MR Medicaid Eligible Consumer, 14+ Beds	3,406.00	3,365.00	3,320.00	3,279.00	3,279.00

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GOAL: 1 Long-term Care Continuum  
 OBJECTIVE: 7 Intermediate Care Facilities - Mental Retardation  
 STRATEGY: 1 Intermediate Care Facilities - Mental Retardation

Statewide Goal/Benchmark: 3 0  
 Service Categories:  
 Service: 26 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
11	Average Monthly Number of ICF/MR Medicaid Beds, 8 or Less	4,831.00	4,863.00	4,863.00	4,863.00	4,863.00
12	Average Monthly Number of ICF/MR Beds, 9-13	676.00	719.00	719.00	719.00	719.00
13	Average Monthly Number of ICF/MR Medicaid Beds, 14+	2,185.00	2,048.00	2,048.00	2,048.00	2,048.00

**Objects of Expense:**

1001	SALARIES AND WAGES	\$573,923	\$530,701	\$455,187	\$615,304	\$615,304
1002	OTHER PERSONNEL COSTS	\$7,337	\$18,265	\$21,888	\$21,000	\$21,000
2001	PROFESSIONAL FEES AND SERVICES	\$276,416	\$244,251	\$322,334	\$283,527	\$283,527
2002	FUELS AND LUBRICANTS	\$3,615	\$3,650	\$3,600	\$5,300	\$5,300
2003	CONSUMABLE SUPPLIES	\$1,296	\$2,000	\$2,000	\$2,000	\$2,000
2004	UTILITIES	\$15,688	\$17,800	\$17,800	\$20,000	\$20,000
2005	TRAVEL	\$3,956	\$500	\$500	\$1,000	\$1,000
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$3,410	\$3,600	\$3,600	\$4,000	\$4,000
2009	OTHER OPERATING EXPENSE	\$2,421,779	\$2,640,899	\$2,336,446	\$2,396,835	\$2,396,835
3001	CLIENT SERVICES	\$374,456,008	\$371,137,964	\$365,037,072	\$360,437,066	\$360,437,065
3002	FOOD FOR PERSONS - WARDS OF STATE	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$22,188	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$377,785,616</b>	<b>\$374,599,630</b>	<b>\$368,200,427</b>	<b>\$363,786,032</b>	<b>\$363,786,031</b>

**Method of Financing:**

1	GENERAL REVENUE FUND	\$1,141,629	\$1,192,064	\$912,418	\$895,599	\$895,599
758	GR MATCH FOR MEDICAID	\$129,553,307	\$116,261,154	\$118,622,510	\$118,447,019	\$118,573,414
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$130,694,936</b>	<b>\$117,453,218</b>	<b>\$119,534,928</b>	<b>\$119,342,618</b>	<b>\$119,469,013</b>

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Agency code: **539** Agency name: **AGING AND DISABILITY SERVICES**

GOAL: 1 Long-term Care Continuum  
 OBJECTIVE: 7 Intermediate Care Facilities - Mental Retardation  
 STRATEGY: 1 Intermediate Care Facilities - Mental Retardation

Statewide Goal/Benchmark: 3 0  
 Service Categories:  
 Service: 26 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Method of Financing:</b>						
	5080 QUALITY ASSURANCE	\$15,510,099	\$21,382,198	\$21,425,053	\$21,410,852	\$21,425,053
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$15,510,099</b>	<b>\$21,382,198</b>	<b>\$21,425,053</b>	<b>\$21,410,852</b>	<b>\$21,425,053</b>
<b>Method of Financing:</b>						
	555 FEDERAL FUNDS					
	93.778.003 XIX 50%	\$21,895	\$220,360	\$275,285	\$305,329	\$305,329
	93.778.004 XIX ADM @ 75%	\$953,445	\$808,458	\$723,490	\$723,489	\$723,489
	93.778.005 XIX FMAP	\$230,575,949	\$232,135,801	\$222,310,096	\$218,081,651	\$217,937,126
CFDA Subtotal, Fund	555	\$231,551,289	\$233,164,619	\$223,308,871	\$219,110,469	\$218,965,944
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$231,551,289</b>	<b>\$233,164,619</b>	<b>\$223,308,871</b>	<b>\$219,110,469</b>	<b>\$218,965,944</b>
<b>Method of Financing:</b>						
	777 INTERAGENCY CONTRACTS	\$0	\$2,567,202	\$3,902,882	\$3,889,700	\$3,893,628
	8031 MHMR COLLECT-PAT SUPP & MAINT	\$29,292	\$32,393	\$28,693	\$32,393	\$32,393
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$29,292</b>	<b>\$2,599,595</b>	<b>\$3,931,575</b>	<b>\$3,922,093</b>	<b>\$3,926,021</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$363,786,032</b>	<b>\$363,786,031</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$377,785,616</b>	<b>\$374,599,630</b>	<b>\$368,200,427</b>	<b>\$363,786,032</b>	<b>\$363,786,031</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>27.6</b>	<b>25.0</b>	<b>22.9</b>	<b>29.0</b>	<b>29.0</b>

STRATEGY DESCRIPTION AND JUSTIFICATION:

0000129

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Agency code: **539** Agency name: **AGING AND DISABILITY SERVICES**

GOAL:	1	Long-term Care Continuum	Statewide Goal/Benchmark:	3	0
OBJECTIVE:	7	Intermediate Care Facilities - Mental Retardation	Service Categories:		
STRATEGY:	1	Intermediate Care Facilities - Mental Retardation	Service:	26	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
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This strategy funds the Intermediate Care Facilities for Mental Retardation (ICF/MR), which are residential facilities of four or more beds residing in the community. Persons requesting admission to one of these facilities must meet prescribed criteria for admission. The federal government issues rules and standards of care with which the ICF/MR facilities must comply. Community ICF/MR programs are largely operated by the private sector. Community Mental Health and Mental Retardation Centers also operate some ICF/MR facilities. Other costs included in this strategy are costs associated with administering the Quality Assurance Fee, life safety code inspections of group homes, and allocated costs of contracts for dental and information technology services. Title XIX funding includes both the federal portion and the state required match. The ICF/MR strategy tracks funding of all community-based ICF/MR residential services. Statutory Authority: Social Security Act, Title XIX (Medicaid).

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

Like the waiver programs, ICF/MR is impacted by the Olmstead case decided by the U.S. Supreme Court. Under Olmstead, persons in ICF/MR settings may be entitled to request and receive placements in less restrictive settings within a reasonable time period. However since the ICF/MR slots stay with the provider, rather than the consumer as in the waiver programs, other persons may take the place of some or all of the consumers who might be placed in other settings under Olmstead. Approximately 400 consumers from large community ICF/MR facilities moved to HCS during FY 04 per the Promoting Independence Plan.

In the base request, ICF/MR Community rates have been reduced by 1.06% due to funding restraints associated with 5% reductions and the biennial decrease in the FMAP. Exceptional Items Number 2 and 3 seek to restore these reductions.

Under Health and Safety Code, chapter 252 section 202, the MR facilities paid a Quality Assurance Fee (QAF) for FY 2004-2005. This legislation expires September 1, 2005, per section 209, and the Department has no legal authority to continue assessing the fee in FY 2006-2007. However, this request assumes that it will be reinstated effective September 1, 2005. If not reinstated, there will be a biennial reduction in all funds expenditures of \$76.5 million for this strategy.

**0000130**

## 3.D. Sub-Strategy Request

Strategy Code: 01-07-01-01

<b>Agency Code</b>	539	Texas Department of Aging and Disability Services
<b>Goal:</b>	01	Long-Term Care
<b>Objective:</b>	07	Intermediate Care Facilities - Mental Retardation
<b>Strategy:</b>	01	Intermediate Care Facilities - Mental Retardation
<b>Substrategy:</b>	01	ICF-MR Private

Code	Description	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Objects of Expense:</b>						
3001	Direct Client Services	321,807,493	318,938,778	313,695,672	307,331,908	307,331,908
<b>Total, Objects of Expense</b>		<b>321,807,493</b>	<b>318,938,778</b>	<b>313,695,672</b>	<b>307,331,908</b>	<b>307,331,908</b>
<b>Method of Finance:</b>						
0758	GR Match for Medicaid	111,086,890	98,540,529	101,271,106	100,069,357	100,176,713
<b>Subtotal, General Revenue Funds</b>		<b>111,086,890</b>	<b>98,540,529</b>	<b>101,271,106</b>	<b>100,069,357</b>	<b>100,176,713</b>
5080	GR Dedicated - Quality Assurance Account	13,230,563	18,287,549	18,280,721	18,322,782	18,334,984
<b>Subtotal, General Revenue Funds - Dedicated</b>		<b>13,230,563</b>	<b>18,287,549</b>	<b>18,280,721</b>	<b>18,322,782</b>	<b>18,334,984</b>
555	Federal Funds					
93.778.005	Medical Assistance Program - Title XIX - FMAP	197,490,040	199,904,447	190,789,708	185,597,739	185,474,806
<b>Subtotal, Federal Funds</b>		<b>197,490,040</b>	<b>199,904,447</b>	<b>190,789,708</b>	<b>185,597,739</b>	<b>185,474,806</b>
0777	Interagency Contracts	0	2,206,253	3,354,137	3,342,030	3,345,405
<b>Subtotal, Other Funds</b>		<b>0</b>	<b>2,206,253</b>	<b>3,354,137</b>	<b>3,342,030</b>	<b>3,345,405</b>
<b>Total, Method of Financing</b>		<b>321,807,493</b>	<b>318,938,778</b>	<b>313,695,672</b>	<b>307,331,908</b>	<b>307,331,908</b>

**Sub-strategy Description and Justification:**

Intermediate Care Facilities for Mental Retardation (ICF/MR) are residential facilities of six or more beds. Persons requesting admission to one of these facilities must meet prescribed criteria for admission. The federal government issues rules and standards of care to which the ICF/MR facilities must comply. The private ICF/MR facilities included in this sub-strategy are operated by providers other than Community Mental Health and Mental Retardation Centers. Persons requesting placement at one of these private facilities may apply directly to the facility, however in order to complete admission the person requesting placement must contact the local mental retardation authority (Community Mental Health and Mental Retardation Center). Statutory Authority: Social Security Act, Title XIX (Medicaid).

**External/Internal Factors Impacting Sub-strategy:**

Like the Medicaid Waiver services, ICF/MR is impacted by the Olmstead case decided by the U.S. Supreme Court. Under Olmstead, persons in ICF/MR settings may be entitled to request and receive placements in less restrictive settings within a reasonable time period. However since the ICF/MR beds stay with the provider, rather than the consumer as in the Medicaid Waiver services, other persons may take the place of some or all of the consumers who might be placed in other settings under Olmstead. Approximately 400 consumers from large community ICF/MR facilities moved to HCS during FY 2004 and FY 2005 per the Promoting Independence Plan.

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## 3.D. Sub-Strategy Request

Strategy Code: 01-07-01-02

<b>Agency Code</b>	539	Texas Department of Aging and Disability Services
<b>Goal:</b>	01	Long-Term Care
<b>Objective:</b>	07	Intermediate Care Facilities - Mental Retardation
<b>Strategy:</b>	01	Intermediate Care Facilities - Mental Retardation
<b>Substrategy:</b>	02	ICF-MR Public

Code	Description	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Objects of Expense:</b>						
1001	Salaries	573,923	530,701	455,187	615,304	615,304
1002	Other Personnel Cost	7,337	18,265	21,888	21,000	21,000
2001	Professional Fees and Services	276,416	244,251	322,334	283,528	283,527
2002	Fuels and Lubricants	3,615	0	0	5,300	5,300
2003	Consumable Supplies	1,296	0	16,049	2,000	2,000
2004	Utilities	15,688	17,800	17,800	20,000	20,000
2005	Travel	3,956	500	500	1,000	1,000
2006	Rent - Building	0	3,600	3,600	0	0
2007	Rent - Machine and Other	3,410	0	3,600	4,000	4,000
2009	Other Operating Expense	2,421,779	2,646,549	2,322,397	2,396,835	2,396,835
3001	Direct Client Services	52,648,515	52,179,186	51,321,400	53,105,157	53,105,157
3002	Food for Persons - Wards of State	0	20,000	20,000	0	0
5000	Capital Expenditures	22,188	0	0	0	0
<b>Total, Objects of Expense</b>		<b>55,978,123</b>	<b>55,660,852</b>	<b>54,504,755</b>	<b>56,454,124</b>	<b>56,454,123</b>
<b>Method of Finance:</b>						
0001	General Revenue	1,141,629	1,192,064	912,418	895,599	895,599
0758	GR Match for Medicaid	18,466,417	17,720,625	17,351,404	18,377,662	18,396,701
<b>Subtotal, General Revenue Funds</b>		<b>19,608,046</b>	<b>18,912,689</b>	<b>18,263,822</b>	<b>19,273,261</b>	<b>19,292,300</b>
5080	GR Dedicated - Quality Assurance Account	2,279,536	3,094,649	3,144,332	3,088,070	3,090,069
<b>Subtotal, General Revenue Funds - Dedicated</b>		<b>2,279,536</b>	<b>3,094,649</b>	<b>3,144,332</b>	<b>3,088,070</b>	<b>3,090,069</b>
555	Federal Funds					
93.778.003	Medical Assistance Program - Title XIX @ 50%	21,895	220,360	275,285	305,329	305,329
93.778.004	Medical Assistance Program - Title XIX @ 75%	953,445	808,458	723,490	723,489	723,489
93.778.005	Medical Assistance Program - Title XIX - FMAP	33,085,909	32,231,354	31,520,388	32,483,912	32,462,320
<b>Subtotal, Federal Funds</b>		<b>34,061,249</b>	<b>33,260,172</b>	<b>32,519,163</b>	<b>33,512,730</b>	<b>33,491,138</b>
0777	Interagency Contracts	0	360,949	548,745	547,670	548,223
8031	MHMR Collections for Patient Support and Maintenance	29,292	32,393	28,693	32,393	32,393
<b>Subtotal, Other Funds</b>		<b>29,292</b>	<b>393,342</b>	<b>577,438</b>	<b>580,063</b>	<b>580,616</b>
<b>Total, Method of Financing</b>		<b>55,978,123</b>	<b>55,660,852</b>	<b>54,504,755</b>	<b>56,454,124</b>	<b>56,454,123</b>
<b>Full-Time Equivalent Positions:</b>						
	State/Federal	27.6	25.0	22.9	29.0	29.0
<b>Total, Full-Time Equivalent Positions</b>		<b>27.6</b>	<b>25.0</b>	<b>22.9</b>	<b>29.0</b>	<b>29.0</b>

**Sub-strategy Description and Justification:**

Intermediate Care Facilities for Mental Retardation (ICF/MR) are residential facilities of six or more beds. Persons requesting admission to one of these facilities must meet prescribed criteria for admission. The federal government issues rules and standards of care to which the ICF/MR facilities must comply. The Public ICF/MR sub-strategy includes, in large part, those facilities operated by the Community Mental Health and Mental Retardation Centers. Also included are two community group homes administered by Corpus Christi State School. However, all costs of operating these homes, including FTEs reside in the Support sub-strategy. Statutory Authority: Social Security Act, Title XIX (Medicaid).

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**External/Internal Factors Impacting Sub-strategy:**

Like the Medicaid Waiver services, ICF/MR is impacted by the Olmstead case decided by the U.S. Supreme Court. Under Olmstead, persons in ICF/MR settings may be entitled to request and receive placements in less restrictive settings within a reasonable time period. However since the ICF/MR beds stay with the provider, rather than the consumer as in the Medicaid Waiver services, other persons may take the place of some or all of the consumers who might be placed in other settings under Olmstead. Approximately 400 consumers from large community ICF/MR facilities moved to HCS during FY 2004 and FY 2005 per the Promoting Independence Plan.

### 3. E. Sub-strategy Summary

Agency Code: 539	Agency Name: Texas Department of Aging and Disability Services	Statewide Goal Code :03-00	Strategy Code: 01-07-01			
<b>AGENCY GOAL</b>	Long Term Care					
<b>OBJECTIVE</b>	Intermediate care Facilities - Mental Retardation					
<b>STRATEGY</b>	Intermediate care Facilities - Mental Retardation					
<b>SUB-STRATEGY SUMMARY</b>						
<b>Code</b>	<b>Sub-strategy Requests</b>	<b>Exp 2003</b>	<b>Est 2004</b>	<b>Bud 2005</b>	<b>BL 2006</b>	<b>BL 2007</b>
01	ICF-MR Private	321,807,493	318,938,778	313,695,672	307,331,908	307,331,908
02	ICF-MR Public	55,978,123	55,660,852	54,504,755	56,454,124	56,454,123
	<b>Total, Sub-strategies</b>	<b>377,785,616</b>	<b>374,599,630</b>	<b>368,200,427</b>	<b>363,786,032</b>	<b>363,786,031</b>