

FY11 Year End Budget- Department of Social Services

- We're going to have dollars at the end of the year in the Medicaid budget which is more favorable than being short funds. We don't want a reoccurrence of what happened 8 years ago when the department was short \$35 million dollars.
- We started with stimulus money from last year (FY10) that we carried over into this year (FY11). That is what we used to soften the budget cuts to providers in next year's budget (FY12).
- There are a couple of things in the program this year that also impact our year end budget:
 - We will end the year with 750 less people on a monthly basis than we budgeted. That's a difference of less than 1%.
 - Of the growth we did have this year, we are seeing more children eligible for CHIP, which is our least expensive group to cover.
 - Inpatient services are one of the big drivers of the Medicaid budget. In the last three years we have had an average growth of 18.8%. During the first 3 months of FY11, inpatient services expenditures were 24.7% higher than the first 3 months of FY10. However, for the overall year we have had less than 1% growth.
 - Through May, we are \$2.6 million in total funds (\$800,000 GF and \$1.8 million FF) less than we were last year through May in high cost claims (over \$50,000).
 - There are only 7 fewer people with high cost claims, but because they are high cost claims, just a few people can swing the trend.
- We also received more relief from the federal government for the stimulus unemployment bonus. That was \$3.3 million general funds for DSS that we learned of in late March.
- The final figure for our payment to the federal government for changes to the drug rebate provision as part of Healthcare Reform is \$600,000 less in general funds than we anticipated. We learned of this last week.
- Similar to what private insurance carriers experience, there are obviously a lot of variables that play into this budget area including the number of eligibles on the program, utilization patterns for the services people are accessing, and unpredictable high cost claims.

	<u>Sources</u>	<u>Uses</u>
DSS FY2011 General Funds	25.1	25.1
FY2011 Carryover	(10.8)	
Unemployment Bonus	(3.3)	
Inpatient/high cost claims (estimate)	(7.7)	
Eligibles (estimate)	(1.5)	
Utilization Changes (estimate)	(1.2)	
Drug Rebate change	(0.6)	
SB 190 Provider Reimbursements		(10.8)
Available for FY12		(3.3)
Preserve TANF & Child Care Block Grant		(3.8)
FY2011 Claims (6 months into FY2012)		(2.5)
MMIS		(4.7)

0.0	0.0
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TANF:

	<u>FY2012 Base Budget</u>	
	<u>General</u>	<u>Federal</u>
Annual Award		\$21,279,651
Title XX		(\$2,127,965)
Required Maintenance of Effort	\$8,540,000	
Total TANF Funds available	\$8,540,000	\$19,151,686
SFY12 Budget	\$8,540,000	\$27,044,802
Transfers out to other State Agencies		\$169,499
Total SFY12 Budget	\$8,540,000	\$27,214,301
SFY12 Budget over annual award		(\$8,062,615)
Projected June 30th, 2011 Carryover Balance from Previous Year		\$19,000,000
Projected TANF Balance at End of Year		\$10,937,385

Child Care Services:

	<u>FY2012 Base Budget</u>	
	<u>General/Other</u>	<u>Federal</u>
Child Care Block Grant Annual Award (FFY11)		\$12,069,655
TANF Funds to support Child Care		\$2,000,000
General/Other	\$4,227,925	
Total Federal Funds available	\$4,227,925	\$14,069,655
SFY12 Budget	\$4,227,925	\$16,466,983
		\$0
Total SFY12 Budget	\$4,227,925	\$16,466,983
SFY12 Budget over annual award		(\$2,397,328)
Projected June 30th, 2011 Carryover Balance from Previous Year		\$7,000,000
Child Care Block Grant Balance at End of Year		\$4,602,672