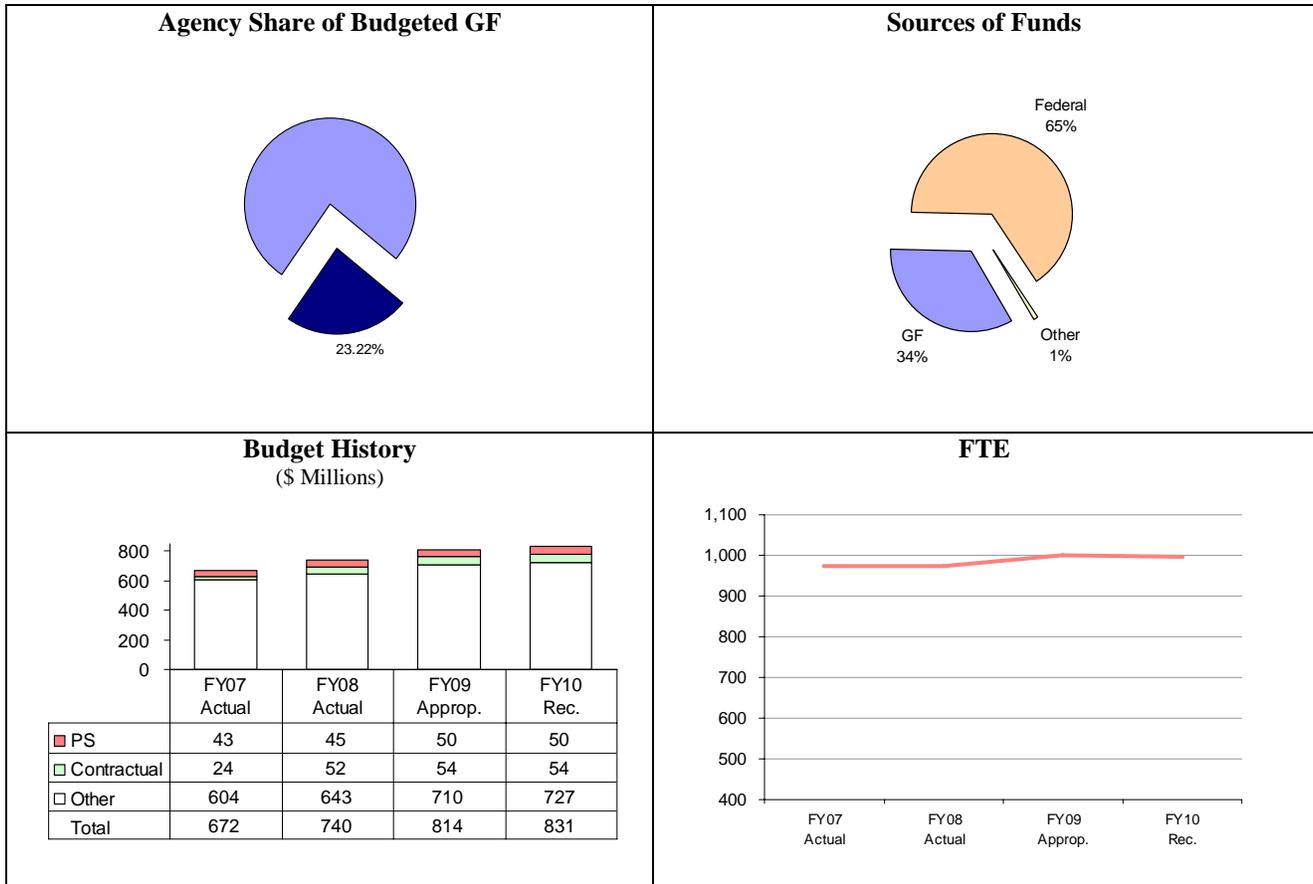


FY10 Budget Briefing

Department of Social Services



Key Responsibilities

- The Department of Social Services strengthens and supports individuals and families by fostering independence and personal responsibility; protecting people; providing opportunities for individuals to achieve their full potential; and promoting healthy families and safe communities by ensuring quality, cost-effective and comprehensive services are provided in cooperation with our partners.

Key Personnel

- **Deb Bowman, Secretary**
- Kim Malsam-Rysdon, Deputy Secretary
- Brenda Tidball-Zeltinger, Chief Finance Officer
- Sharon Sonnenschein (Economic Assistance)
- Larry Iversen (Medical Services)
- Marilyn Kinsman (Adult Services & Aging)
- Virgena Wieseler (Child Protection Services)
- Terry Walter (Child Support)
- Patricia Monson (Child Care Services)
- Mark Close (Operations and Technology)
- Dan Todd (Legal Services)
- Valerie Porter-Hanson (Constituent Liaison)

Department Total – Social Services

The Department of Social Services' recommended budget consists of \$278,801,423 from the general fund, \$541,910,958 of federal fund authority, \$10,030,074 from other funds, and 996.5 FTEs.

Item:	Actual FY08	Budgeted FY09	Agency Requested FY10	REVISED Recommended FY10	Inc/Dec FY10	% Change From FY09
Personal Services	44,946,888	49,782,496	50,126,667	49,729,332	(53,164)	(0.1%)
Travel	1,867,116	2,178,488	2,189,105	2,178,488	-	0.0%
Contractual Services	52,129,603	54,440,408	54,829,578	53,970,285	(470,123)	(0.9%)
Supplies & Materials	2,709,404	3,038,260	3,065,436	3,038,260	-	0.0%
Grants And Subsidies	637,285,098	703,304,068	764,075,058	720,695,303	17,391,235	2.5%
Capital Outlay	1,076,876	1,072,787	1,072,787	1,072,787	-	0.0%
Other	53,875	58,000	58,000	58,000	-	0.0%
Total	740,068,860	813,874,507	875,416,631	830,742,455	16,867,948	2.1%
Funding Types:						
General	263,496,580	277,698,091	300,728,965	278,801,423	1,103,332	0.4%
Federal	470,740,304	527,699,868	566,202,950	541,910,958	14,211,090	2.7%
Other	5,831,976	8,476,548	8,484,716	10,030,074	1,553,526	18.3%
Total	740,068,860	813,874,507	875,416,631	830,742,455	16,867,948	2.1%
FTE	973.6	1,001.5	1,009.5	996.5	(5.0)	(0.5%)

SALARY POLICY

The Governor recommends no salary policy.

Major Expansion and Reduction

Budget Item	Governor's Recommendation		
	State General Fund	Total Funds *	FTE
A. FMAP	(3,993,719)	0	
B. Mandatory Provider Inflation	3,658,463	10,055,150	
C. Administration:			
Technology - increased rates for state computer services	59,660	101,127	
Catastrophic County Poor Relief - FTE	(22,861)	(53,164)	-1.0
D. Economic Assistance:			
TANF Grants - expansion of 40 new cases	95,215	190,430	
Sales Tax on Food Refund Program - FTE			-3.0
E. Medical & Adult Services:			
School Based Administration		600,000	
increased clients - Medical Services	1,761,844	4,855,284	
increased utilization - Medical Services	2,311,519	6,193,781	
revised projections - Medical Services	862,396	2,489,129	
Adult Dental Services - eliminate	(1,485,987)	(3,806,805)	
Adult Chiropractic Services - eliminate	(142,343)	(373,800)	
Medicare Part D (Clawback)	(2,153,526)	0	
Provider reimbursement-case management services	(647,360)	(1,700,000)	-1.0
Catastrophic County Poor Relief		(600,000)	
Long Term Care - client costs	(429,678)	(1,151,334)	
Reduced CHIP federal authority		(752,959)	
F. Children's Services			
increased legal and referee costs	9,775	28,750	
subsidized guardianship & adoptions	709,243	1,070,938	
court ordered supervision	(210,000)	(210,000)	
Child Care Direct Assistance	720,691	129,421	
Before/after school grants		(198,000)	
Salary Policy			-
Total of items listed	1,103,332	16,867,948	-5.0

A. FMAP

A decrease of \$3,993,719 from the general fund is due to a change in the FMAP (Federal Medical Assistance Percentage) rate. This change results in an appropriation shift from the general fund to federal funds.

(The Federal government pays a share of the medical assistance expenditures under each State's Medicaid program. That share, known as the FEDERAL MEDICAL ASSISTANCE PERCENTAGE or FMAP, is determined annually by the feds with a formula that compares the State's average per capita income level with the national income average. States with a higher per capita income level are reimbursed a smaller share of their costs. In State Fiscal Year 2010, the Title XIX federal share will be 62.68% and the state share will be 37.32%. The federal share is

.76% higher than what it is in FY09 and the state's share is less. In SFY10, the Title XXI (CHIP) federal share will be 73.88% and the state share will be 26.12%. The federal share is .53% higher and the state's share is lower than what it is in FY09.

Note: this is only a portion of the total cost of the FMAP change to South Dakota. The Department of Human Services and the Department of Corrections budgets are also impacted.

<u>Division</u>	<u>Amount</u>
Administration	3,393
Economic Assistance	4,053
Medical & Adult Services	3,737,138
Children's Services	249,135
DEPARTMENT TOTAL	<u>\$3,993,719</u>

B. MANDATORY PROVIDER INFLATION

The Governor recommends an increase for mandatory provider inflation of **\$10,055,150 from all funds.** (\$3,658,463 general, \$6,396,687 federal)

Mandatory provider inflation applies to services or programs where federal requirements or the State's approved Medicaid State Plan require reimbursement based on actual costs. (The Governor recommends no increase for discretionary provider inflation.)

Breakdown of increases in the Medical Services Division:

<u>Division</u>	<u>General Funds</u>	<u>Total</u>
Physician Services – 2.41%	119,255	319,884
Inpatient Hospital – 5.34%	460,326	1,233,456
Outpatient Hospital – 2.3%	321,526	861,538
Prescription Drugs – 4.8%	981,158	2,629,041
Medicare Crossover – 8%	584,570	1,566,371
Medicare Part A, B, & D – 5.52% & 9.06%	958,467	2,101,339
Expanded Medicare – 9.06%	0	103,011
Children's Care Hospital & School – 9.62%	0	572,283
Children's Health Insurance Program – 1.77%	233,161	668,227
TOTAL	<u>\$3,658,463</u>	<u>\$10,055,150</u>

C. ADMINISTRATION

➤ Technology: The Governor recommends a **increase of \$101,127** (\$59,660 general funds) for projected increased rates for state computer services.

➤ Catastrophic County Poor Relief: Elimination of the 1.0 FTE and funding for administering the Catastrophic County Poor Relief Program. **Reduction of 1.0 FTE and \$53,164.** (\$22,861 general)

D. ECONOMIC ASSISTANCE

- TANF Grants: The Governor recommends an **increase of \$190,430** for the expansion of 40 new TANF cases. This expansion is necessary to ensure enough cash grant dollars are available to help needy families with children that qualify and are eligible for Temporary Assistance to Needy Families (TANF). The projected increase would be the result of a continuing uncertain economy, a change in federal law recognizing post secondary education as allowable participation in TANF Work, and variables such as labor market conditions etc. The average monthly grant is estimated to be \$396.73 for SFY10.
- Sales Tax on Food Refund Program: The Governor recommends eliminating the Sales Tax on Food Refund Program for a **reduction of 3.0 FTE**. The program has been funded since FY05 through Special Appropriations. No funding was proposed for FY10 and the FY09 Special (SB49) has been removed from the Governor's recommendation.

E. MEDICAL & ADULT SERVICES

- Mandatory Provider Inflation: as noted in item B. (above) is all budgeted in this division.
- FMAP funding "flip" from general funds to federal funds for the Medical and Adult Services division is **\$3,737,138**.
- School Based Administration: The Governor recommends an **increase of \$600,000** in federal funds for school based administration. Local school districts may claim administrative expenses related to the district's students that are eligible for Medical Assistance Programs.
- Medical Services: The Governor recommends a net **increase of \$4,855,284** due to increased medical services clients. (\$1,761,844 general)
- Medical Services: The Governor recommends a net **increase of \$6,193,781** due to increased utilization of medical services. (\$2,311,519 general)
- Medical Services: The Governor recommends a net **increase of \$2,489,129** due to revised projections. (\$862,396 general)
- Adult Dental Services: The Governor recommends eliminating adult dental services. **Reduction of \$1,485,987 general, \$2,320,818 federal, total \$3,806,805.**
- Adult Chiropractic Services: The Governor recommends eliminating adult chiropractic services. **Reduction of \$142,343 general, \$231,457 federal, total \$373,800.**
- Provider Reimbursement: The Governor recommends a reduction of provider reimbursement for case management services and 1.0 FTE. **Reduction of 647,360 general, \$1,052,640 federal, \$1,700,000 total and 1.0 FTE**) The department states physicians will no longer be reimbursed a per member fee monthly to provide managed care services. We will continue to require a referral from an individual's primary care physician before they see a specialist. (Note: The \$103,238 funding for the FTE was inadvertently removed from operating expenses instead of personal services.)
- Medicare Part D (Clawback): The Governor recommends a **funding flip** of \$2,153,526 (- general + other) in the Medicare Part D state contribution. One-time cash is available as a result of

the settlement of lawsuits involving drug companies by the Consumer Protection Division of the Attorney General's Office.

➤ Catastrophic County Poor Relief: The Governor recommends an **other funds decrease of \$600,000** for moving this program to the counties. SDCL chapter 28-13A. Currently, each participating county is charged an assessment to be received by March 15th. Funds are to provide disbursements to counties for ninety percent of any hospital and other medical claim payments the county made for the individual in excess of twenty thousand dollars in the 12-month period and may continue to reimburse the county for ninety percent of hospital and other medical claim payments for the individual for the remainder of that period. The Governor proposes to allow the counties to administer the program. The fund balance on December 31, 2008 was \$689,163. The agency will transfer the balance to the counties to administer the program. (FTE for this program is being deleted from the Administration Division above.)

➤ Long Term Care: The Governor recommends a decrease for nursing home client costs. The agency states the client share for nursing homes is higher than previously anticipated. **Reduction of \$429,678 general, \$721,656 federal, total \$1,151,334**

F. CHILDREN'S SERVICES

➤ FMAP funding "flip" from general funds to federal funds for the Children's Services division is **\$249,135**.

➤ Increased legal and referee costs: The Governor recommends an **increase of \$28,750** for expansion to reimburse the Unified Judicial System for the referee costs for child support modification and order establishment cases that referee hearings are provided for. There is a projected increase of 115 referee hearings from SFY09 to SFY10. (\$9,775 general, \$18,975 federal)

➤ Subsidized Guardianships and Adoptions: The Governor recommends an **increase of \$709,243 (general) and \$361,695 (federal)** for a total of \$1,070,938 in the area of subsidized guardianships and adoptions. This includes expansion for 5 new guardianships at an annual cost of \$4,188 per guardianship. These are cases where the child cannot return home and adoption is not the right option. The foster parent or relative chooses to become the legal guardian and a monthly subsidy is provided to help offset the costs of care. Subsidized Adoption is provided for children who have medical, emotional, or behavioral problems, or who are otherwise hard to place for adoption due to their special needs, race, age, or because they are part of a large sibling group.

➤ Court Ordered Supervision: The Governor recommends a **decrease of \$210,000** for court ordered supervision. SDCL 26-8A-22 and SDCL 26-8A-26 (This project provides for contracts with private agencies to work in collaboration with Child Protection Services in fulfilling the responsibility set by the court in providing supervision of family situations where children are returned to parents. 2007 HB1072.)

➤ Child Care Direct Assistance: The Governor recommends a **net increase of \$129,421** for Child Care Direct Assistance. The expansion is for an additional 100 cases at \$447.40. Child Care Services provides assistance through certificates to low-income families for their child care costs while they work and/or go to school. (+\$720,691 general, -\$591,270 federal)

Based on Governor's REVISED Recommendation on 01/22/09.

➤ Provider Grants-Before/After School: The Governor recommends a **decrease of \$198,000** in federal fund authority for before/after school provider grants. The department states it is no longer funding first year, start-up programs. Funding will finish out programs in a current 3-year funding cycle.

Administration

The Administration Division manages and coordinates all other offices, programs, and activities in the agency. It provides the services of legal, statistical analysis, budgetary review, accounting and financial management, provider reimbursement and audits, electronic benefits, and operations and technology services.

The total recommended budget for Administration consists of \$26,243,031 and 177.7 FTEs.

Item:	Actual FY08	Budgeted FY09	Agency Requested FY10	REVISED Recommended FY10	Inc/Dec FY10	% Change From FY09
Personal Services	7,299,589	7,862,316	7,862,316	7,809,152	(53,164)	(0.7%)
Travel	132,111	163,056	163,056	163,056	-	0.0%
Contractual Services	7,930,940	16,924,140	17,025,267	17,025,267	101,127	0.6%
Supplies & Materials	149,018	143,205	143,205	143,205	-	0.0%
Grants And Subsidies	52,310	30,000	30,000	30,000	-	0.0%
Capital Outlay	614,459	1,072,351	1,072,351	1,072,351	-	0.0%
Other	-	-	-	-	-	0.0%
Total	16,178,427	26,195,068	26,296,195	26,243,031	47,963	0.2%
Funding Types:						
General	6,713,720	6,844,230	6,900,497	6,877,636	33,406	0.5%
Federal	9,428,322	19,131,721	19,176,581	19,146,278	14,557	0.1%
Other	36,385	219,117	219,117	219,117	-	0.0%
Total	16,178,427	26,195,068	26,296,195	26,243,031	47,963	0.2%
FTE	175.6	178.7	178.7	177.7	(1.0)	(0.6%)

REVENUES – None Reported

- Technology: The Governor recommends a **increase of \$101,127** (\$59,660 general funds) for projected increased rates for state computer services.
- Catastrophic County Poor Relief: Elimination of the 1.0 FTE and funding for administering the Catastrophic County Poor Relief Program. **Reduction of 1.0 FTE and \$53,164.** (-\$22,861 general funds)
- FMAP change (+federal - general) for the Administration Division is **\$3,393.**

SELECTED STATISTICAL DATA - 12/02/08

	Actual FY07	Actual FY08	Estimated FY09	Estimated FY10
<i>ADMINISTRATIVE HEARINGS:</i>				
Fair Hearings Requested	425	490	475	475
<i>LEGAL SERVICES:</i>				
Abuse & Neglect (civil)	18	5	9	10
Admin. Appeals of Fair Hearing Decisions	9	4	10	12
Administrative Hearings	28	39	42	45
SD Supreme Court Appeals	36	27	30	32
Discrimination Complaints	12	1	8	10
Eligibility	63	63	65	70
Post-trial Proceedings	3	4	5	5
Prosecution of Child Abuse (criminal)	13	16	20	23
Records Request	129	144	150	160
Recoveries / Welfare Fraud	29	20	25	28
<i>RECOVERIES and INVESTIGATIONS:</i>				
<i>Fraud Investigation Activity:</i>				
Investigations Assigned	838	903	925	925
Tips Completed	499	501	525	525
Tips Substantiated	292	314	330	330
Fraud Prevention Investigations Completed	122	148	175	175
Fraud Prev. Investigations Substantiated	107	118	140	140
Investigations Completed	1,496	1,759	1,800	1,800
Pharmacy Cost Avoidance	\$3,339,719	\$3,591,023	\$3,500,000	\$3,500,000
<i>Fraud and Nonfraud Recovery Activity:</i>				
Total Dollars Recovered	\$5,992,105	\$5,928,474	\$6,000,000	\$6,000,000

Economic Assistance

The Economic Assistance division provides financial, medical, food, and energy assistance to eligible people to enable them to achieve and maintain a reasonable standard of living.

The total recommended budget for Economic Assistance consists of \$65,136,783 and 319.5 FTEs.

Item:	Actual FY08	Budgeted FY09	Agency Requested FY10	REVISED Recommended FY10	Inc/Dec FY10	% Change From FY09
Personal Services	14,472,314	15,767,722	15,848,862	15,767,722	-	0.0%
Travel	338,233	399,886	399,886	399,886	-	0.0%
Contractual Services	1,805,155	2,074,390	2,193,900	2,074,390	-	0.0%
Supplies & Materials	1,013,088	1,039,513	1,039,513	1,039,513	-	0.0%
Grants And Subsidies	41,131,913	45,664,842	46,936,864	45,855,272	190,430	0.4%
Capital Outlay	6,724	-	-	-	-	0.0%
Other	-	-	-	-	-	0.0%
Total	58,767,427	64,946,353	66,419,025	65,136,783	190,430	0.3%
Funding Types:						
General	20,310,935	21,110,259	21,965,865	21,201,421	91,162	0.4%
Federal	38,454,980	43,536,094	44,153,160	43,635,362	99,268	0.2%
Other	1,511	300,000	300,000	300,000	-	0.0%
Total	58,767,426	64,946,353	66,419,025	65,136,783	190,430	0.3%
FTE	312.1	322.5	324.5	319.5	(3.0)	(0.9%)

REVENUES – None Reported

➤ TANF Grants: The Governor recommends an **increase of \$190,430** for the expansion of 40 new TANF cases. This expansion is necessary to ensure enough cash grant dollars are available to help needy families with children that qualify and are eligible for Temporary Assistance to Needy Families (TANF). The projected increase would be the result of a continuing uncertain economy, a change in federal law recognizing post secondary education as allowable participation in TANF Work, and variables such as labor market conditions etc. The average monthly grant is estimated to be \$396.73 for SFY10.

➤ Sales Tax on Food Refund Program: The Governor recommends eliminating the Sales Tax on Food Refund Program for a **reduction of 3.0 FTE**. The program has been funded since FY05 through Special Appropriations. No funding was proposed for FY10 and the FY09 Special (SB49) has been removed from the Governor's recommendation.

➤ FMAP change (+federal -general) for the Economic Assistance Division is **\$4,053**.

SELECTED STATISTICAL DATA - 12/02/08

	Actual FY07	Actual FY08	Estimated FY09	Estimated FY10
<i>ENERGY ASSISTANCE</i>				
<i>Weatherization:</i>				
Homes Weatherized/Average Cost	1,114/\$2,443	1,016/\$2,885	1,004/\$2,966	923/\$3,032
Elderly Households Served	544	496	488	449
<i>Energy Assistance:</i>				
Households Served/Elderly Households Served	17,536/6,911	18,059/6,904	18,736/7,029	19,310/7,066
<i>Community Assistance:</i>				
Individuals Served	28,494	31,985	32,000	33,000
<i>MEDICAL ELIGIBILITY</i>				
Total Avg. Persons Eligible (XIX & XXI)	100,393	102,310	103,645	104,980
Aged/Blind	5,539/91	5,593/84	5,489/84	5,386/84
Disabled Adults/Disabled Children	11,116/2,583	11,226/2,680	11,310/2,784	11,394/2,894
Low Income Family (LIF) Adults/Children	10,812/18,647	10,800/17,955	10,920/18,201	10,963/18,472
DSS and DOC Foster Care Children	3,636	3,755	3,807	3,860
Pregnant Women (Pregnancy Related Serv.)	1,918	1,903	1,960	1,998
<i>Medical Programs for Low Income Children:</i>				
Title XIX Funded	31,628	33,532	33,992	34,497
Title XXI Funded <140%/140-200% of FPL	9,012/2,218	8,984/2,487	9,133/2,528	9,280/2,568
<i>Medicare Savings:</i>				
QMB	3,193	3,311	3,437	3,736
SLMB	1,647	1,702	1,728	1,890
Qualified Individuals	781	826	868	914
Renal Disease	12	12	12	12
<i>FOOD & NUTRITION PROGRAMS:</i>				
Food Stamp (FS) Benefits Issued	\$69,164,107	\$75,977,064	\$80,004,515	\$84,245,725
FS Certified Households/Persons Avg./Mo.	24,675/60,107	26,013/62,816	27,392/66,146	28,844/69,652
FS: EMPLOYMENT & TRAINING PARTICIPAN	1,710	1,702	1,720	1,725
FS: Annual Job Placements	2,681	2,723	2,725	2,750
TANF CASES (Per Mo./Avg. Pay)	2,916/\$360.45	2,876/\$373.95	2,876/\$385.17	2,916/\$390.95
TANF Parent Cases (Average per Month)	1,009	895	920	935
Annual Job Placements	1,371	1,238	1,250	1,275
<i>AUXILIARY PLACEMENT:</i>				
Children Served	608	534	552	556
DOC Children/CPS & Auxiliary Children	246/362	232/302	244/308	245/310

Medical and Adult Services

The Medical and Adult Services division provides medical assistance to eligible South Dakotans under Medicaid (Title XIX of the Social Security Act). It also provides a range of in-home and community-based services to older adults in accordance with the Older Americans Act as well as administering the Victim Assistance programs.

The total recommended budget for Medical and Adult Services consists of \$650,150,254 and 144.5 FTEs.

Item:	Actual FY08	Budgeted FY09	Agency Requested FY10	REVISED Recommended FY10	Inc/Dec FY10	% Change From FY09
Personal Services	6,271,996	7,680,652	7,680,652	7,680,652	-	0.0%
Travel	314,889	330,633	330,633	330,633	-	0.0%
Contractual Services	36,782,996	28,238,954	28,284,647	27,638,954	(600,000)	(2.1%)
Supplies & Materials	412,226	441,895	441,895	441,895	-	0.0%
Grants And Subsidies	545,363,557	597,649,238	654,673,324	614,057,684	16,408,446	2.7%
Capital Outlay	120,991	436	436	436	-	0.0%
Other	6,322	-	-	-	-	0.0%
Total	589,272,977	634,341,808	691,411,587	650,150,254	15,808,446	2.5%
Funding Types:						
General	208,597,653	217,353,763	235,974,618	217,351,953	(1,810)	(0.0%)
Federal	379,123,909	413,497,033	451,945,957	427,753,763	14,256,730	3.4%
Other	1,551,415	3,491,012	3,491,012	5,044,538	1,553,526	44.5%
Total	589,272,977	634,341,808	691,411,587	650,150,254	15,808,446	2.5%
FTE	133.2	145.5	145.5	144.5	(1.0)	(0.7%)

REVENUES – None Reported

FMAP (Federal Medical Assistance Percentage) is the percentage of federal matching funds a state receives for its Medicaid Program. It is calculated based on a three-year average of state per capita personal income compared to the national average. South Dakota's share of the FMAP rate is going down because its personal income is going down. In State Fiscal Year 2010, the Title XIX federal share will be 62.68% and the state share will be 37.32%. The federal share is .76% higher than what it is in FY09 and the state's share is less. In SFY10, the Title XXI (CHIP) federal share will be 73.88% and the state share will be 26.12%. The federal share is .53% higher and the state's share is lower than what it is in FY09.

- FMAP change for Medical and Adult Services (+federal -general funds) is **\$3,737,138**. (general fund decrease)
- Provider inflation increase of **\$10,055,150** (\$3,658,463 general funds) is all budgeted in this division.
- School Based Administration: The Governor recommends an **increase of \$600,000** in federal funds for school based administration. Local school districts may claim administrative expenses related to the district's students that are eligible for Medical Assistance Programs.
- Medical Services: The Governor recommends a net **increase of \$4,855,284** due to increased medical services clients. (\$1,761,844 general)

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- Adult Chiropractic Services: The Governor recommends eliminating adult chiropractic services. **Reduction of \$142,343 general, \$231,457 federal, total \$373,800.**
- Provider Reimbursement: The Governor recommends a reduction of provider reimbursement for case management services and 1.0 FTE. **Reduction of 647,360 general, \$1,052,640 federal, \$1,700,000 total and 1.0 FTE)** The department states physicians will no longer be reimbursed a per member fee monthly to provide managed care services. We will continue to require a referral from an individual's primary care physician before they see a specialist. (Note: The \$103,238 funding for the FTE was inadvertently removed from operating expenses instead of personal services.)
- Medicare Part D (Clawback): The Governor recommends a **funding flip** of \$2,153,526 (- general + other) in the Medicare Part D state contribution. One-time cash is available as a result of the settlement of lawsuits involving drug companies by the Consumer Protection Division of the Attorney General's Office.
- Catastrophic County Poor Relief: The Governor recommends an **other funds decrease of \$600,000** for moving this program to the counties. SDCL chapter 28-13A. Currently, each participating county is charged an assessment to be received by March 15th. Funds are to provide disbursements to counties for ninety percent of any hospital and other medical claim payments the county made for the individual in excess of twenty thousand dollars in the 12-month period and may continue to reimburse the county for ninety percent of hospital and other medical claim payments for the individual for the remainder of that period. The Governor proposes to allow the counties to administer the program. The fund balance on December 31, 2008 was \$689,163. The agency will transfer the balance to the counties to administer the program. (FTE for this program is being deleted from the Administration Division above.)
- Long Term Care: The Governor recommends a decrease for nursing home client costs. The agency states the client share for nursing homes is higher than previously anticipated. **(Reduction of \$429,678 general, \$721,656 federal, total \$1,151,334)**

SELECTED STATISTICAL DATA - 12/02/08

	Actual FY07	Actual FY08	Estimated FY09	Estimated FY10
<i>MEDICAL SERVICES:</i>				
<i>Average Persons Eligible:</i>				
Aged/Blind	5,539/91	5,593/84	5,489/84	5,386/84
Disabled Adults/Children	11,116/2,583	11,226/2,680	11,310/2,784	11,394/2,894
Low Income Family (LIF) Adults/Children	10,812/18,647	10,800/17,955	10,920/18,201	10,963/18,472
Foster Care Children	3,636	3,755	3,807	3,860
Pregnant Women (QMB)	1,918 3,193	1,903 3,311	1,960 3,437	1,998 3,736
<i>Medical Services Programs for Children:</i>				
Title XIX Funded	31,628	33,532	33,992	34,497
Title XXI Funded, Under 140% of FPL	9,012	8,984	9,133	9,280
Title XXI Funded 140%-200% of FPL	2,218	2,487	2,528	2,568
Total Title XIX Eligibles	89,163	90,839	91,984	93,132
Total Title XXI Eligibles	11,230	11,471	11,661	11,848
Total Avg. Persons Eligible (XIX & XXI)	100,393	102,310	103,645	104,980
Total Average Cost Per Title XIX Eligible	\$3,551	\$3,884	\$4,265	\$4,488
<i>Average Cost Per Title XIX Eligible by Service:</i>				
Physicians	\$682	\$710	\$754	\$785
Inpatient Hospital	\$830	\$983	\$1,039	\$1,109
Outpatient Hospital	\$334	\$371	\$391	\$412
Prescription Drugs	\$312	\$342	\$415	\$466
All Other Services	\$1,393	\$1,478	\$1,666	\$1,716
<i>Program Utilization (Avg Mo Utiliz/Cost):</i>				
Physician Services	27.10/\$200.63	29.29/\$199.39	29.94/\$204.77	30.60/\$208.71
Inpatient Hospital	1.46/\$4,767.90	1.55/\$5,371.09	1.54/\$5,237.04	1.63/\$5,467.75
Outpatient Hospital	6.61/\$418.06	7.05/\$438.19	7.08/\$439.36	7.61/\$450.67
Other Medical	2.98/\$302.21	3.14/\$321.35	3.14/\$330.99	3.14/\$335.96
Chiropractic Services	.97/\$32.98	1.00/\$34.83	1.00/\$35.87	1.00/\$36.41
Medicare Crossover	7.99/\$178.17	8.19/\$197.13	8.19/\$212.79	8.23/\$229.82
Indian Health Services	22.79/\$500.55	22.38/\$507.70	22.79/\$533.89	22.79/\$533.89
<i>Prescription Drugs:</i>				
Avg. Utilization/Prescriptions Per Month	23.21/2.65	23.65/2.67	25.07/2.67	25.99/2.67
Average Cost Per Prescription	\$67.50	\$69.99	\$70.59	\$73.98
<i>Adult Services:</i>				
Average Eligible Clients	30,248	27,619	27,803	27,827
Dental Average Utilization/Cost	100/\$6.52	5.07/\$181.26	5.22/\$201.03	5.38/\$203.80
Optometrist Average Utilization/Cost	1.39/\$113.72	1.88/\$92.35	2.11/\$95.12	2.11/\$96.55
<i>Children's Services (EPSDT)</i>				
Avg. Children - LIF/Foster Care	18,647/3,708	17,955/3,755	18,201/3,807	18,472/3,860
Expanded Medical/Disabled	31,628/2,583	33,532/2,680	33,992/2,784	34,497/2,894
<i>Avg. Monthly Utilization/Cost:</i>				
Screening	1.60/\$53.20	1.47/\$68.08	1.60/\$70.12	1.60/\$71.17
Dental Services	100/\$10.40	7.84/\$178.85	8.08/\$191.35	8.32/\$192.62
Optometric Services	1.19/\$98.87	1.53/\$82.44	1.83/\$84.91	1.83/\$86.19
Treatment Services	1.75/\$821.61	1.73/\$914.16	1.73/\$941.58	1.73/\$955.71
<i>Supplemental Medical Insurance (Buy-In):</i>				
Part A Recipients/Premium	943/\$407.05	955/\$416.55	991/\$431.32	1,044/\$451.75
Part B Recipients/Premium	15,243/\$94.98	15,456/\$94.95	15,548/\$99.98	15,794/\$108.25
Balance Budget Act Expanded SMI/Premium	781/\$90.98	846/\$94.96	942/\$99.98	1,038/\$108.25
<i>Childrens Care Hospital:</i>				
Avg. Residents/Per Diem Paid	55/\$328.73	58/\$387.69	65/\$390.73	65/\$428.32
<i>Renal Disease:</i>				
Avg. Monthly Eligibles	12	10	11	11
Avg. Monthly Cost Per Eligible	\$242.46	\$171.75	\$85.88	\$85.88

Based on Governor's REVISED Recommendation on 01/22/09.

<i>Managed Care Program Participants:</i>				
Eligibles/Physicians in Primary Care	73,745/690	80,887/745	81,939/745	82,980/745
<i>Claims Processing:</i>				
Claims Processed	4,081,669	4,137,672	4,145,800	4,199,200
Claims Processed Per Eligible Person	41	40	40	40
<i>Catastrophic County Poor Relief:</i>				
Claims Reviewed and Approved	22	23	22	22
Participating Counties	61	60	60	60
Total Paid Out	\$336,429	\$308,195	\$600,000	\$600,000
Counties Requesting Reimbursement	10	9	10	10
Claims Priced Under Medicaid	873	785	800	850
Claims Reviewed	19	2	10	10
<i>ADULT SERVICES AND AGING:</i>				
Avg. Monthly Cases/Unduplicated Clients	5,821/8,964	5,568/8,291	6,100/9,100	6,500/9,500
Title XIX Waiver Program Clients	1,098	1,171	1,200	1,300
<i>In-Home Services</i>				
Personal Care, Nursing, & Homemaker Clients	4,712	5,701	5,800	6,000
Contracted Nursing and Aide Hours	354,330	326,937	367,345	400,000
Respite and Caregiver Clients	712	695	750	825
<i>Community Support Services</i>				
Transportation Trips/Clients	433,754/10,268	454,316/10,319	465,500/10,500	470,000/11,250
Elderly Nutrition Program Meals Served	1,539,038	1,529,471	1,562,505	1,607,004
Avg Daily Participation - Clients Served	5,981	6,112	6,250	6,377
<i>Long Term Care Services</i>				
Nursing Facilities - Clients	3,710	3,647	3,647	3,647
Assisted Living Centers - Clients	696	695	695	695
Adult Foster Care	13	17	17	17
<i>Victims Services</i>				
Unduplicated Victims Served/Sheltered	16,000/3,903	17,942/4,492	18,500/4,750	19,000/5,000
Victims Compensation Claims Approved	260	196	240	275

Children's Services

The Children's Services division provides services to families in the areas of child support and enforcement, child protection services, and child care services.

The total recommended budget consists of \$89,212,387 and 354.8 FTEs.

Item:	Actual FY08	Budgeted FY09	Agency Requested FY10	REVISED Recommended FY10	Inc/Dec FY10	% Change From FY09
Personal Services	16,902,990	18,471,806	18,734,837	18,471,806	-	0.0%
Travel	1,081,884	1,284,913	1,295,530	1,284,913	-	0.0%
Contractual Services	5,610,511	7,202,924	7,325,764	7,231,674	28,750	0.4%
Supplies & Materials	1,135,071	1,413,647	1,440,823	1,413,647	-	0.0%
Grants And Subsidies	50,737,318	59,959,988	62,434,870	60,752,347	792,359	1.3%
Capital Outlay	334,704	-	-	-	-	0.0%
Other	47,552	58,000	58,000	58,000	-	0.0%
Total	75,850,030	88,391,278	91,289,824	89,212,387	821,109	0.9%
Funding Types:						
General	27,874,272	32,389,839	35,887,985	33,370,413	980,574	3.0%
Federal	43,733,093	51,535,020	50,927,252	51,375,555	(159,465)	(0.3%)
Other	4,242,665	4,466,419	4,474,587	4,466,419	-	0.0%
Total	75,850,030	88,391,278	91,289,824	89,212,387	821,109	0.9%
FTE	352.7	354.8	360.8	354.8	0.0	0.0%

➤ FMAP funding "flip" from general funds to federal funds for the Children's Services division is **\$249,135**. (general fund decrease)

➤ Increased legal and referee costs: The Governor recommends an **increase of \$28,750** for expansion to reimburse the Unified Judicial System for the referee costs for child support modification and order establishment cases that referee hearings are provided for. There is a projected increase of 115 referee hearings from SFY09 to SFY10. (\$9,775 general, \$18,975 federal)

➤ Subsidized Guardianships and Adoptions: The Governor recommends an **increase of \$709,243 (general) and \$361,695 (federal)** for a total of \$1,070,938 in the area of subsidized guardianships and adoptions. This includes expansion for 5 new guardianships at an annual cost of \$4,188 per guardianship. These are cases where the child cannot return home and adoption is not the right option. The foster parent or relative chooses to become the legal guardian and a monthly subsidy is provided to help offset the costs of care. Subsidized Adoption is provided for children who have medical, emotional, or behavioral problems, or who are otherwise hard to place for adoption due to their special needs, race, age, or because they are part of a large sibling group.

➤ Court Ordered Supervision: The Governor recommends a **decrease of \$210,000** for court ordered supervision. SDCL 26-8A-22 and SDCL 26-8A-26 (This project provides for contracts with private agencies to work in collaboration with Child Protection Services in fulfilling the responsibility set by the court in providing supervision of family situations where children are returned to parents. 2007 HB1072.)

➤ Child Care Direct Assistance: The Governor recommends a **net increase of \$129,421** for Child Care Direct Assistance. The expansion is for an additional 100 cases at \$447.40. Child Care

Based on Governor's REVISED Recommendation on 01/22/09.

Services provides assistance through certificates to low-income families for their child care costs while they work and/or go to school. (+\$720,691 general, -\$591,270 federal)

➤ Provider Grants-Before/After School: The Governor recommends a **decrease of \$198,000** in federal fund authority for before/after school provider grants. The department states it is no longer funding first year, start-up programs. Funding will finish out programs in a current 3-year funding cycle.

REVENUES - 12/02/08

	Actual FY07	Actual FY08	Estimated FY09	Estimated FY10
Direct from Noncustodial Parents	15,292,156	16,531,849	17,500,000	18,500,000
Income Withholding	46,205,991	49,910,545	53,500,000	56,500,000
Non-DCS Collections	15,330,683	15,472,446	16,000,000	16,000,000
IRS Tax Refund Offsets	4,770,855	6,768,055	5,500,000	5,800,000
Received from Other States	5,834,291	6,112,094	6,200,000	6,300,000
Total	87,433,976	94,794,989	98,700,000	103,100,000

SELECTED STATISTICAL DATA - 12/02/08

	Actual FY07	Actual FY08	Estimated FY09	Estimated FY10
<i>CHILD SUPPORT:</i>				
<i>Distribution of Collections:</i>				
DCS Payments to Families	\$61,564,860	\$67,653,511	\$71,300,000	\$75,500,000
Non-DCS Payments to Families	\$15,330,683	\$15,472,446	\$16,000,000	\$16,000,000
DCS Payments to Other States	\$6,836,969	\$7,280,893	\$7,400,000	\$7,600,000
State Share of TANF/IVE Collected	\$1,517,309	\$1,736,608	\$1,500,000	\$1,500,000
Federal Share of TANF/IVE	\$2,184,155	\$2,651,531	\$2,500,000	\$2,500,000
Federal Incentive Payments	\$1,725,683	\$1,405,634	\$1,600,000	\$1,600,000
Total Cases	54,947	53,300	55,000	56,500
TANF/IVE Cases	3,352	3,379	3,400	3,400
Non-TANF Cases	27,303	28,536	29,800	31,300
TANF/IVE Arrears Only Cases	6,594	6,504	6,600	6,600
Non-DCS Cases	8,845	9,105	9,200	9,200
Non-Jurisdictional Cases	8,853	5,776	6,000	6,000
Total Payments Processed	531,120	558,369	585,000	605,000
Total Payments Disbursed	409,754	433,069	455,000	475,000
Payments Disbursed Electronically	394,343	417,619	440,000	460,000
Payors - DCS Cases	28,627	29,719	31,000	32,000
Payors - Non-DCS Cases	3,065	3,008	3,100	3,200
Paternities Established	643	521	650	700
Voluntary Paternity Acknowledgements	3,089	3,320	3,550	3,670
Support Orders Established	2,710	2,481	2,600	2,700
Support Order Modifications Processed	2,826	2,746	2,900	3,050
Successful Enforcement Actions	39,075	40,036	41,000	42,000
TANF Cases Closed With Collections	1,894	1,822	1,800	1,800
Customer Service Calls to Voice Response	606,527	461,752	400,000	400,000
Internet Customer Service Queries	288,103	582,540	650,000	750,000
New Hires Reported	194,446	200,033	210,000	220,000
New Hire Matches with DCS Cases	16,047	18,653	19,600	20,600
<i>CHILD PROTECTION SERVICES:</i>				
All Types of Requests for Services	17,357	16,991	16,990	16,990
Abuse and Neglect (A/N) Requests for Svcs.	14,104	14,374	14,300	14,300
Assigned A/N Requests for Svcs./Children	3,417/6,377	3,668/6,971	3,700/7,000	3,700/7,000
Completed A/N Requests for Svcs./Children	3,389/6,329	3,618/6,622	3,600/6,600	3,600/6,600
Children That Required Safety Response	2,142	2,337	2,400	2,460
Children Requiring Removal from Home	1,402	1,431	1,410	1,410
Children Staying at Home Needing Services	1,269	1,159	1,200	1,250
<i>Adoption Subsidies:</i>				
Mo. Avg. Maintenance & Med./Med. Only	1,256/40	1,327/27	1,414/30	1,475/30
Annual Maintenance Cost Per Client	\$4,489	\$4,655	\$4,795	\$4,867
<i>Subsidized Guardianships:</i>				
Average Clients/Cost Per Year	143/\$4,172	160/\$3,948	170/\$4,066	175/\$4,127
<i>Alternative Care Placements:</i>				
Relative Placements Avg. Clients/Month	213	220	230	230
Avg. Out-of-Home Paid Placements/Month	1,279	1,185	1,235	1,235
<i>Pd Placements-Mo. Avg. Clients/Avg. Cost:</i>				
Basic Foster Care	665/\$430	646/\$441	656/\$454	656/\$461
Specialized Foster Care	61/\$720	58/\$736	58/\$758	58/\$769
Treatment Foster Care	97/\$1,832	110/\$1,978	110/\$2,037	110/\$2,068
Emergency Care	129/\$310	121/\$354	130/\$365	130/\$371
Group Care	227/\$3,889	71/\$3,799	76/\$4,051	76/\$4,032
Psychiatric Residential Facilities for Children	100/\$6,333	179/\$6,478	205/\$6,728	205/\$6,829

Based on Governor's REVISED Recommendation on 01/22/09.

Outcome Measures:

Children Returned Home/Placed for Adopt.	892/146	816/188	850/170	850/150
Children Emancipated/Guardianships	95/143	72/78	75/89	75/94
Children Discharged to Relatives/Other Perman	46/170	71/225	81/215	90/205

CHILD CARE SERVICES:

Average Monthly Families Served	2,894	2,914	3,011	3,111
Average Monthly Children Served	4,933	4,988	5,119	5,289
Average Monthly Payment Per Case	\$405	\$412	\$426	\$447

Child Care Licensing and Registration:

Registered Family Day Care Providers	885	900	920	925
Licensed Group Family Day Care Centers	92	93	94	95
Licensed Day Care Centers	165	170	182	195
Licensed Out-of-School Time Programs	160	162	163	165

Other Departmental Issues

A. General Fund Reversions

General Fund Reversions FY03-FY08

FY03- \$ 3,337,370

FY04- \$ 200,081

FY05- \$ 369,894

FY06- \$ 8,228

FY07- \$ 455,473

FY08- \$ 00

B. Letters of Intent

There were no FY09 Letters of Intent issued.

C. Committee Requests

➤ The Committee requests that the Department continue to provide updated 'fact sheets' regarding the following: Sales Tax on Food Refund Program; MMIS; TANF Carryover Funds; Funding Sources; and the Federal Poverty Guidelines and Program Eligibility document.