

Bulletin

June 5, 2006

Minnesota Department of Human Services □ P.O. Box 64941 □ St. Paul, MN 55164-0941

OF INTEREST TO

- County Directors
- County Fiscal Supervisors

ACTION/DUE DATE

Please use in preparing
2007 County Budget.

EXPIRATION DATE

October 01, 2007

FINANCIAL INFORMATION TO ASSIST COUNTIES WITH PREPARATION OF CY 2007 HUMAN SERVICES BUDGET

TOPIC

Information for county human service agencies to assist them in preparing county 2007 budgets.

PURPOSE

Provide county human service agencies information on caseloads, rates, costs and expected revenues under current law for the preparation of their 2007 budgets.

CONTACT

See list on page 10.

SIGNED

DENNIS W. ERICKSON

Assistant Commissioner

Finance and Management Operations

A. EXPECTED MEDICAL ASSISTANCE TRENDS FOR CALENDAR YEAR 2007**Long-Term Care Facilities, Waivers, Home Care**

Total expenditures for these services are expected to increase about 5 percent over Calendar Year (CY) 2006 expenditures. Waiver and home care expenditures are expected to increase by about 10 percent, driven by increasing numbers of recipients and COLA increases approved by the 2005 Legislature. Nursing facility and ICF/MR expenditures are expected to be about 3 percent lower, with declines in the number of recipients continuing in both types of facilities.

Basic Care

Basic care is general medical coverage for all those enrolled in MA, including recipients of long term care. The average number of people enrolled in MA (including MFIP recipients) during CY 2007 is expected to increase by about 3 percent over the number for the preceding year. Expenditures are projected to increase by 11 percent over CY 2006. Other than an enrollment increase, expected increases of about 7 percent in managed care rates are the main contributor to the expected increase.

Targeted Case Management

Changes are expected for targeted case management due to passage of the Federal Deficit Reduction Act (DEFRA). The extent of those changes and the impact on revenue is unknown at this time. The Centers for Medicare and Medicaid Services (CMS) will be issuing regulations on how they intend to implement this change in law. As soon as Department of Human Services (DHS) receives this information, counties will be instructed concerning any changes in billing. Until then, continue TCM billings as usual.

Total MA Program

Total MA costs, including all services, are projected to increase by roughly 9 percent for CY 2007 compared to CY 2006.

B. FINANCIAL PARTICIPATION RATES:

Following are the financial participation rates for various Health and Human Services Programs.

PARTICIPATION RATES percent	Federal percent	State percent	County
Medical Assistance (MA) Effective October 1, 2006:			
Serv. (Incl. Cost Eff. Health Ins)	50.00	50.00	0.00
Breast & Cervical Cancer Eligibles	65.00	35.00	0.00
RTC Mental Health For Children	50.00	25.00	25.00
NF Under 65 – Over 90 Days (effective Jan 2003)	50.00	40.00	10.00
ICF/MR > 6 Beds-Over 90 Days (effective July 2005)	50.00	45.00	5.00
RSC	50.00	50.00	0.00
ARMHS – State Staff	50.00	0.00	50.00
CW - TCM / Counties *	47.50	0.00	52.50
CW - TCM Contracted Vendors	50.00	0.00	50.00
MH - TCM / Counties *	47.50	0.00	52.50
MH - TCM / Contracted Vendors	50.00	0.00	50.00
Rule 5 Residential Facility Tx *	47.50	0.00	52.50

PARTICIPATION RATES	Federal percent	State percent	County percent
VA/DD – TCM / Counties *	47.50	0.00	52.50
VA/DD – TCM / Contracted Vendors	50.00	0.00	50.00
* The reimbursement for these programs is reduced by 5 percent before payment due to a state administrative set-aside. This reduces the federal share reimbursement to 47.5 percent and increases the county share to 52.5 percent. Unspent administrative set-aside is returned to the county annually.			
MNCare Services	50.00	50.00	0.00
MNCare Access Services	50.00	50.00	0.00
MNCare Family Planning	90.00	10.00	0.00
Health Maintenance Organizations	50.00	50.00	0.00
County Buy-In	0.00	100.00	0.00
Co-Pays	0.00	100.00	0.00
Annual DHS Payment to Co. Nursing Homes	50.00	50.00	0.00
Annual County Payment to DHS for County-owned Nursing Homes (includes Becker, Clearwater, Cook, Dodge, Hubbard, Itasca, Lake, Pennington, Pipestone, Ramsey, St. Louis, Steele, Traverse, Todd, & Wadena)	0.00	100.00	0.00
MA County Recoveries:			
Estate, Recipient Ineligibility	50.00	25.00	25.00
Non-Recipient Contribution	50.00	25.00	25.00
Recipient Contribution	50.00	25.00	25.00
Medical Support With 15 percent Federal Incentive	35.00	25.00	40.00
Administrative Costs Incurred by the County:			
Access Services	50.00	50.00	0.00
Child and Teen Check-Up Outreach	50.00	50.00	0.00
Immunization Registry	50.00	50.00	0.00
Developmentally Disabled Waiver Screenings	50.00	50.00	0.00
PASARR	75.00	25.00	0.00
General Assistance Medical Care (GAMC):			
GAMC Services	0.00	100.00	0.00
GAMC County Recoveries	0.00	50.00	50.00
MinnesotaCare (MNCare):			
MNCare Services	0.00	100.00	0.00
MNCare Co Pays	0.00	100.00	0.00
Med. Support Recoveries:			
with 15 percent Federal Incentive	35.00	25.00	40.00
State Children's Health Insurance Program (S-CHIP)	65.00	35.00	0.00

PARTICIPATION RATES	Federal percent	State percent	County percent
Alternative Care (AC):			
AC Services	0.00	100.00	0.00
AC County Recoveries	0.00	50.00	50.00
AC Estate Recoveries	0.00	90.00	10.00
Client Premiums	0.00	100.00	0.00
Insurance extension program	0.00	100.00	0.00
Ryan White Insurance program	100.00	0.00	0.00
CCDTF county allocation billing	0.00	85.00	15.00
Regional Treatment Center & State Nursing Home			
Poor Relief Billing (20 percent of total cost or balance after third party liability - whichever is less):	0.00	80.00	20.00
TANF Cash Assistance (includes MFIP, EA, DA, DWP):			
Grants		Block Grant	0.00
DWP Grants (except State-Only issuances)	100.00	0.00	0.00
Recoveries	0.00	75.00	25.00
General Assistance:			
Grants - State Standard	0.00	100.00	0.00
Non-SSI Recoveries	0.00	50.00	50.00
SSI Recoveries	0.00	100.00	0.00
Reasonable county fees, costs, disbursements and incentives may be paid if county staff provide "special assistance" to help the client become eligible for SSI. The county must have a contract in place with DHS to receive payment. Please contact Greg Taylor at 651-431-3839 for details about the contract process.			
Refugees:			
(Full reimbursement is dependent on adequate federal funding)			
Cash Assistance	100.00	0.00	0.00
Recoveries	100.00	0.00	0.00
Medical Assistance	100.00	0.00	0.00
Administration	100.00	0.00	0.00
MSA:			
Grants	0.00	100.00	0.00
Non-SSI Recoveries	0.00	50.00	50.00
SSI Recoveries	0.00	100.00	0.00
Reasonable county fees, costs, disbursements and incentives may be paid if county staff provide "special assistance" to help the client become eligible for SSI. The county must have a contract in place with DHS to receive payment. Please contact Greg Taylor at 651-431-3839 for details about the contract process.			

PARTICIPATION RATES	Federal percent	State percent	County percent
----------------------------	------------------------	----------------------	-----------------------

Group Residential Housing:

Grants	0.00	100.00	0.00
Non-SSI Recoveries	0.00	100.00	0.00
SSI Recoveries	0.00	100.00	0.00

Reasonable county fees, costs, disbursements and incentives may be paid if county staff provide "special assistance" to help the client become eligible for SSI. The county must have a contract in place with DHS to receive payment. Please contact Greg Taylor at 651-431-3839 for details about the contract process.

Title IV-E Foster Care (Effective October 1, 2006 to September 30, 2007):

Maintenance	50.00	0.00	50.00
Administration	50.00	0.00	50.00
Group Facility Intake and Planning and Rule 4 Placing Agency	50.00	0.00	50.00
Training	75.00	0.00	25.00
Social Service Information System (SSIS)	50.00	0.00	50.00

C. INCOME MAINTENANCE ADMINISTRATIVE BUDGET**Overall Federal Administrative Aid**

The average reimbursement in this account has been 50 percent. Reimbursement for administration of the TANF Block Grant may affect that rate. TANF reimbursement is earned at the rate of 50 percent and has been included in the MFIP Consolidated Fund (which has a cap that is not specific to administrative expenditures). The MFIP Consolidated Fund 2007 allocations will be published in the Allocations Bulletin to be issued in June of 2006.

A reallocation of any unspent statewide allocation will occur if some counties exceed their allocation. Counties should consider that any spending over their allocation may be at 100 percent county expense as there is no guarantee that under spending will occur by other counties. Re-allocation amounts will be determined by dividing each county's over spending amount by the statewide overspending amount and applying this proportion to the statewide unspent funds.

Federal Food Stamp Administration (USDA)

Budget 50 percent of eligible food stamp costs and 50 percent of approved food stamp fraud costs.

Food Stamp Employment and Training (FSET)

Program funds for county agencies are limited by an allocation based on the ratio of county food stamp caseload to the total state food stamp caseload. Only 15 percent of the FSET allocation may be earned for administrative activities. A separate memo will be issued via e-mail showing county allocations.

Child Support Enforcement (Title IV-D)

Regular Administrative Expenditures and Genetic Testing Expenditures

Child support regular administrative expenditures continue to earn 66 percent federal financial participation (FFP). Effective October 1, 2006, genetic testing expenditures will be matched at 66 percent rather than the current 90 percent FFP rate.

County Grants for New Guidelines Implementation

\$450,000 in new funding is available to counties in state fiscal year 2007 to help fund the new child support guideline. Individual county amounts will be based on the individual county percentage of the statewide caseload size as of the end of the state fiscal year. Payments will be made quarterly effective quarter ending September 2006.

State Incentive Earnings

The statewide amount available for 2007 is estimated at \$4,000,000. Counties may use historical records of earned state incentives as a guide to their anticipated 2007 state incentive earnings. Actual earnings will be affected by individual county performance.

Federal Incentive Earnings

DHS estimates that statewide federal incentives for federal fiscal year 2007 will be consistent with the 2006 level of \$12.5 million. Individual county shares of this amount are estimated using the County Performance Analysis Tool (CPAT) on the *DHS County Link* web site.

Federal Incentive Earnings Match

Counties will continue to receive FFP on reinvested federal incentives spent on child support enforcement activities through September 30, 2007. Effective October 1, 2007, counties may no longer earn FFP on child support expenditures funded with federal incentive revenue. This will result in a loss of federal revenue to counties since federal incentive revenue received by counties during the quarter will now be subtracted from county expenditure claims before calculating FFP. The federal Office of Management and Budget has not issued final reporting procedures. DHS will update county reporting instructions as necessary to implement this change.

D. SOCIAL SERVICES BUDGET

General Notes

Please consult the current BRASS Manual covering CY 2007 (Bulletin 05-32-14 dated December 19, 2005) and the BRASS Technical Manual (Bulletin No. 01-32-15 dated November 19, 2001) for instructions and options on budgeting within BRASS (Budgeting, Reporting, and Accounting for Social Services). In addition, Attachment B in Bulletin No. 05-32-02 dated March 21, 2005 contains a list of Social Service Fund activity which may assist you in identifying the expenditures and revenues that should be included in your budget.

SSIS Fiscal:

Development of SSIS Fiscal (integration of CSIS into SSIS) continues. The four phased implementation is scheduled for completion by January 1, 2007. In January 2005, the SSIS County Partnership agreed that counties would provide ongoing financial support for the non-FFP eligible portion of SSIS Fiscal operations. The amount for 2007 was adjusted using the latest SSIS Children's Workgroup figures. The

county amounts will be distributed at the state Association of Minnesota Social Service Accountants (AMSSA) conference in June 2006. Contact Gwen Wildermuth at 651-772-3780 for more information.

Block Grants:

The Children & Community Services Act Block Grant (CCSA) contains both a State and Federal portion. The Federal portion of this grant is the Title XX Social Service Block Grant. Please see the 2007 Human Service Grants & Allocations Bulletin which will be published in June 2006 for these allocation amounts.

Medical Non-Waiver Social Services Administration (MA SSTS):

Please refer to the quarterly remittance advice memos from Joan Manske. These memos detail the amount of MA SSTS Administration earned.

Children Services (COFARS 710)

Title IV-E Foster Care Maintenance:

Changes are dependent upon changing caseloads and types of placements (family foster home or group facility).

Title IV-E Intake and Planning:

Changes in intake and planning for Title IV-E facilities and Rule 4 placing agencies are dependent upon changing cash-outs and per-diems. Please refer to Bulletin No. 06-32-03, March 27, 2006) for details on the reimbursement and the listing of eligible placing agencies and group home facilities.

Title IV-E Administration and Training:

Please refer to quarterly remittance advice memos from Joan Manske. These memos detail the amount of Title IV-E administration earned. Counties should take into account the Child Welfare Training reductions applied annually to the third calendar quarter of the calendar year when projecting IV-E administrative budget amounts.

Title IV-E Reimbursement for SSIS Costs:

There will be a change in the amount of reimbursement from Title IV-E for the costs for the ongoing operations of the SSIS system. This change is necessary now that SSIS will add functionality to the system with the implementation of SSIS-Fiscal. Counties will continue to allocate SSIS operational costs between Social Services and other departments benefiting from the operational costs and further allocate between child welfare services and other non-child welfare services, such as Adult Services.

The eligible costs allocated to child welfare services will be subject to a new ratio that will be applied to these costs to identify the portion that will be subject to your county's Title IV-E foster care ratio. The new ratio, called the functionality ratio, will be determined by DHS and applied to your SSIS claim. The SSIS Functionality Ratio for 2007 is estimated to be 68 percent. More information will be communicated to you about the functionality ratio in June 2006 at the AMSSA summer conference.

Instructions for claiming the operational costs, depreciation and other pertinent information, including ineligible costs, can be found in Bulletin No. 05-32-02 (March 21, 2005) on pages A9 – A13. Contact Mark Pochardt at 651-431-3786 for more information.

SELF Program:

DHS will award SELF Grants on a competitive basis for CY2007. A bulletin will be issued with instructions for the application for SELF Grants later in 2006. Please see Bulletin No. 05-68-17 for more information.

Child Welfare - Targeted Case Management (CW-TCM):

CW-TCM rates will be distributed at the 2006 AMSSA Conference. These rates will be effective for the period of July 1, 2006 to June 30, 2007.

Relative Custody Assistance (RCA):

Relative Custody Assistance agreements may be entered into when a relative takes custody of a child by a court order issued on or after July 1, 1997. A relative is defined as an individual, other than the parent, who is related to a child by blood, marriage, or adoption. The responsibility for administering the RCA program and making payments rests with the county. The State will reimburse each county on a quarterly basis for the amount of the county's cash payments to relative custodians. RCA payments and reimbursement are subject to the availability of state funds. See Bulletin No. 97-68-10 (July 11, 1997) for more details.

Family Response:

The CY 2006 allocations for the Family Response program will be published in the CY 2007 Allocations Bulletin to be released in June 2006.

Child Care (COFARS 720)

DHS is continuing the development of the Minnesota Electronic Child Care Information System (MEC²).

A key part of this system includes payments being made centrally by DHS. Implementation of MEC² will continue into CY 2007. Once implementation has occurred, direct payments will be issued from DHS. However, counties will continue to receive the administrative allowance equal to 5 percent of direct service expenditures.

MFIP Child Care Assistance Program:

These direct child care services through the MFIP Child Care Program are fully funded, meaning the program operates without an allocation ceiling.

MFIP Child Care Administration:

Counties will receive an administrative allowance equal to 5 percent of direct service expenditures.

Basic Sliding Fee Child Care Program:

Counties are allocated funds on a calendar year basis. A county's allocation includes funds for direct services (20/21 of allocation) and administrative allowance (1/21 of allocation). Please refer to the 2007 Allocations Bulletin (to be published in June 2006) for information regarding allocation amounts, maximum administrative allowance, and the minimum direct service match for calendar year 2007. Counties will receive an administrative allowance equal to 5 percent of direct service earnings. Direct service earnings are equal to direct services minus direct service match up to 20/21 of the total allocation.

Child Care Assistance Recoveries:

Counties receive a 25 percent incentive on Child Care Assistance recoveries.

Chemical Dependency (COFARS 730)

Consolidated Chemical Dependency Treatment Fund (CCDTF):

A bulletin will be published in June 2006 containing administrative allowances, allocations, and maintenance of effort amounts, along with calculation details.

Title XIX - Rule 25 Assessments (MA - SSTs):

Please refer to the quarterly remittance advice memos from Joan Manske for the amount of Rule 25 administration earned.

Mental Health (COFARS 740)

Included below are the most common mental health grants. Other grants are awarded on a limited basis for special or specific purposes.

Adult Mental Health Grants:

The CY 2007 allocations for Adult Mental Health Grants (Rule 78 Adult CSP, Rule 12, Adult Mental Health Systems Initiative, Homeless, and Adult Integrated Fund) will be included in the 2007 Allocations Bulletin (to be published in June 2006).

Children's Mental Health Grants:

The CY 2007 allocations for Children's Mental Health Combined Grants will be included in the 2007 Allocations Bulletin (to be published in June 2006).

Children's and Adult Mental Health Targeted Case Management (MH-TCM):

Rates will be distributed at the 2006 AMSSA conference. These rates will be effective July 1, 2006 to June 30, 2007. Remember that counties also receive state funds to offset their county share. The state funds for the MH-TCM are included as part of your Children's Mental Health Combined Grant and as part of either your Adult Integrated Fund or Rule 78 Grants.

Developmental Disabilities (COFARS 750)

DD Semi-Independent Living Skills (SILS):

The projected CY 2007 allocations for the DD-SILS program will be included in the 2007 Human Services Allocations Bulletin (to be published in June 2006).

DD Family Support:

The projected CY 2007 allocation for the DD Family Support Grant will be included in the 2007 Human Services Allocations Bulletin (to be published in June 2006).

Vulnerable Adults/Adult DD Targeted Care Management (VA/DD TCM):

VA/DD-TCM rates will be distributed at the 2006 AMSSA Conference. VA/DD-TCM rates will be the same as the Adult MH-TCM rates and will be effective July 1, 2006 through June 30, 2007.

L. CONTACT PERSONS

Questions about this bulletin should be addressed to:

Harland Carlson

(651) 431-3736

COFARS Budgeting and
Accounting Procedures

Joan Manske	(651) 431-3800	Income Maintenance and Social Service Administrative Reimbursement, CW-TCM, MH-TCM, & VA/DD-TCM
Rhonda Lord	(651) 431-3787	Title IV-E Maintenance, Relative Custody Assistance
Mark Pochardt	(651) 431-3786	SSIS Claims
Dave Zupher	(651) 431-3778	DD SILS, DD Family Support
Roxy Katchmark	(651) 431-3752	MEC ² System
Jerry Medlicott	(651) 431-3781	Statewide MFIP-ES, Child Care CSSA, Title XX
Ray Truelson	(651) 431-3780	Adult and Children's Mental Health
Lynn Nguyen	(651) 431-3483	Refugee Programs
Dave Christenson	(651) 431-3748	MAXIS Billings
John Egan	(651) 431-3764	Food Stamp Administration
LeAnn Pederson	(651) 431-3761	FSET Program
Jane Johnson	(651) 431-3763	Child Support Payments, Incentives And Administrative Reimbursement
Kim Austen	(651) 431-3732	Health Care Programs
Coretta Walker	(651) 431-3775	Family Response, SELF, Family Group Decision Making

M. Special Needs

This information is available in other forms to people with disabilities by contacting us at 651-431-3777 or through the Minnesota Relay Service at 1-800-627-3529 (TDD), 7-1-1 or 1-877-627-3848 (speech to speech relay service).