

# Bulletin

June 27, 2007

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 2008 County Budget.

## EXPIRATION DATE

October 01, 2008

## FINANCIAL INFORMATION TO ASSIST COUNTIES WITH PREPARATION OF CY2008 HUMAN SERVICES BUDGET

### TOPIC

Information for county human service agencies to assist them in preparing county 2008 budgets.

### PURPOSE

Provide county human service agencies information on caseloads, rates, costs and expected revenues under current law for the preparation of their 2008 budgets.

### CONTACT

See list on page 10.

### SIGNED

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CHRISTINE BRONSON  
Deputy Commissioner  
Department of Human Services

**A. EXPECTED MEDICAL ASSISTANCE TRENDS FOR CALENDAR YEAR 2008****Long-Term Care Facilities, Waivers, Home Care**

Total expenditures for these services are expected to increase about 5% over calendar year (CY) 2007 expenditures. Waiver and home care expenditures are expected to increase by about 9%, driven by increasing numbers of recipients and cost of living adjustment (COLA) increases approved by the 2005 Legislature. Nursing facility and Intermediate Care Facility for the Mentally Retarded (ICF/MR) expenditures are expected to be about 1% lower, with small declines in the number of recipients continuing in both types of facilities. Cost of living increases which may be approved by the 2007 Legislature may add two to three percentage points to the expected increases described above.

**Basic Care**

Basic care is general medical coverage for all those enrolled in Medical Assistance (MA), including recipients of long term care. The average number of people enrolled in MA (including Minnesota Family Investment Program (MFIP) recipients) during CY 2008 is expected to increase by about 4% over the number for the preceding year. Expenditures are projected to increase by 6% over CY 2007. Other than enrollment increase, expected increases of about 7% in managed care rates are the main contributor to the expected increase.

**Targeted Case Management (TCM)**

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 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 5% for CY 2008 compared to CY 2007.

**B. ECONOMIC SELF SUFFICIENCY AND MEDICAL PROGRAMS:  
FEDERAL/STATE/COUNTY PARTICIPATION**

<b>PARTICIPATION RATES</b>	<b>Federal %</b>	<b>State %</b>	<b>County %</b>
Medical Assistance (MA) Effective 10/1/07:			
MA Serv. (Incl. Cost Eff. Health Ins)	50.00	50.00	0.00
MA 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

<b>PARTICIPATION RATES</b>	<b>Federal %</b>	<b>State %</b>	<b>County %</b>
MH - TCM / Contracted Vendors	50.00	0.00	50.00
Rule 5 Residential Facility Tx *	47.50	0.00	52.50
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% before payment due to a state administrative set-aside. This reduces the federal share reimbursement to 47.5% and increases the county share to 52.5%. Unspent administrative set-aside is returned to the county annually.			
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)		100.00	
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% 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
IMD	0.00	100.00	0.00
IMD RTC < 18	0.00	50.00	50.00
General Assistance Medical Care (GAMC):			
GAMC Services	0.00	100.00	0.00
GAMC County Recoveries	0.00	50.00	50.00
MinnesotaCare (MCRE):			
MCRE Services	0.00	100.00	0.00
MCRE Co Pays	0.00	100.00	0.00
MCRE MA Services	50.00	50.00	0.00
MCRE MA Access Services	50.00	50.00	0.00
MCRE MA Family Planning	90.00	10.00	0.00

<b>PARTICIPATION RATES</b>	<b>Federal %</b>	<b>State %</b>	<b>County %</b>
MinnesotaCare MA -Med. Support Recoveries: with 15% Federal Incentive	35.00	25.00	40.00
State Children's Health Insurance Program (S-CHIP)	65.00	35.00	0.00
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
Minnesota Children with Special Health Needs:	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% 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 (includes RSDI)	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 (includes RSDI)	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.

<b>PARTICIPATION RATES</b>	<b>Federal %</b>	<b>State %</b>	<b>County %</b>
Group Residential Housing:			
Grants	0.00	100.00	0.00
Non-SSI Recoveries (includes RSDI)	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, 2007 to September 30, 2008):			
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
SSIS (Social Service Information System)	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 not specific to admin. The MFIP Consolidated Fund 2008 allocations will be published in the Allocations Bulletin to be released in June of 2007.

A reallocation of any unspent statewide allocation will occur if some counties exceed their allocation. Counties should consider that any overspending of their allocation may be a 100% county expense as there is no guarantee that under spending will occur by other counties. Re-allocation amounts will be determined by dividing the counties overspent amount by the statewide overspent amount for all counties overspending their allocation.

#### **Federal Food Stamp Administration (USDA)**

Budget 50% of eligible food stamp costs and 50% 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 state total caseload. Only 15% 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 and genetic testing expenditures will earn 66% federal financial participation (FFP).

**County Grants for New Guideline Implementation:**

\$450,000 will be available to counties in state fiscal year 2008 to help fund the new child support guidelines. 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.

**State Incentive Earnings:**

The statewide amount available for 2008 is estimated at \$4 million. Counties may use historical records of earned state incentives as a guide to their anticipated 2008 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 2008 will be consistent with the 2007 level of \$12 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:**

Effective October 1, 2007, counties will 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.

**State grant to replace lost FFP on expenditure of federal incentives:**

The 2007 state legislature appropriated \$ 7,333,000 to offset FFP lost on child support expenditures funded with federal incentives during state fiscal year 2008. Counties may expect to receive a percentage of the \$ 7,333,000 grant equaling their FFY 2005 county performance percentage used to distribute FFY 2005 federal incentives.

## **D. SOCIAL SERVICES BUDGET**

### **General Notes**

Please consult the current BRASS Manual covering CY 2008 (to be published late 2007) for instructions and options on budgeting within BRASS (Budgeting, Reporting, and Accounting for Social Services). In addition, Attachment B in Bulletin No. 07-32-02 dated March 1, 2007 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:**

The last phase of SSIS Fiscal implementation (MA Claiming) is in a pilot phase, with statewide release scheduled for June 2007. In January 2005, the SSIS/County Partnership agreed that the counties would provide ongoing financial support for the non-FFP portion of SSIS Fiscal operations. The amount for

2008 has been adjusted using the SSIS Children's Services Workgroup figures from CY 2006. Contact Gwen Wildermuth at 651-431-4748 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 2008 Human Service Grants & Allocations Bulletin which will be published in June 2007 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:**

The level of revenue is dependent upon increasing caseloads and types of placements (family foster home or group facility).

**Title IV-E Intake and Planning:**

The level of revenue for intake and planning for Title IV-E facilities and Rule 4 placing agencies is dependent upon the level of cash-outs and per-diems. Please refer to Bulletin No. 07-32-03, March 26, 2007) 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 need to take into consideration 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 applied to these costs to identify the portion to which your county's Title IV-E foster care ratio will be applied. The new ratio, called the Functionality Ratio, will be determined by DHS and applied to your SSIS claim. The SSIS Functionality Ratio for 2008 is estimated to be 68.6 %. More information will be communicated about the functionality ratio in June 2007 at the Association of Minnesota Social Service Accountants (AMSSA) summer conference.

Instructions for claiming the operational costs, depreciation and other pertinent information, including ineligible costs, can be found in Bulletin No. 07-32-02 (March 1, 2007) on pages A9 – A14. Contact Mark Pochardt at 651-431-3786 for more information.

**Support For Emancipation And Living Functionally (SELF) Program:**

DHS will be awarding SELF Grants on a competitive basis for CY2008. 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 2007 AMSSA Conference. These rates will be effective on July 1, 2007 and will remain in effect until June 30, 2008.

**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 the amount of cash payments the county pays to the relative custodians. RCA payments and reimbursement are subject to the availability of state funds. Details on RCA rates can be found in the Social Services Manual, Chapter XVI, Section 9000, items 9320-9324 (located on the DHS Home Page, County Links).

**Family Response:**

The CY 2007 allocations for the Family Response program will be published in the CY 2008 Allocations Bulletin to be released in June 2007.

**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. 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 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 2008 Allocations Bulletin (to be published in June 2007) for information regarding allocation amounts, maximum administrative allowance, and the minimum direct service match for calendar year 2008. 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:**

A bulletin will be published in June 2007 containing administrative allowances, allocations, and maintenance of effort amounts; along with details of the calculations.

**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 2008 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 2008 Allocations Bulletin (to be published in June 2007).

**Children's Mental Health Grants:**

The CY 2008 allocations for Children's Mental Health Combined Grants will be included in the 2008 Allocations Bulletin (to be published in June 2007).

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

MH-TCM rates will be distributed at the 2007 AMSSA conference. These rates will be effective for 7/01/07 and will remain in effect through 6/30/08. Remember that you also receive state funds to offset your 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 2008 allocations for the DD-SILS program will be included in the 2008 Human Services Allocations Bulletin (to be published in June 2007).

**DD Family Support:**

The projected CY 2008 allocation for the DD Family Support Grant will be included in the 2008 Human Services Allocations Bulletin (to be published in June 2007).

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

VA/DD-TCM rates will be distributed at the 2007 AMSSA Conference. VA/DD-TCM rates will be the same as the Adult MH-TCM rates and will be effective July 1, 2007 through June 30, 2008.

## **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 Zupfer	(651) 431-3778	DD SILS, DD Family Support, Consumer Support Grant
Shawn Tobias	(651) 431-3727	MEC <sup>2</sup> System, MAXIS Billings
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
Bruce Lien	(651) 431-3728	Food Stamp Administration
LeAnn Husnik	(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
Phyllis Meath	(651) 431-3484	Family Response, SELF, Family Group Decision Making
Bonnie Schaefer	(651) 431-3750	MFIP Consolidation, EGA, EMSA Allocation Summaries

## **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).