

**3.A. STRATEGY REQUEST**  
 82nd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/10/2010  
 TIME: 9:29:18AM

Agency code: **539** Agency name: **Aging and Disability Services, Department of**

GOAL: 1 Long-term Services and Supports Statewide Goal/Benchmark: 3 1  
 OBJECTIVE: 6 Nursing Facility and Hospice Payments Service Categories:  
 STRATEGY: 1 Nursing Facility Payments Service: 26 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
KEY 1	Average Number Receiving Medicaid-funded Nursing Facility Services/Mo	55,155.00	55,575.00	55,153.00	55,153.00	55,153.00
2	Average Number Receiving Personal Needs Allowance Per Month	12,695.00	12,695.00	12,695.00	12,695.00	12,695.00
<b>Efficiency Measures:</b>						
1	Average Daily Nursing Facility Rate	120.43	127.14	127.99	127.35	127.35
2	Avg Amount of Individual Income Applied to the Cost of Care Per Day	22.54	23.07	23.30	23.63	23.93
KEY 3	Net Nursing Facility Cost Per Medicaid Resident Per Month	2,977.60	3,165.52	3,184.13	3,167.73	3,167.73
4	Average Monthly Cost Per Individual: Personal Needs Allowance	30.00	30.00	30.00	30.00	30.00
<b>Objects of Expense:</b>						
2001	PROFESSIONAL FEES AND SERVICES	\$966,129	\$4,448,800	\$8,671,200	\$2,500,000	\$2,500,000
3001	CLIENT SERVICES	\$1,985,473,558	\$2,123,116,309	\$2,119,400,531	\$2,119,534,590	\$2,119,534,592
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,986,439,687</b>	<b>\$2,127,565,109</b>	<b>\$2,128,071,731</b>	<b>\$2,122,034,590</b>	<b>\$2,122,034,592</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$3,240,092	\$4,615,200	\$4,615,200	\$4,800,000	\$4,800,000
758	GR Match For Medicaid	\$546,245,123	\$618,109,970	\$773,794,281	\$835,572,877	\$835,572,877
8891	80(R) Supp: GR Match For Medicaid	\$74,351,306	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$623,836,521</b>	<b>\$622,725,170</b>	<b>\$778,409,481</b>	<b>\$840,372,877</b>	<b>\$840,372,877</b>
<b>Method of Financing:</b>						
369	Fed Recovery & Reinvestment Fund					
	93.778.014 Medicaid - Stimulus	\$168,892,184	\$220,194,643	\$77,757,888	\$0	\$0
CFDA Subtotal, Fund 369		\$168,892,184	\$220,194,643	\$77,757,888	\$0	\$0
555	Federal Funds					

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CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
93.778.000	XIX FMAP	\$1,027,627,913	\$1,281,933,696	\$1,266,025,962	\$1,280,126,973	\$1,280,126,975
93.778.003	XIX 50%	\$379,331	\$1,250,000	\$1,250,000	\$1,534,740	\$1,534,740
93.778.004	XIX ADM @ 75%	\$724,597	\$1,461,600	\$4,628,400	\$0	\$0
CFDA Subtotal, Fund	555	\$1,028,731,841	\$1,284,645,296	\$1,271,904,362	\$1,281,661,713	\$1,281,661,715
8892	80(R) Supp: Federal Funds					
	93.778.000 XIX FMAP	\$163,649,033	\$0	\$0	\$0	\$0
CFDA Subtotal, Fund	8892	\$163,649,033	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$1,361,273,058</b>	<b>\$1,504,839,939</b>	<b>\$1,349,662,250</b>	<b>\$1,281,661,713</b>	<b>\$1,281,661,715</b>
<b>Method of Financing:</b>						
777	Interagency Contracts	\$1,330,108	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$1,330,108</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$2,122,034,590</b>	<b>\$2,122,034,592</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,986,439,687</b>	<b>\$2,127,565,109</b>	<b>\$2,128,071,731</b>	<b>\$2,122,034,590</b>	<b>\$2,122,034,592</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>						
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

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CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
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The Nursing Facility Payments strategy provides payments to promote quality of care for individuals with medical problems that require nursing facility or hospice care. The types of payments include Nursing Facility Care, Medicaid Swing Bed Program, Augmented Communication Device Systems, Customized Power Wheelchairs, Emergency Dental Services, Specialized and Rehabilitative Services.

The Nursing Facility Payments provides institutional nursing care for individuals whose medical condition requires the skills of a licensed nurse on a regular basis. The nursing facility must provide for the medical, nursing, and psychosocial needs of each individual, to include room and board, social services, over-the-counter drugs (prescription drugs are covered through the Medicaid Vendor Drug program or Medicare Part D), medical supplies and equipment, personal needs items, and rehabilitative therapies.

To be eligible for Medicaid coverage in a nursing facility, the individual must reside in a Medicaid-certified facility for 30 consecutive days; be eligible for Supplemental Security Income (SSI) from the Social Security Administration or be determined by the Texas Health and Human Services Commission to be financially eligible for Medicaid; and meet medical necessity requirements.

Statutory Authority. Social Security Act, Title XIX; Human Resources Code, Chapters 32 and 161; Government Code, Chapter 531, and Texas Administrative Code §193130, 19.1401, and 19.2613-2614.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

Nursing Facility (NF) was included in the Five Percent Biennial Budget Reduction plan and met its reduction goal through 1.5% rate reduction in FY 2012.

The projected annual increase in the rates for FY 2012-13 equates to an increased cost per client per month of \$57.63 for FY 2012 and \$116.31 for FY 2013. Funding for this acuity-related increase has been included in the departments' "Maintain FY2010-11 Service Levels-Cost Trends (entitlement and non-entitlement)" exceptional item.

3.D. Sub-Strategy Request

Strategy Code: 1-6-1-1

Date: August 5, 2010  
Time: 8:57 AM

Agency Code: 539

Agency Name: Aging and Disability Services, Department of

GOAL: Long Term Services and Supports  
 OBJECTIVE: Nursing Facility and Hospice Payments  
 STRATEGY: Nursing Facility Payments  
 SUB-STRATEGY: 1 Nursing Facility Administrators  
 SUB/SUB-STRATEGY:

Code	Description	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
	1 Average Number of Individuals Receiving Medicaid - Funded Nursing Facility Services per Month	55,155.00	55,575.00	55,153.00	55,153.00	55,153.00
<b>Efficiency Measures:</b>						
	1 Average daily nursing home rate	\$120.43	\$127.14	\$129.25	\$126.58	\$126.58
	2 Average amount of individual income applied to the cost of care per day	\$22.54	\$23.07	\$23.30	\$23.63	\$23.93
	3 Net nursing facility cost per Medicaid resident per month	\$2,977.60	\$3,165.52	\$3,184.13	\$3,167.73	\$3,167.73
<b>Objects of Expense:</b>						
	3001 - Client Services	\$1,977,570,269	\$2,111,087,929	\$2,107,377,155	\$2,107,280,412	\$2,107,280,412
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,977,570,269</b>	<b>\$2,111,087,929</b>	<b>\$2,107,377,155</b>	<b>\$2,107,280,412</b>	<b>\$2,107,280,412</b>
<b>Method of Financing:</b>						
	0001 General Revenue Fund					
	0758 GR-Match for Medicaid	\$546,067,527	\$617,941,818	\$773,509,976	\$835,288,135	\$835,288,136
	8891 80R SUPP: GR Match for Medicaid	\$74,351,306				
<b>SUBTOTAL, MOF (General Revenue)</b>		<b>\$620,418,833</b>	<b>\$617,941,818</b>	<b>\$773,509,976</b>	<b>\$835,288,135</b>	<b>\$835,288,136</b>
<b>Method of Financing:</b>						
	93.778.014 XIX Stimulus	\$168,077,351	\$218,254,290	\$77,693,942	\$0	\$0
<b>CFDA Subtotal, Fund 0369</b>		<b>\$168,077,351</b>	<b>\$218,254,290</b>	<b>\$77,693,942</b>	<b>\$0</b>	<b>\$0</b>
<b>0555 Federal Funds</b>						
	93.778.003 XIX ADM 50%					
	93.778.004 XIX ADM 75%					
	93.778.005 XIX FMAP	\$1,024,094,944	\$1,274,891,821	\$1,256,173,237	\$1,271,992,277	\$1,271,992,276
<b>CFDA Subtotal, Fund 0555</b>						
<b>SUBTOTAL, MOF (Federal Funds)</b>		<b>\$1,024,094,944</b>	<b>\$1,274,891,821</b>	<b>\$1,256,173,237</b>	<b>\$1,271,992,277</b>	<b>\$1,271,992,276</b>
	93.778.005 XIX FMAP	\$163,649,033	\$0	\$0	\$0	\$0
<b>CFDA Subtotal, Fund 8892</b>		<b>\$163,649,033</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Method of Financing:</b>						
	0777 Interagency Contracts	\$1,330,108	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (Other Funds)</b>		<b>\$1,330,108</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE</b>		<b>\$1,977,570,269</b>	<b>\$2,111,087,929</b>	<b>\$2,107,377,155</b>	<b>\$2,107,280,412</b>	<b>\$2,107,280,412</b>

3.D. Sub-Strategy Request

Strategy Code: 1-6-1-2

Date: August 5, 2010  
Time: 8:57 AM

Agency Code: 539

Agency Name: Aging and Disability Services, Department of

GOAL: Long Term Services and Supports  
OBJECTIVE: Nursing Facility and Hospice Payments  
STRATEGY: Nursing Facility Payments  
SUB-STRATEGY: 2 Nursing Facility Other Services  
SUB/SUB-STRATEGY:

Code	Description	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
<b>Output Measures:</b>						
	2 Average Number of Individuals Receiving State Supplementation of Personal Needs Allowance Per Month	12,695.00	12,695.00	12,695.00	12,695.00	12,695.00
<b>Efficiency Measures:</b>						
	4 Average monthly cost per individual receiving state supplementation for personal needs allowance	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
<b>Objects of Expense:</b>						
	2001 - Professional Fees & Services	\$966,129	\$4,448,800	\$8,671,200	\$2,500,000	\$2,500,000
	3001 - Client Services	\$7,903,289	\$12,028,380	\$12,023,376	\$12,254,178	\$12,254,180
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$8,869,418</b>	<b>\$16,477,180</b>	<b>\$20,694,576</b>	<b>\$14,754,178</b>	<b>\$14,754,180</b>
<b>Method of Financing:</b>						
	0001 General Revenue Fund	\$3,240,092	\$4,615,200	\$4,615,200	\$4,800,000	\$4,800,000
	0758 GR-Match for Medicaid	\$177,596	\$168,153	\$284,304	\$284,741	\$284,741
	8891 80R SUPP: GR Match for Medicaid	\$0	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (General Revenue)</b>		<b>\$3,417,688</b>	<b>\$4,783,353</b>	<b>\$4,899,504</b>	<b>\$5,084,741</b>	<b>\$5,084,741</b>
<b>Method of Financing:</b>						
	93.778.014 XIX Stimulus	\$814,833	\$1,940,353	\$63,946	\$0	\$0
<b>CFDA Subtotal, Fund 0369</b>		<b>\$814,833</b>	<b>\$1,940,353</b>	<b>\$63,946</b>	<b>\$0</b>	<b>\$0</b>
<b>0555 Federal Funds</b>						
	93.778.003 XIX ADM 50%	\$379,331	\$1,250,000	\$228,807	\$1,534,740	\$1,534,740
	93.778.004 XIX ADM 75%	\$724,597	\$1,461,600	\$4,628,400		
	93.778.005 XIX FMAP	\$3,532,969	\$7,041,875	\$10,873,919	\$8,134,697	\$8,134,699
<b>CFDA Subtotal, Fund 0555</b>						
<b>SUBTOTAL, MOF (Federal Funds)</b>		<b>\$4,636,897</b>	<b>\$9,753,475</b>	<b>\$15,731,126</b>	<b>\$9,669,437</b>	<b>\$9,669,439</b>
	93.778.005 XIX FMAP		\$0	\$0	\$0	\$0
<b>CFDA Subtotal, Fund 8892</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Method of Financing:</b>						
	0777 Interagency Contracts	\$0	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (Other Funds)</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE</b>		<b>\$8,869,418</b>	<b>\$16,477,180</b>	<b>\$20,694,576</b>	<b>\$14,754,178</b>	<b>\$14,754,180</b>

### 3. E. Sub-strategy Summary

Date: August 5, 2010  
Time: 8:57 AM

<b>Agency Code: 539</b>		Agency Name: Texas Department of Aging and Disability Services				Strategy Code: 1.6.1	
<b>AGENCY GOAL</b>		Long Term Services and Supports					
<b>OBJECTIVE</b>		Nursing Facility and Hospice Payments					
<b>STRATEGY</b>		Nursing Facility Payments					
<b>SUB-STRATEGY SUMMARY</b>							
Code	Sub-Strategy Requests	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013	
1	Nursing Facilities	\$1,977,570,269	\$2,111,087,929	\$2,107,377,155	\$2,107,280,412	\$2,107,280,412	
2	Nursing Facility Other Services	\$8,869,418	\$16,477,180	\$20,694,576	\$14,754,178	\$14,754,180	
<b>Total, Sub-strategies</b>		<b>\$1,986,439,687</b>	<b>\$2,127,565,109</b>	<b>\$2,128,071,731</b>	<b>\$2,122,034,590</b>	<b>\$2,122,034,592</b>	