

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: 2 Medicare Skilled Nursing Facility Service: 26 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
Output Measures:						
KEY 1	Average Number Receiving Nursing Facility Copayments/Mo	6,725.00	6,631.00	7,007.00	7,228.00	7,449.00
Efficiency Measures:						
KEY 1	Net Medicaid/Medicare Copay Per Individual-Nursing Facility Svcs/Mo	1,907.68	1,994.13	2,060.79	2,055.92	2,051.07
Objects of Expense:						
3001	CLIENT SERVICES	\$154,090,019	\$158,676,569	\$173,279,694	\$178,322,104	\$183,341,443
TOTAL, OBJECT OF EXPENSE		\$154,090,019	\$158,676,569	\$173,279,694	\$178,322,104	\$183,341,443
Method of Financing:						
758	GR Match For Medicaid	\$41,607,261	\$46,998,413	\$64,100,346	\$70,348,070	\$72,328,199
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$41,607,261	\$46,998,413	\$64,100,346	\$70,348,070	\$72,328,199
Method of Financing:						
369	Fed Recovery & Reinvestment Fund					
	93.778.014 Medicaid - Stimulus	\$18,310,577	\$18,328,730	\$5,146,985	\$0	\$0
CFDA Subtotal, Fund	369	\$18,310,577	\$18,328,730	\$5,146,985	\$0	\$0
555	Federal Funds					
	93.778.000 XIX FMAP	\$94,172,181	\$93,349,426	\$104,032,363	\$107,974,034	\$111,013,244
CFDA Subtotal, Fund	555	\$94,172,181	\$93,349,426	\$104,032,363	\$107,974,034	\$111,013,244
SUBTOTAL, MOF (FEDERAL FUNDS)		\$112,482,758	\$111,678,156	\$109,179,348	\$107,974,034	\$111,013,244

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CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$178,322,104	\$183,341,443
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$154,090,019	\$158,676,569	\$173,279,694	\$178,322,104	\$183,341,443

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Medicare Skilled Nursing Facility strategy covers the payment of Medicare Skilled Nursing Facility (SNF) co-insurance for Medicaid recipients in Medicare (XVIII) facilities. Medicaid also pays the co-payment for Medicaid Qualified Medicare Beneficiary (QMB) recipients, and for "Pure" (i.e., Medicare-only) QMB recipients. For recipients in dually certified facilities (certified for both Medicaid and Medicare), Medicaid pays the coinsurance less the applied income amount for both Medicaid only and Medicaid QMB recipients. For "Pure" QMB recipients, the entire coinsurance amount is paid. The amount of Medicare co-insurance per day is set by the federal government at one-eighth of the hospital deductible.

To be eligible for Medicaid coverage in a nursing facility, an 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; and Government Code, Chapter 531.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The general budget instructions for the FY 2012-13 Legislative Appropriations Request (LAR) states that the amount for entitlement programs should include amounts sufficient for projected caseload growth and to maintain FY 2011 rates. The daily co-insurance rate for this program is set by Medicare, and is adjusted each calendar year based upon the annual increase in the Medicare hospital deductible.

The projected annual percentage increase in the rates is 3.3% per year, which equates to an increased cost per month of \$68.01 for FY 2012, and 138.26 for FY 2013. Funding for this inflation-related increase has been included in the departments' "Maintain FY2010-11 Service Levels-Cost Trends (entitlement and non-entitlement)" exceptional item.