

**3.A. STRATEGY REQUEST**  
 83rd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**539 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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
<b>Output Measures:</b>						
KEY 1	Average Number Receiving Nursing Facility Copayments/Mo	6,360.00	6,179.00	6,068.00	6,012.00	5,949.00
<b>Efficiency Measures:</b>						
KEY 1	Net Medicaid/Medicare Copay Per Individual-Nursing Facility Svcs/Mo	1,987.50	2,032.09	2,070.49	2,133.53	2,183.65
<b>Objects of Expense:</b>						
3001	CLIENT SERVICES	\$151,493,071	\$154,021,523	\$159,045,087	\$153,921,425	\$155,886,282
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$151,493,071</b>	<b>\$154,021,523</b>	<b>\$159,045,087</b>	<b>\$153,921,425</b>	<b>\$155,886,282</b>
<b>Method of Financing:</b>						
758	GR Match For Medicaid	\$53,369,902	\$64,042,149	\$22,677,881	\$61,937,981	\$62,666,285
8137	GR Match: Medicaid E/W FY 12-13	\$0	\$0	\$42,196,610	\$0	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$53,369,902</b>	<b>\$64,042,149</b>	<b>\$64,874,491</b>	<b>\$61,937,981</b>	<b>\$62,666,285</b>
<b>Method of Financing:</b>						
369	Fed Recovery & Reinvestment Fund					
	93.778.014 Medicaid - Stimulus	\$8,299,370	\$0	\$0	\$0	\$0

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**539 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 2011	Est 2012	Bud 2013	BL 2014	BL 2015
CFDA Subtotal, Fund	369	\$8,299,370	\$0	\$0	\$0	\$0
555 Federal Funds						
93.778.000	XIX FMAP	\$89,823,799	\$89,979,374	\$32,918,787	\$91,983,444	\$93,219,997
CFDA Subtotal, Fund	555	\$89,823,799	\$89,979,374	\$32,918,787	\$91,983,444	\$93,219,997
8138 FF for FY 12-13 Entitlement/Waiver						
93.778.000	XIX FMAP	\$0	\$0	\$61,251,809	\$0	\$0
CFDA Subtotal, Fund	8138	\$0	\$0	\$61,251,809	\$0	\$0
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$98,123,169</b>	<b>\$89,979,374</b>	<b>\$94,170,596</b>	<b>\$91,983,444</b>	<b>\$93,219,997</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$153,921,425</b>	<b>\$155,886,282</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$151,493,071</b>	<b>\$154,021,523</b>	<b>\$159,045,087</b>	<b>\$153,921,425</b>	<b>\$155,886,282</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

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**539 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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Exp 2011</b>	<b>Est 2012</b>	<b>Bud 2013</b>	<b>BL 2014</b>	<b>BL 2015</b>
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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:**

Although the budget instructions state that "baseline requests for entitlement programs should include amounts sufficient for projected caseload growth and maintaining projected fiscal year 2013 average costs in fiscal years 2014 and 2015", 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. Therefore, in the base request, the department assumed that the daily co-insurance rate would increase from \$144.50 in CY 2012 to \$148.50 for CY 2013, \$152.50 for FY 14, and \$156.50 for CY 2015.