

529 Health and Human Services Commission

	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
<i>Item: 1 MIEC Home Visiting Program</i>						
Objects of Expense						
Strategy: 1-1-1 ENTERPRISE OVERSIGHT & POLICY						
1001 SALARIES AND WAGES	\$279,024	\$255,839	\$255,839	\$255,839	\$0	\$0
1002 OTHER PERSONNEL COSTS	\$5,319	\$2,584	\$2,584	\$2,584	\$0	\$0
2001 PROFESSIONAL FEES AND SERV	\$5,923,541	\$9,186,431	\$7,041,431	\$7,041,431	\$0	\$0
2003 CONSUMABLE SUPPLIES	\$15,741	\$19,159	\$19,159	\$19,159	\$0	\$0
2004 UTILITIES	\$1,000	\$0	\$0	\$0	\$0	\$0
2005 TRAVEL	\$56,311	\$73,870	\$73,870	\$73,870	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$1,205,464	\$1,229,037	\$74,037	\$74,037	\$0	\$0
4000 GRANTS	\$2,408,043	\$3,016,410	\$3,016,410	\$3,016,410	\$0	\$0
	SUBTOTAL, Strategy 1-1-1	\$9,894,443	\$13,783,330	\$10,483,330	\$0	\$0
	TOTAL, Objects of Expense	\$9,894,443	\$13,783,330	\$10,483,330	\$0	\$0
FEDERAL FUNDS						
Strategy: 1-1-1 ENTERPRISE OVERSIGHT & POLICY						
555 Federal Funds						
93.505.000 ACA Home Visiting Program	\$6,594,443	\$10,483,330	\$10,483,330	\$10,483,330	\$0	\$0
555 Federal Funds						
93.505.001 ACA Hm Visitation Grnt-Competitive	\$3,300,000	\$3,300,000	\$0	\$0	\$0	\$0
	SUBTOTAL, Strategy 1-1-1	\$9,894,443	\$13,783,330	\$10,483,330	\$0	\$0
	SUBTOTAL, FEDERAL FUNDS	\$9,894,443	\$13,783,330	\$10,483,330	\$0	\$0
	TOTAL, Method of Financing	\$9,894,443	\$13,783,330	\$10,483,330	\$0	\$0

Full-Time Equivalents

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
Strategy: 1-1-1 ENTERPRISE OVERSIGHT & POLICY	4.0	3.5	3.5	3.5	0.0	0.0
TOTAL, Full-Time Equivalents	4.0	3.5	3.5	3.5	0.0	0.0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Patient Protection & Affordable CareAct (PL111-148), Subtitle L-MCH Svcs Sec 2951

DESCRIPTION/KEY ASSUMPTIONS:

Based upon federal dollar amounts available, no state match is required but a maintenance of effort is required at \$776,329. The MOE requirements are tied to maintaining "non-Federal funding (State General Revenue Funds) for grant activities at the level which is not less than expenditures for such activities as of the date of enactment of this legislation, March 23, 2010."

Texas calculates MOE expenditures using invoices paid with state general revenue funds for evidence-based home visiting programs from March 23, 2009 through March 23, 2010.

CONCERNS:

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
<i>Item: 2 Tobacco Cessation Preg. Women</i>						
Objects of Expense						
Strategy: 2-1-3 PREGNANT WOMEN						
3001 CLIENT SERVICES	\$306,558	\$312,524	\$319,470	\$322,661	\$7,036	\$14,567
SUBTOTAL, Strategy 2-1-3	\$306,558	\$312,524	\$319,470	\$322,661	\$7,036	\$14,567
TOTAL, Objects of Expense	\$306,558	\$312,524	\$319,470	\$322,661	\$7,036	\$14,567
Method of Financing						
GENERAL REVENUE FUNDS						
Strategy: 2-1-3 PREGNANT WOMEN						
758 GR Match For Medicaid	\$127,467	\$127,479	\$128,555	\$129,710	\$2,831	\$5,856
SUBTOTAL, Strategy 2-1-3	\$127,467	\$127,479	\$128,555	\$129,710	\$2,831	\$5,856
SUBTOTAL, GENERAL REVENUE FUNDS	\$127,467	\$127,479	\$128,555	\$129,710	\$2,831	\$5,856
FEDERAL FUNDS						
Strategy: 2-1-3 PREGNANT WOMEN						
555 Federal Funds						
93.778.000 XIX FMAP	\$179,091	\$185,045	\$190,915	\$192,951	\$4,205	\$8,711
SUBTOTAL, Strategy 2-1-3	\$179,091	\$185,045	\$190,915	\$192,951	\$4,205	\$8,711
SUBTOTAL, FEDERAL FUNDS	\$179,091	\$185,045	\$190,915	\$192,951	\$4,205	\$8,711
TOTAL, Method of Financing	\$306,558	\$312,524	\$319,470	\$322,661	\$7,036	\$14,567

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

H.R. 3590 Section 4107

DESCRIPTION/KEY ASSUMPTIONS:

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Under the Affordable Care Act, Texas must cover tobacco cessation services (i.e., pharmacotherapy and counseling) for pregnant women in Medicaid. Texas implemented this item January 1, 2012. States are eligible for a 1% increase in FMAP for these services in January 2013. HHSC assumes 30 percent uptake in 2011, and 40 percent uptake in 2012. CMS guidance released June 24, 2011 also required EPSDT coverage of these services. (HHSC disagrees with the CMS' addition of the EPSDT coverage requirement and has not moved forward with implementation of the benefit for the EPSDT population pending additional guidance from CMS. The estimates above assume both populations.

CONCERNS:

The FY 2013-2015 expenditures for tobacco cessation do not reflect the increased federal match of 1 percent. Systems and processes will have to be modified to capture and report this change. Estimates of implementation are still pending.

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
<i>Item: 3 SKIP into CHIP Federal Match</i>						
Objects of Expense						
Strategy: 3-1-1 CHIP						
3001 CLIENT SERVICES	\$16,253,042	\$16,544,026	\$16,860,188	\$17,177,524	\$657,489	\$1,366,508
SUBTOTAL, Strategy 3-1-1	\$16,253,042	\$16,544,026	\$16,860,188	\$17,177,524	\$657,489	\$1,366,508
TOTAL, Objects of Expense	\$16,253,042	\$16,544,026	\$16,860,188	\$17,177,524	\$657,489	\$1,366,508
Method of Financing						
GENERAL REVENUE FUNDS						
Strategy: 3-1-1 CHIP						
8010 GR Match For Title XXI	\$0	\$0	\$0	\$0	\$185,215	\$384,535
8025 Tobacco Receipts Match For Chip	\$4,635,512	\$4,723,319	\$4,749,515	\$4,833,755	\$0	\$0
SUBTOTAL, Strategy 3-1-1	\$4,635,512	\$4,723,319	\$4,749,515	\$4,833,755	\$185,215	\$384,535
SUBTOTAL, GENERAL REVENUE FUNDS	\$4,635,512	\$4,723,319	\$4,749,515	\$4,833,755	\$185,215	\$384,535
FEDERAL FUNDS						
Strategy: 3-1-1 CHIP						
555 Federal Funds						
93.767.000 CHIP	\$11,617,530	\$11,820,707	\$12,110,673	\$12,343,769	\$472,274	\$981,973
SUBTOTAL, Strategy 3-1-1	\$11,617,530	\$11,820,707	\$12,110,673	\$12,343,769	\$472,274	\$981,973
SUBTOTAL, FEDERAL FUNDS	\$11,617,530	\$11,820,707	\$12,110,673	\$12,343,769	\$472,274	\$981,973
TOTAL, Method of Financing	\$16,253,042	\$16,544,026	\$16,860,188	\$17,177,524	\$657,489	\$1,366,508

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Fed - H.R. 3590, Sec. 10203(d)(2)(D); TX - S.B. 7, 82nd Leg, First Called Session, 2011, sec.1.03

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
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DESCRIPTION/KEY ASSUMPTIONS:

Prior to September 1, 2011, Texas provided a premium subsidy contribution towards Employees Retirement System (ERS) dependent coverage under the State Kids Insurance Program (SKIP). The Affordable Care Act made these children eligible to receive federally-matched coverage in CHIP instead. Assume 12,131 children of public employees will enroll in CHIP in FY 2012. Assume the addition of these children to Texas CHIP will save the state \$14.7 million in general revenue funds in fiscal 2012. Effective date is September 1, 2011.

CONCERNS:

Expenditures are based on HB1 caseload projections of roughly 12,000, which were estimated prior to actual SKIP migration into CHIP. Actual data has been lower than expected and currently averages approximately 7,000 would-be SKIP members per month in CHIP. However, beyond the initial transfer of children from SKIP to CHIP, some additional children enrolled in CHIP because SKIP is no longer available are not clearly identified. Therefore, the 7,000 may not include all CHIP enrollees who would have previously been served in SKIP.

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
Item: 4 TRS CHIP Federal Match						
Objects of Expense						
Strategy: 3-1-1 CHIP						
3001 CLIENT SERVICES	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 3-1-1	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, Objects of Expense	\$0	\$0	\$0	\$0	\$0	\$0
Method of Financing						
GENERAL REVENUE FUNDS						
Strategy: 3-1-1 CHIP						
8025 Tobacco Receipts Match For Chip	\$(16,947,861)	\$(17,905,825)	\$(18,345,267)	\$(18,698,372)	\$(718,857)	\$(1,494,681)
SUBTOTAL, Strategy 3-1-1	\$(16,947,861)	\$(17,905,825)	\$(18,345,267)	\$(18,698,372)	\$(718,857)	\$(1,494,681)
SUBTOTAL, GENERAL REVENUE FUNDS	\$(16,947,861)	\$(17,905,825)	\$(18,345,267)	\$(18,698,372)	\$(718,857)	\$(1,494,681)
FEDERAL FUNDS						
Strategy: 3-1-1 CHIP						
555 Federal Funds						
93.767.000 CHIP	\$16,947,861	\$17,905,825	\$18,345,267	\$18,698,372	\$718,857	\$1,494,681
SUBTOTAL, Strategy 3-1-1	\$16,947,861	\$17,905,825	\$18,345,267	\$18,698,372	\$718,857	\$1,494,681
SUBTOTAL, FEDERAL FUNDS	\$16,947,861	\$17,905,825	\$18,345,267	\$18,698,372	\$718,857	\$1,494,681
TOTAL, Method of Financing	\$0	\$0	\$0	\$0	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Federal - H.R. 3590, Sec. 10203(d)(2)(D)

DESCRIPTION/KEY ASSUMPTIONS:

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Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
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Prior to September 1, 2010, Texas could not claim federal match for the dependents of Teacher Retirement System (TRS) ActiveCare members who were enrolled in CHIP. The Affordable Care Act made these children eligible to receive federally-matched coverage in CHIP. Assume 17,328 children of public education employees enrolled in CHIP in FY 2011. Assume the receipt of federal match for CHIP coverage for these children increased the federal share of CHIP funding by \$42,365,218. Effective date was September 1, 2010.

CONCERNS:

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
<i>Item: 5 Curative Children Electing Hospice</i>						
Objects of Expense						
Strategy: 2-1-5 CHILDREN						
3001 CLIENT SERVICES	\$200,358	\$216,547	\$226,345	\$236,828	\$10,463	\$23,214
SUBTOTAL, Strategy 2-1-5	\$200,358	\$216,547	\$226,345	\$236,828	\$10,463	\$23,214
TOTAL, Objects of Expense	\$200,358	\$216,547	\$226,345	\$236,828	\$10,463	\$23,214
Method of Financing						
GENERAL REVENUE FUNDS						
Strategy: 2-1-5 CHILDREN						
758 GR Match For Medicaid	\$79,041	\$61,824	\$63,761	\$66,643	\$2,947	\$6,532
SUBTOTAL, Strategy 2-1-5	\$79,041	\$61,824	\$63,761	\$66,643	\$2,947	\$6,532
SUBTOTAL, GENERAL REVENUE FUNDS	\$79,041	\$61,824	\$63,761	\$66,643	\$2,947	\$6,532
FEDERAL FUNDS						
Strategy: 2-1-5 CHILDREN						
555 Federal Funds						
93.778.000 XIX FMAP	\$121,317	\$154,723	\$162,584	\$170,185	\$7,516	\$16,682
SUBTOTAL, Strategy 2-1-5	\$121,317	\$154,723	\$162,584	\$170,185	\$7,516	\$16,682
SUBTOTAL, FEDERAL FUNDS	\$121,317	\$154,723	\$162,584	\$170,185	\$7,516	\$16,682
TOTAL, Method of Financing	\$200,358	\$216,547	\$226,345	\$236,828	\$10,463	\$23,214

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

H.R. 3590 Section 2302

DESCRIPTION/KEY ASSUMPTIONS:

Provides curative treatment to children in Medicaid who elect hospice. Assumes 194 Medicaid would receive current treatment.

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Est 2012

Bud 2013

BL 2014

BL 2015

Excp 2014

Excp 2015

CONCERNS:

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
Item: 6 Consulting Services HCR						
Objects of Expense						
Strategy: 2-3-1 MEDICAID CONTRACTS & ADMINISTRATION						
2001 PROFESSIONAL FEES AND SERV	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0
SUBTOTAL, Strategy 2-3-1	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0
TOTAL, Objects of Expense	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0
Method of Financing						
GENERAL REVENUE FUNDS						
Strategy: 2-3-1 MEDICAID CONTRACTS & ADMINISTRATION						
758 GR Match For Medicaid	\$415,800	\$407,900	\$402,400	\$402,000	\$0	\$0
SUBTOTAL, Strategy 2-3-1	\$415,800	\$407,900	\$402,400	\$402,000	\$0	\$0
SUBTOTAL, GENERAL REVENUE FUNDS	\$415,800	\$407,900	\$402,400	\$402,000	\$0	\$0
FEDERAL FUNDS						
Strategy: 2-3-1 MEDICAID CONTRACTS & ADMINISTRATION						
555 Federal Funds						
93.778.003 XIX 50%	\$584,200	\$592,100	\$597,600	\$598,000	\$0	\$0
SUBTOTAL, Strategy 2-3-1	\$584,200	\$592,100	\$597,600	\$598,000	\$0	\$0
SUBTOTAL, FEDERAL FUNDS	\$584,200	\$592,100	\$597,600	\$598,000	\$0	\$0
TOTAL, Method of Financing	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Govt Code ch. 2254, Subchapter B

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Est 2012

Bud 2013

BL 2014

BL 2015

Excp 2014

Excp 2015

DESCRIPTION/KEY ASSUMPTIONS:

Consulting Services

CONCERNS:

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
Item: 7 Vendor Drug						
Objects of Expense						
Strategy: 2-2-2 MEDICAID PRESCRIPTION DRUGS						
3001 CLIENT SERVICES	\$10,482,787	\$(7,523,554)	\$(1,163,385)	\$(1,109,343)	\$0	\$0
SUBTOTAL, Strategy 2-2-2	\$10,482,787	\$(7,523,554)	\$(1,163,385)	\$(1,109,343)	\$0	\$0
TOTAL, Objects of Expense	\$10,482,787	\$(7,523,554)	\$(1,163,385)	\$(1,109,343)	\$0	\$0
Method of Financing						
GENERAL REVENUE FUNDS						
Strategy: 2-2-2 MEDICAID PRESCRIPTION DRUGS						
758 GR Match For Medicaid	\$10,482,787	\$(7,523,554)	\$(1,163,385)	\$(1,109,343)	\$0	\$0
SUBTOTAL, Strategy 2-2-2	\$10,482,787	\$(7,523,554)	\$(1,163,385)	\$(1,109,343)	\$0	\$0
SUBTOTAL, GENERAL REVENUE FUNDS	\$10,482,787	\$(7,523,554)	\$(1,163,385)	\$(1,109,343)	\$0	\$0
TOTAL, Method of Financing	\$10,482,787	\$(7,523,554)	\$(1,163,385)	\$(1,109,343)	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Patient Protection and Affordable Care Act (PPACA), H.R. 3590

DESCRIPTION/KEY ASSUMPTIONS:

The federal Patient Protection and Affordable Care Act (PPACA), H.R. 3590, signed into law March 2010, increased the minimum manufacture rebates for pharmaceuticals to be utilized by the federal government. This increase resulted in a reduction in the state supplemental rebates. Rebates are calculated using projected Medicaid caseload information provided from the forecast of Medicaid clients.

Lack of experience with the federal government recent recapturing a larger share of supplemental rebate revenue could change projections of this revenue as required under ACA. Also, recent changes in definitions to the elements used in calculating the rebates will have an impact. There is considerable lag time in realizing rebates so the amounts above are estimates.

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Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
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CONCERNS:

ACA impact estimates may change as we get more complete and current data from Provider Synergies and ACS. The percentage used to estimate the QROA amounts was based on cash basis amounts from CY 2010 and CY 2011 which are the most accurate sources we have at this time. We are expecting better data to be forthcoming soon.

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
<i>Item: 8 PCP Rate Increase</i>						
Objects of Expense						
Strategy: 2-1-1 AGED AND MEDICARE-RELATED						
3001 CLIENT SERVICES	\$0	\$1,229,760	\$26,384,417	\$8,999,903	\$0	\$0
SUBTOTAL, Strategy 2-1-1	\$0	\$1,229,760	\$26,384,417	\$8,999,903	\$0	\$0
Strategy: 2-1-2 DISABILITY-RELATED						
3001 CLIENT SERVICES	\$0	\$1,430,032	\$31,439,363	\$10,954,430	\$0	\$0
SUBTOTAL, Strategy 2-1-2	\$0	\$1,430,032	\$31,439,363	\$10,954,430	\$0	\$0
Strategy: 2-1-3 PREGNANT WOMEN						
3001 CLIENT SERVICES	\$0	\$439,838	\$9,434,795	\$3,175,911	\$0	\$0
SUBTOTAL, Strategy 2-1-3	\$0	\$439,838	\$9,434,795	\$3,175,911	\$0	\$0
Strategy: 2-1-4 OTHER ADULTS						
3001 CLIENT SERVICES	\$0	\$441,937	\$9,721,463	\$3,305,172	\$0	\$0
SUBTOTAL, Strategy 2-1-4	\$0	\$441,937	\$9,721,463	\$3,305,172	\$0	\$0
Strategy: 2-1-5 CHILDREN						
3001 CLIENT SERVICES	\$0	\$8,814,403	\$198,211,078	\$70,956,009	\$0	\$0
SUBTOTAL, Strategy 2-1-5	\$0	\$8,814,403	\$198,211,078	\$70,956,009	\$0	\$0
TOTAL, Objects of Expense	\$0	\$12,355,970	\$275,191,116	\$97,391,425	\$0	\$0
Method of Financing						
GENERAL REVENUE FUNDS						
Strategy: 2-1-1 AGED AND MEDICARE-RELATED						
758 GR Match For Medicaid	\$0	\$501,619	\$512,747	\$174,901	\$0	\$0
SUBTOTAL, Strategy 2-1-1	\$0	\$501,619	\$512,747	\$174,901	\$0	\$0
Strategy: 2-1-2 DISABILITY-RELATED						

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
758 GR Match For Medicaid	\$0	\$583,310	\$610,983	\$212,885	\$0	\$0
SUBTOTAL, Strategy 2-1-2	\$0	\$583,310	\$610,983	\$212,885	\$0	\$0
Strategy: 2-1-3 PREGNANT WOMEN						
758 GR Match For Medicaid	\$0	\$179,410	\$183,353	\$61,720	\$0	\$0
SUBTOTAL, Strategy 2-1-3	\$0	\$179,410	\$183,353	\$61,720	\$0	\$0
Strategy: 2-1-4 OTHER ADULTS						
758 GR Match For Medicaid	\$0	\$180,266	\$188,924	\$64,232	\$0	\$0
SUBTOTAL, Strategy 2-1-4	\$0	\$180,266	\$188,924	\$64,232	\$0	\$0
Strategy: 2-1-5 CHILDREN						
758 GR Match For Medicaid	\$0	\$3,595,395	\$3,857,688	\$1,378,938	\$0	\$0
SUBTOTAL, Strategy 2-1-5	\$0	\$3,595,395	\$3,857,688	\$1,378,938	\$0	\$0
SUBTOTAL, GENERAL REVENUE FUNDS	\$0	\$5,040,000	\$5,353,695	\$1,892,676	\$0	\$0
FEDERAL FUNDS						
Strategy: 2-1-1 AGED AND MEDICARE-RELATED						
555 Federal Funds						
93.778.000 XIX FMAP	\$0	\$728,141	\$747,074	\$254,831	\$0	\$0
555 Federal Funds						
93.778.007 XIX ADM @ 100	\$0	\$0	\$25,124,596	\$8,570,171	\$0	\$0
SUBTOTAL, Strategy 2-1-1	\$0	\$728,141	\$25,871,670	\$8,825,002	\$0	\$0
Strategy: 2-1-2 DISABILITY-RELATED						
555 Federal Funds						
93.778.000 XIX FMAP	\$0	\$846,722	\$890,204	\$310,174	\$0	\$0
555 Federal Funds						
93.778.007 XIX ADM @ 100	\$0	\$0	\$29,938,176	\$10,431,371	\$0	\$0
SUBTOTAL, Strategy 2-1-2	\$0	\$846,722	\$30,828,380	\$10,741,545	\$0	\$0

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
Strategy: 2-1-3 PREGNANT WOMEN						
555 Federal Funds						
93.778.000 XIX FMAP	\$0	\$260,428	\$267,146	\$89,926	\$0	\$0
555 Federal Funds						
93.778.007 XIX ADM @ 100	\$0	\$0	\$8,984,296	\$3,024,265	\$0	\$0
SUBTOTAL, Strategy 2-1-3	\$0	\$260,428	\$9,251,442	\$3,114,191	\$0	\$0
Strategy: 2-1-4 OTHER ADULTS						
555 Federal Funds						
93.778.000 XIX FMAP	\$0	\$261,671	\$275,263	\$93,586	\$0	\$0
555 Federal Funds						
93.778.007 XIX ADM @ 100	\$0	\$0	\$9,257,276	\$3,147,354	\$0	\$0
SUBTOTAL, Strategy 2-1-4	\$0	\$261,671	\$9,532,539	\$3,240,940	\$0	\$0
Strategy: 2-1-5 CHILDREN						
555 Federal Funds						
93.778.000 XIX FMAP	\$0	\$5,219,008	\$5,620,661	\$2,009,116	\$0	\$0
555 Federal Funds						
93.778.007 XIX ADM @ 100	\$0	\$0	\$188,732,729	\$67,567,955	\$0	\$0
SUBTOTAL, Strategy 2-1-5	\$0	\$5,219,008	\$194,353,390	\$69,577,071	\$0	\$0
SUBTOTAL, FEDERAL FUNDS	\$0	\$7,315,970	\$269,837,421	\$95,498,749	\$0	\$0
TOTAL, Method of Financing	\$0	\$12,355,970	\$275,191,116	\$97,391,425	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Section 1202, Affordable Care Act

DESCRIPTION/KEY ASSUMPTIONS:

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Est 2012**Bud 2013****BL 2014****BL 2015****Excp 2014****Excp 2015**

From January 2013 through December 2014, the federal government will fund with 100 percent federal funding the difference between Medicaid and Medicare reimbursement levels for certain Medicaid primary care providers. Due to the timing of the Supreme Court decision and LAR preparation, the fiscal year 2013 budget does not include the estimated \$247.0 million federal funds associated with this increase in the Medicaid program.

However, the fiscal year 2013 budget includes an estimated \$5.0 million GR necessary to restore rates for these Medicaid providers to the reimbursement level in effect in July 2009 in order to receive the increased federal funding.

CONCERNS:

Due to the timing of the 2012-13 base submission, the 100 percent federally-funded increase that begins January 2013 is not reflected in any FY 2013 Medicaid expenditures.

HHSC has addressed concerns with the two year increase by submitting two exceptional items for the 2014-15 biennium. The 2 percent rate restoration, with GR and matching federal funds, is reflected in all impacted strategies in FY 2013-15.

The first exceptional item would continue this increase for the last eight months of FY 2015 at a cost of \$107.0 million GR and \$266.2 million All Funds to the same class of Medicaid primary care providers specified in ACA.

The second exceptional item would address the delivery of primary care services by providers other than the ones specified by the ACA, e.g., obstetricians and gynecologists and acknowledge the impact to other HHS Health programs that set their reimbursement rates to the Medicaid rates.

- The cost to provide the Medicare level of reimbursement to other Medicaid providers is \$107. million GR and \$266.2 million All Funds.
- The cost to extend the Medicare level of reimbursement to other HHS programs, i.e., CHIP and CSHCN at DSHS,

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
<i>Item: 9 Dual Eligibles Integrated Care Proj</i>						
Objects of Expense						
Strategy: 2-1-1 AGED AND MEDICARE-RELATED						
3001 CLIENT SERVICES	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 2-1-1	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, Objects of Expense	\$0	\$0	\$0	\$0	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Section 2602, Affordable Care Act

DESCRIPTION/KEY ASSUMPTIONS:

This is a placeholder request as the estimated fiscal impact has not been determined. States have the opportunity to develop demonstration projects to integrate care for fully dual eligible individuals. Full dual eligibles are individuals who are eligible for Medicare and full Medicaid benefits. The goal of this demonstration project is to achieve savings and reduce costs through integrated and improved care management and health outcomes for this population.

Participating states will negotiate with CMS to retain a portion of the savings achieved through implementation of this initiative.

CONCERNS:

Section 2602 of the ACA allows an opportunity for states to align financing between Medicare and Medicaid to support improvements in the quality and cost of care for individuals enrolled in both programs through improved care coordination.

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
Item: 10 Balancing Incentives Payment (BIP)						
Objects of Expense						
Strategy: 2-1-1 AGED AND MEDICARE-RELATED						
3001 CLIENT SERVICES	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 2-1-1	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, Objects of Expense	\$0	\$0	\$0	\$0	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Section 1202, Affordable Care Act

DESCRIPTION/KEY ASSUMPTIONS:

This is a placeholder request as the estimated fiscal impact has not been determined. this initiative provides an increase in the FMAP rate for a balancing incentive payment state for eligible Medicaid expenditures. Balancing incentive payments are available to states in which less than 50 percent of total Medicaid expenditures for a fiscal year for long-term services and supports (LTSS) are for non-institutional LTSS.

Texas has applied for BIP funding and CMS has confirmed that Texas could qualify for a time-limited 2 percent increase in FMAP for community-based services. Funding is available to states through October 2015 and must be invested in infrastructure improvements and efforts designed to improve access to community-based LTSS.

CONCERNS:

Estimates are pending.

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
<i>Item: 11 Exchange Integration & MAGI</i>						
Objects of Expense						
Strategy: 1-2-1 CONSOLIDATED SYSTEM SUPPORT						
2001 PROFESSIONAL FEES AND SERV	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-2-1	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, Objects of Expense	\$0	\$0	\$0	\$0	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Patient Protection and Affordable Care Act (PPACA) §2001, §1943

DESCRIPTION/KEY ASSUMPTIONS:

This is a placeholder request as the estimated fiscal impact has not been determined. HHSC will be making system modifications to the TIERS application in order to comply with the Patient Protection and Affordable Care Act (PPACA) §2201 – Enrollment Simplification and Coordination with State Health Insurance Exchanges and §2002 – Income Eligibility for Nonelderly Determined Using Modified Gross Income. Specifically, HHSC will need to develop and implement linkages to the federal exchange and implement federally-mandated Medicaid and CHIP eligibility changes (including modified adjusted gross income).

For these efforts, HHSC will also adhere to federal automation standards such as Health Insurance Portability and Accountability Act (HIPPA), PPACA §1104 and §1561 Recommendations, and Rehabilitation Act §508, among others.

CONCERNS:

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
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Final implementation guidelines have not been released to states. Texas cannot finalize the requirements for TIERS modifications and design in order to implement solutions to achieve compliance with federal requirements. The release of these guidelines may impact implementation within established federal deadlines as well as required resources. Project plans may need to be adjusted, and new Advance Planning Documents may need to be submitted to obtain regular and enhanced federal financial participation match rates.

While much of the APD at this time is requested to be matched at 90/10 federal match, there are some exceptions.

- Some development work will have to be done on TANF and SNAP only interfaces and must be charged to those programs only.
- Some development costs are attributable to CHIP and state only programs and are not eligible for the 90/10 enhanced match.
- Hardware and software expenses are operational and do not qualify for the 90/10 match.

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
<i>Item: 12 Federal Health Insurance Fee</i>						
Objects of Expense						
Strategy: 2-1-1 AGED AND MEDICARE-RELATED						
3001 CLIENT SERVICES	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 2-1-1	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, Objects of Expense	\$0	\$0	\$0	\$0	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Sections 9010 and 10905 , Affordable Care Act

DESCRIPTION/KEY ASSUMPTIONS:

This is a placeholder request as the estimated fiscal impact has not been determined. The ACA requires health insurance issuers that meet certain criteria must pay an annual fee to the federal government based on the amount of health insurance premiums collected in the the previous year beginning after December 31, 2013. The fee would apply to all covered entities that provide health insurance for U.S. health risk, including Medicaid and CHIP health plans with certain exclusions.

Texas' Medicaid and CHIP health plans may be subject to this annual fee which as a cost of doing business in Texas would be included in the health plan's monthly capitation payment. The fee will be based on net premiums and market share in 2013.

The cost associated with this annual fee is not included in any Medicaid or CHIP estimates for FY 2014 or FY 2015.

CONCERNS:

HHSC does not have sufficient information from the federal government to calculate the fee.

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
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Item: 13 Preventive Services FMAP Increase

Objects of Expense

Strategy: 2-1-1 AGED AND MEDICARE-RELATED

3001 CLIENT SERVICES	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 2-1-1	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, Objects of Expense	\$0	\$0	\$0	\$0	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Section 4106, Affordable Care Act

DESCRIPTION/KEY ASSUMPTIONS:

This is a placeholder request as the estimated fiscal impact has not been determined. States that cover certain preventative and rehabilitative services without charging any cost-sharing for these services, are eligible to receive a one percentage point increase in the State's FMAP for those services. The increase for these specified services, including vaccines, would begin January 1, 2013.

Due to lack of information the Medicaid estimates for FY 2013-2015 do not reflect this increased federal share.

CONCERNS:

Federal guidance is pending at this time. System changes would also be required.

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
<i>Item: 14 Medicaid Children @ 133% FPL</i>						
Objects of Expense						
Strategy: 2-1-5 CHILDREN						
3001 CLIENT SERVICES	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 2-1-5	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, Objects of Expense	\$0	\$0	\$0	\$0	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Section 2001 of PPACA as amended by Section 1201 of HCERA

DESCRIPTION/KEY ASSUMPTIONS:

This is a placeholder request as financial estimates are pending. The ACA mandates a change in the Medicaid eligibilty of children age 6 to 19 with family incomes from 100 to 133% of the federal poverty level. In Texas, children age 6 to 19 above 100 percent FPL are currently enrolled in CHIP.

Effective January 1, 2014, the mandatory Medicaid income eligibility level for children ages six to 19 changes from 100 percent FPL to 133 percent FPL. This requirement would move children currently enrolled in CHIP to Medicaid. This population of children would continue to have their Medicaid benefits matched at the EFMAP (the CHIP match rate).

The estimates for FY 2014-15 do not reflect this change in caseloads from CHIP to Medicaid, nor do the estimates reflect the change in benefits and match rate for this population.

CONCERNS:

TOTAL, ALL ITEMS	\$38,137,188	\$36,688,843	\$302,917,064	\$125,502,425	\$674,988	\$1,404,289
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529 Health and Human Services Commission

	MOF RECAP					
	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
GENERAL REVENUE FUNDS						
758 GR Match For Medicaid	\$11,105,095	\$(1,886,351)	\$4,785,026	\$1,381,686	\$5,778	\$12,388
8010 GR Match For Title XXI	\$0	\$0	\$0	\$0	\$185,215	\$384,535
8025 Tobacco Receipts Match For Chip	\$(12,312,349)	\$(13,182,506)	\$(13,595,752)	\$(13,864,617)	\$(718,857)	\$(1,494,681)
SUBTOTAL, GENERAL REVENUE FUNDS	\$(1,207,254)	\$(15,068,857)	\$(8,810,726)	\$(12,482,931)	\$(527,864)	\$(1,097,758)
FEDERAL FUNDS						
555 Federal Funds	\$39,344,442	\$51,757,700	\$311,727,790	\$137,985,356	\$1,202,852	\$2,502,047
SUBTOTAL, FEDERAL FUNDS	\$39,344,442	\$51,757,700	\$311,727,790	\$137,985,356	\$1,202,852	\$2,502,047
TOTAL, ALL ITEMS	\$38,137,188	\$36,688,843	\$302,917,064	\$125,502,425	\$674,988	\$1,404,289