

6.E. Estimated Revenue Collections Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **529** Agency name: **Health and Human Services Commission**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
<u>1</u> General Revenue Fund					
Beginning Balance (Unencumbered):	\$1,793,107	\$0	\$0	\$0	\$0
Estimated Revenue:					
3602 Earned Fed Funds, Food Stamp	5,628,771	5,200,000	5,200,000	5,200,000	5,200,000
3702 Fed Receipts-Earned Federal Funds	4,919,140	10,243,012	4,000,000	4,000,000	4,000,000
3726 Fed Receipts-Indir Cost Recovery	3,645,046	3,100,000	3,100,000	3,100,000	3,100,000
Subtotal: Actual/Estimated Revenue	14,192,957	18,543,012	12,300,000	12,300,000	12,300,000
Total Available	\$15,986,064	\$18,543,012	\$12,300,000	\$12,300,000	\$12,300,000
DEDUCTIONS:					
Expended A.1.2. (appropriated)	(10,240,168)	(12,004,212)	(12,004,212)	(12,004,212)	(12,004,212)
Expended A.2.1.	(5,492,450)	0	0	0	0
Expended A.1.2. (Snap Bonus)	0	(6,243,012)	0	0	0
Expended B3.1. (MAC)(appropriated)	(175,941)	(175,000)	(175,000)	(175,000)	(175,000)
Trsfr-BenefitsbyCPA(ArtIX,6.22(g))	(77,505)	(120,788)	(120,788)	(120,788)	(120,788)
Total, Deductions	\$(15,986,064)	\$(18,543,012)	\$(12,300,000)	\$(12,300,000)	\$(12,300,000)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

It is assumed that HHSC will continue to receive federal receipts for SNAP and Medicaid Administrative Claiming and will continue to be charged for SWCAP. In FY 2012, Texas HHSC received \$6.2 million SNAP for achieving one of the highest payment accuracy rates in the nation.

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FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
666 Appropriated Receipts					
Beginning Balance (Unencumbered):	\$147,629	\$438,045	\$386,959	\$282,424	\$141,212
Estimated Revenue:					
3722 Conf, Semin, & Train Regis Fees	800	650	0	0	0
3740 Grants/Donations	433,976	443,113	0	0	0
3766 Supplies/Equip/Servs-Local Funds	8,875,067	9,303,816	9,463,428	9,463,428	9,463,428
3802 Reimbursements-Third Party	165,091	0	0	0	0
Subtotal: Actual/Estimated Revenue	9,474,934	9,747,579	9,463,428	9,463,428	9,463,428
Total Available	\$9,622,563	\$10,185,624	\$9,850,387	\$9,745,852	\$9,604,640
DEDUCTIONS:					
Expended A.1.2. Hospital Based Wrkr	(8,875,067)	(9,303,816)	(9,463,428)	(9,463,428)	(9,463,428)
Expended A.1.1. TOPDD	(275,440)	(300,637)	(73,169)	(141,212)	(141,212)
Expended D.1.3. Disaster	(199)	(162,846)	0	0	0
Lapsed Collections	(2,446)	0	0	0	0
Trsfr-BenefitsbyCPA(ArtIX,6.22(g))	(31,366)	(31,366)	(31,366)	0	0
Total, Deductions	\$(9,184,518)	\$(9,798,665)	\$(9,567,963)	\$(9,604,640)	\$(9,604,640)
Ending Fund/Account Balance	\$438,045	\$386,959	\$282,424	\$141,212	\$0

REVENUE ASSUMPTIONS:

Collections resulting from contracted hospitals for eligibility workers are assumed at \$9,453,428 for FY 2013, FY 2014, and FY 2015.

The majority of the unexpended balances carried forward in this revenue schedule are related to grant funding received by the Texas Office for the Prevention of Developmental Disabilities (TOPDD) from a private corporation. The balances carried into subsequent years are \$147,629 from FY 2010 to FY 2011; \$275,199 for FY 2011 to FY 2012; \$386,959 from FY 2012 to FY 2013; \$282,424 from FY 2013 to FY 2014; and \$141,212 from FY 2014 to FY 2015. The private grant funding agreement ended 5/31/2012 but expenditures will continue into FY 2015. There are no estimates of any new collection of revenues for TOPDD in FY 2014-15.

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FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
<u>705</u> Medicaid Program Income					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3639 Premium Credits - Medicaid Program	23,934,014	44,580,551	44,780,922	27,885,584	27,048,296
3714 Judgments	1,496,246	874,928	0	0	0
3773 Insurance and Damages	460,808	195,000	0	0	0
3854 Interest - Other	918,829	380,000	375,000	225,000	200,000
Subtotal: Actual/Estimated Revenue	26,809,897	46,030,479	45,155,922	28,110,584	27,248,296
Total Available	\$26,809,897	\$46,030,479	\$45,155,922	\$28,110,584	\$27,248,296
DEDUCTIONS:					
Expended	(26,809,897)	(46,030,479)	(45,155,922)	(28,110,584)	(27,248,296)
Total, Deductions	\$(26,809,897)	\$(46,030,479)	\$(45,155,922)	\$(28,110,584)	\$(27,248,296)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

Collections for Medicaid Program Income do not necessarily relate to with total expenditures or caseload projections as the majority of this revenue source is experience rebates from Medicaid managed care organizations.

Experience rebates are received when the negotiated managed care premium rates exceed the actual incurred cost. Managed care organizations (MCO) return a portion of those dollars as experience rebates. The state retains the state share and the federal share is returned to the federal government.

For fiscal years 2014-15, HHSC has assumed less Medicaid experience rebates. There is uncertainty that MCO will generate sufficient profitability to trigger an experience rebate payment because HHSC has been adjusting MCO rates during the year. Additionally the MCO's financial performance in both Medicaid and CHIP is now combined in determining experience rebates and currently Medicaid STAR+PLUS MCOs are showing significant losses.

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FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
<u>706</u> Vendor Drug Rebates-Medicaid					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3638 Vendor Drug Rebates-Medicaid Pgm	320,967,472	486,719,913	496,964,349	497,097,337	521,548,692
3714 Judgments	16,480,318	5,500,000	4,000,000	0	0
3769 Forfeitures	779,915	0	0	0	0
3802 Reimbursements-Third Party	331,471	0	0	0	0
3854 Interest - Other	80,846	200,000	200,000	200,000	220,000
Subtotal: Actual/Estimated Revenue	338,640,022	492,419,913	501,164,349	497,297,337	521,768,692
Total Available	\$338,640,022	\$492,419,913	\$501,164,349	\$497,297,337	\$521,768,692
DEDUCTIONS:					
Expended	(338,640,022)	(492,419,913)	(501,164,349)	(497,297,337)	(521,768,692)
Total, Deductions	\$(338,640,022)	\$(492,419,913)	\$(501,164,349)	\$(497,297,337)	\$(521,768,692)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

Vendor Drug Rebate revenue represents the state share of rebates provided by drug manufacturers to the State as part of the federal Medicaid Drug Rebate Program (OBRA90). The revenue is calculated using Medicaid projected caseload and drug cost information. The FMAP also dictates the amount of state share retained and the amount returned to the federal government.

As the majority of Medicaid prescription drugs are provided through managed care, it is assumed that the share of generic drugs will increasing. Since generic drugs are cheaper, there should be eventually be a decline in drug rebate revenue.

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FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
3643 Premium Co-payments					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3643 Premium Co-pay, Low Income Child	1,326,803	1,590,100	1,594,327	1,575,898	1,603,831
Subtotal: Actual/Estimated Revenue	1,326,803	1,590,100	1,594,327	1,575,898	1,603,831
Total Available	\$1,326,803	\$1,590,100	\$1,594,327	\$1,575,898	\$1,603,831
DEDUCTIONS:					
Expended	(1,326,803)	(1,590,100)	(1,594,327)	(1,575,898)	(1,603,831)
Total, Deductions	\$(1,326,803)	\$(1,590,100)	\$(1,594,327)	\$(1,575,898)	\$(1,603,831)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CHIP enrollment fees are \$50 or less per family for each 12-month term of eligibility and vary based on the family's income.

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FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
<u>5137</u> Regional Trauma Account					
Beginning Balance (Unencumbered):	\$17,592,916	\$31,578,156	\$49,828,156	\$68,078,156	\$86,328,156
Estimated Revenue:					
3717 Civil Penalties	13,758,310	18,000,000	18,000,000	18,000,000	18,000,000
3851 Interest on St Deposits & Treas Inv	226,930	250,000	250,000	250,000	250,000
Subtotal: Actual/Estimated Revenue	13,985,240	18,250,000	18,250,000	18,250,000	18,250,000
Total Available	\$31,578,156	\$49,828,156	\$68,078,156	\$86,328,156	\$104,578,156
DEDUCTIONS:					
Expended	0	0	0	0	0
Total, Deductions	\$0	\$0	\$0	\$0	\$0
Ending Fund/Account Balance	\$31,578,156	\$49,828,156	\$68,078,156	\$86,328,156	\$104,578,156

REVENUE ASSUMPTIONS:

This dedicated account is established under Subtitle B, Title 9, Health and Safety Code, Sec. 782.003 and the Transportation Code, Sections 542.406 and 707.008.

The Comptroller of Public Accounts receives a portion of fees from local city and county enforcement of signal light camera violations and deposits this revenue in this account to fund uncompensated care of designated trauma facilities and county and regional emergency medical services and for administration.

Currently, HHSC has no appropriation authority to expend funds from this account and has limited information upon which to base an estimate of future revenues collected by the Comptroller.

FY 2009 was the last year for which there was appropriation authority.

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FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
8044 Medicaid Subrogation Receipts					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3802 Reimbursements-Third Party	71,055,146	89,560,260	87,858,658	82,755,618	83,464,384
Subtotal: Actual/Estimated Revenue	71,055,146	89,560,260	87,858,658	82,755,618	83,464,384
Total Available	\$71,055,146	\$89,560,260	\$87,858,658	\$82,755,618	\$83,464,384
DEDUCTIONS:					
Expended B.1.5.	(71,055,146)	(89,560,260)	(61,343,853)	(82,755,618)	(83,464,384)
Expended B.2.2.	0	0	(6,913,478)	0	0
Expended B.2.1.	0	0	(19,601,327)	0	0
Total, Deductions	\$(71,055,146)	\$(89,560,260)	\$(87,858,658)	\$(82,755,618)	\$(83,464,384)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

Collections for Medicaid Subrogation Receipts do not necessarily relate to total expenditures or caseload projections.

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FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
8054 Experience Rebates-CHIP					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3649 Vendor Drug/Exp. Rebates, Nonmed	1,753,491	5,820,000	2,319,139	0	0
3854 Interest - Other	14,056	23,320	20,000	0	0
Subtotal: Actual/Estimated Revenue	1,767,547	5,843,320	2,339,139	0	0
Total Available	\$1,767,547	\$5,843,320	\$2,339,139	\$0	\$0
DEDUCTIONS:					
Expended	(1,767,547)	(5,843,320)	(2,339,139)	0	0
Total, Deductions	\$(1,767,547)	\$(5,843,320)	\$(2,339,139)	\$0	\$0
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

Experience rebates are received when the negotiated managed care premium rates exceed the actual incurred cost. Managed care organizations (MCO) return a portion of those dollars as experience rebates. The state retains the state share and the federal share is returned to the federal government.

For fiscal years 2014-15, HHSC has not included CHIP Experience Rebate revenues as there is uncertainty that MCO will generate sufficient profitability to trigger an experience rebate payment. Preliminary financial results indicate that MCO profits will be minimal to negative for fiscal year 2013 and the contract provides for a 2 year loss carry forward provision, further reducing the probability for future experience rebate payments.

In addition, CHIP financial performance is combined with other programs in determining experience rebates and currently Medicaid STAR+PLUS MCOs are showing significant losses.

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FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
8062 Approp Receipts-Match For Medicaid					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3014 Mtr Vehicle Registration Fees	950	835	900	900	900
3588 Trnfrs from Urban & Rural Hospitals	0	1,562,257	0	0	0
3595 Medical Assist Cost Recovery	8,155,481	12,885,352	14,447,609	15,510,280	15,479,791
3802 Reimbursements-Third Party	2,243,874	2,325,881	2,281,610	1,211,697	1,209,313
Subtotal: Actual/Estimated Revenue	10,400,305	16,774,325	16,730,119	16,722,877	16,690,004
Total Available	\$10,400,305	\$16,774,325	\$16,730,119	\$16,722,877	\$16,690,004
DEDUCTIONS:					
Expended B.2.1. Graduate Medical Education	(8,155,481)	(12,885,352)	(14,447,609)	(15,510,280)	(15,479,791)
Expended B.1.5. Value Added Network	(2,215,628)	(2,325,881)	(2,281,610)	(1,211,697)	(1,209,313)
Expended B.1.5.	(950)	(835)	(900)	(900)	(900)
Expended B.3.1.	(28,246)	0	0	0	0
Expended B.1.1.	0	(1,562,257)	0	0	0
Total, Deductions	\$(10,400,305)	\$(16,774,325)	\$(16,730,119)	\$(16,722,877)	\$(16,690,004)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

The source of this revenue could be intergovernmental transfer (IGT) funds from public hospitals or other unspecified sources provided as match for Graduate Medical Education (GME).

A new initiative implemented in FY2011 for electronic eligibility verification is also reported revenue source, as well as the on-going dollars associated with the value added network (VAN).

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FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
8070 Vendor Drug Rebates-CHIP					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3649 Vendor Drug/Exp. Rebates, Nonmed	5,587,679	7,124,973	7,436,697	6,638,641	6,763,865
3854 Interest - Other	3,004	1,400	2,000	1,000	1,000
Subtotal: Actual/Estimated Revenue	5,590,683	7,126,373	7,438,697	6,639,641	6,764,865
Total Available	\$5,590,683	\$7,126,373	\$7,438,697	\$6,639,641	\$6,764,865
DEDUCTIONS:					
Expended	(5,590,683)	(7,126,373)	(7,438,697)	(6,639,641)	(6,764,865)
Total, Deductions	\$(5,590,683)	\$(7,126,373)	\$(7,438,697)	\$(6,639,641)	\$(6,764,865)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

Vendor Drug Rebates in CHIP represent the state share of rebates provided by drug manufacturers to the State as part of providing prescription drugs in the CHIP Program. The revenue is calculated using CHIP projected caseload and drug cost information. The EFMAP also dictates the amount of state share retained and the amount returned to the federal government.

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FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
8075 Cost Sharing - Medicaid Clients					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3643 Premium Co-pay, Low Income Child	39,977	68,611	68,611	56,063	61,423
Subtotal: Actual/Estimated Revenue	39,977	68,611	68,611	56,063	61,423
Total Available	\$39,977	\$68,611	\$68,611	\$56,063	\$61,423
DEDUCTIONS:					
Expended	(39,977)	(68,611)	(68,611)	(56,063)	(61,423)
Total, Deductions	\$(39,977)	\$(68,611)	\$(68,611)	\$(56,063)	\$(61,423)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

In FY2007, the Medicaid Buy-In program started and revenues were collected. Estimates of future collections are based upon the projected caseload of participating clients. Both qualified adults and children can "buy-in" to Medicaid coverage.

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FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
8081 Vendor Drug Rebates-Sup Rebates					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3565 Medicaid Vendor Drug Supplemental	39,193,532	41,093,328	48,873,097	0	0
Subtotal: Actual/Estimated Revenue	39,193,532	41,093,328	48,873,097	0	0
Total Available	\$39,193,532	\$41,093,328	\$48,873,097	\$0	\$0
DEDUCTIONS:					
Expended	(39,193,532)	(41,093,328)	(48,873,097)	0	0
Total, Deductions	\$(39,193,532)	\$(41,093,328)	\$(48,873,097)	\$0	\$0
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

Medicaid Vendor Drug supplemental rebate revenue represents the state share of rebates provided by drug manufacturers to the State for participation in the Preferred Drug List and Supplemental Rebate Program. Rebates are calculated using projected Medicaid caseload information provided from the forecast of Medicaid clients.

HHSC is estimating no Supplemental Drug rebate revenue for FY 2014-15 as S.B. 7 (82nd Legislature, First Called Session, 2011) sunsets state provisions for the single state formulary and the preferred drug list in Medicaid managed care effective 9/1/2013. The residual Medicaid population in fee-for-service would be too small to negotiate for a preferred drug list and supplemental rebates.

For the 2012-13 supplemental rebate estimates, CMS has provided limited information and due to the confidentiality of Federal Rebate Data, it is difficult to definitely quantify the impact of Affordable Care Act (ACA) on Supplemental Rebates. Federal rebate information is largely protected by confidentiality between CMS and the pharmaceutical manufacturers, therefore we lack information to perform a complete analysis.

Lack of experience with the federal government's recapturing this larger share of supplemental rebate revenue could change projections of this revenue as required under ACA, if the preferred drug list is continued into 2014-15.

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