

**MEMORANDUM**

**DATE:** January 29, 2008

**TO:** Appropriations Chairman Senator Jerry Apa  
 Appropriations Co-Chairman Representative Larry Tidemann

**FROM:** Deborah K. Bowman, Secretary

**SUBJECT:** FY2009 Budget Questions and Responses

Thank you for the opportunity to appear before the Joint Appropriations Committee to share our proposed SFY09 budget request. Below are responses to the questions and additional follow-up information per your committee's request.

1. Do you have a total amount for the state general fund match for Medicaid & CHIP by program?  
 (Senator Smidt)

*Statewide Budgeted FY09 excluding administrative costs for DSS, DOC, DOH and DHS.*

<u>Program</u>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
<i>Title XIX - Medicaid</i>	<i>\$247,310,156</i>	<i>\$462,775,314</i>	<i>\$710,085,470</i>
<i>Title XXI - CHIP</i>	<i>\$5,567,565</i>	<i>\$15,323,861</i>	<i>\$20,891,426</i>
<b><i>Totals</i></b>	<b><i>\$252,877,721</i></b>	<b><i>\$478,099,175</i></b>	<b><i>\$730,976,896</i></b>

*In addition for DSS, Title IV-E and Child Care Block Grant fund sources are also impacted by the FMAP change as they are required to follow FMAP.*

2. Could we get the background information that shows the link between in-home services and nursing home care? (Representative Glenski)
- See Attachments 1 and 2. Attachment one is a global view of the state by state comparison of Medicaid Long Term Care spending for institutional care versus home and community based services (HCBS) such as in home services and assisted living. South Dakota currently ranks 45<sup>th</sup> in the nation for Medicaid HCBS spending for the aged/disabled.*

*Attachment 2 outlines by county the average case mix weight as well as the number of in-home service agencies per 1,000 elderly that provide services in that county. This demonstrates there is a correlation in the case mix weight of individuals entering nursing home care related to home and community based service available. McPherson County, for example has 0-1 home health agencies per 1,000 elderly and the average case mix weight for that county is .93-.99 (higher needs). Miner and McCook counties have 6-9 home health agencies per 1,000 elderly and have average case mix weights of 1.10-1.19 (lower needs) residents. This suggests people may enter nursing facility care sooner if other home and community based options are not available.*

3. How much have we spent in total for MMIS so far? (Senator Apa)

<i>Fiscal Year</i>	<i>General Funds</i>	<i>Federal Funds</i>	<i>Total Funds</i>
<i>FY05</i>	<i>\$662.83</i>	<i>\$5,965.43</i>	<i>\$6,628.26</i>
<i>FY06</i>	<i>\$70,100.14</i>	<i>\$630,901.21</i>	<i>\$701,001.35</i>
<i>FY07</i>	<i>\$44,995.85</i>	<i>\$404,962.68</i>	<i>\$449,958.53</i>
<i>FY08 YTD (Dec. 31)</i>	<i>\$17,781.13</i>	<i>\$160,030.16</i>	<i>\$177,811.29</i>
<b><i>Totals</i></b>	<b><i>\$133,539.95</i></b>	<b><i>\$1,201,859.48</i></b>	<b><i>\$1,335,399.43</i></b>

4. Is there some way that you could project costs and savings and show that to us for the MMIS? (Representative Putnam)

*The initial return on investment (ROI) was calculated in 2006 by our Planning Consultant FourThought Group Inc. The analysis included the following components:*

- Program savings: Dollar amounts associated with cost avoidance, recoveries, and administrative savings.*
- MMIS Lifecycle costs: Costs associated with the development, installation, maintenance, and operations of an MMIS.*
- Intangible Characteristics: Includes inherent risks, results of Medicaid Information Technology Architecture (MITA) alignment, and impacts of cultural change. These items were not empirically quantified, but were considered as benefits to the MMIS solution.*

*The calculation indicated an expected annual savings in state general funds of \$1,092,667 which would result in an estimated ROI of 7 years.*

5. What is the percentage of success of TANF participants? (Senator Hunhoff)

*During SFY07, 32% of TANF parent cases were closed due to employment.*

6. What information do you have on youth that age out of Child Protection Services and end up in DOC custody? (Senator Apa)

*In a review of all DSS placements exiting foster care we matched those records against any DOC admission date to the adult corrections system during that same time frame. Therefore, over time admission rates may change.*

	<i>FY2005</i>	<i>FY2006</i>	<i>FY2007</i>
<i>Exiting DSS Foster Care</i>	<i>82</i>	<i>76</i>	<i>100</i>
<i>Admission into Adult Corrections</i>	<i>7</i>	<i>3</i>	<i>1</i>
<i>Percentage</i>	<i>8.5%</i>	<i>3.9%</i>	<i>1.0%</i>

*Data as of 1/14/08*

7. Could we get the performance indicators prior to FY2007 for TANF? (Representative Rausch)

*Average TANF Cases per month*

*FY2005 -2,758*

*FY2006 -2,829*

*FY2007 -2,916*

If you have further questions regarding the Governor's recommended budget for FY2009 for the Department of Social Services, please feel free to contact me or Brenda Tidball-Zeltinger, Chief Financial Officer, at 773-3166.

Thank you!