PROPOSED FORMULA FOR STATE REIMBURSEMENT OF COUNTY HUMAN SERVICES COSTS

Formula Rate Calculation

Base Year Gross Expenditures in Largest County	÷	Base Year Caseload in Largest County	=	Base Year Gross Expenditures Per Case	x	Inflationary Adjustment	=	Formula Base Rate Per Case Year 1	x	County Factor Based on Total Caseload	=	County Rate Per Case
Gross expenditures before MMIS reimbursements. Separate formula calculations for economic assistance (EA) and for social services (SS) expenditures. Largest county used as base in each category; assumed to be the most efficient.		Sum of monthly cases for all services in economic assistance or social services categories.		Gross expenditures per case for largest county used as the base formula rate.		Inflationary factor to allow for growth in payroll and other human services administative and service delivery costs.		Rate used as the base for all counties.		County caseload size factor ranging from 1.00 in largest county to 2.35 for economic assistance formula and 2.50 for social services formula. Proposed economic assistance factors shown below for each county size group.		Rate used to calculate county payment. Results in six rates for economic assistance formula and six rates for social services formula - one for each of the six caseload size categories.
$6,000,000	÷	300,000	=	$20.00 per case per month	X	7%	=	$21.40 per case per month	X	1.00 (Size group 1)	=	$21.40
									X	1.60 (Size group 2)	=	$34.24
									X	1.75 (Size group 3)	=	$37.45
									X	2.00 (Size group 4)	=	$42.80
									X	2.20 (Size group 5)	=	$47.08
									X	2.35 (Size group 6)	=	$50.29

Explanation

Example

Formula Payment Calculation

County Rate Per Case	x	Number of Cases	=	Formula Payment Before Adjustments	+ or -	Maximum or Minimum Adjustment: Less Amount > 110% of County Base Year Expenditures	or	Maximum or Minimum Adjustment: Plus Amount to Provide At Least 102% of County Base Year Expenditures	-	County MMIS Claims Paid	+	County Incentive Payment	=	County Formula Payment
Rate used to calculate county payment. Results in six rates for economic assistance formula and six rates for social services formula - one for each of the six caseload size categories. EA size group 3 rate shown in example below.		Number of case months in specific county for that year.		Gross amount before adjustments for maximum limit, hold-harmless, MMIS claims, and county incentive payment.		To ensure the formula does not provide an extraordinary gain to a particular county, year 1 formula payments are limited to 110% of base year expenditures, unless the increase is the result of caseload growth. Payments are limited to 120% of base year expenditures in year 2.		To ensure counties are protected during transition to the formula, a hold-harmless provision guarantees formula payments equal to no less than 102% of base year expenditures in year 1, regardless of caseload changes. The hold-harmless provides for 104% of base year expenditures in year 2.		MMIS claims for EA include home and community based care services and case management services. MMIS claims for SS include community based wraparound services for foster care and child in-home care.		MMIS revenue resulting from county billing is shared between the state and counties. Counties retain the first $10,000 annually; remaining revenue is split 25% county, 75% state.		County formula payment for year 1 of formula implementation
$37.45 per case	X	40,000	=	$1,498,000	-	$48,000	+	$0	-	$50,000	+	$20,000	=	$1,420,000

Explanation

Example