

September 2000

DEPARTMENT OF HUMAN SERVICES - TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) AND MEDICAL ASSISTANCE EXPENDITURES

TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES AND MEDICAID EXPENDITURES

For the period July 1999 through July 2000, TANF and medical assistance (Medicaid) expenditures have totaled \$367.7 million, \$15.5 million more than the original appropriation estimate for this time period of \$352.2 million. These expenditures include those relating to the intergovernmental transfer program authorized under Senate Bill No. 2168. Excluding the intergovernmental transfer program expenditures, actual expenditures have totaled \$330.9 million, \$9.1 million less than the original appropriation estimate of \$340 million.

Appendix A is a schedule providing the detail of TANF and Medicaid appropriations and expenditures.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Appropriation

The 1999 Legislative Assembly appropriated \$25 million for the TANF program for the 1999-2001 biennium. As appropriated by the Legislative Assembly, \$18.6 million was federal funds and \$6.4 million was other funds. In October 1999 the Department of Human Services received Emergency Commission and Budget Section approval to transfer \$5.5 million of general fund moneys from foster care to the TANF program with a corresponding transfer of \$5.5 million of federal funds from the TANF program to foster care. The change resulted from a TANF regulation that became effective on October 1, 1999, which requires state funds to be spent on cash assistance under the TANF program in order to meet the state's maintenance-of-effort requirements. As adjusted, funding for the TANF program includes \$5.5 million from the general fund, \$13.1 million of federal funds, and \$6.4 million of other funds.

Expenditures to Date

Through July 2000 actual TANF expenditures were \$12.2 million, \$200,000, or 1.9 percent, less than estimated expenditures of \$12.4 million.

Appendix B provides charts comparing actual caseloads and average monthly payments to projections for the 1999-2001 biennium. The number of cases has been more than estimated while the average monthly payment has been less than estimated. Representatives of the department have reported that the average monthly payment has been less than estimated due primarily to the recipient families' earned income being more than projected.

The department has been spending the general fund moneys at a faster rate than the federal or special funds in order to meet the state's maintenance-of-effort requirement to assure that the state will have access to the total federal funds available.

MEDICAL ASSISTANCE Appropriation

The 1999 Legislative Assembly appropriated \$679.3 million, \$196.3 million of which is from the general fund for medical assistance grants for the 1999-2001 biennium.

Expenditures to Date

Actual Medicaid expenditures through July 2000 were \$355.5 million, \$15.7 million more than the original appropriation estimate of \$339.8 million. Excluding the \$36.8 million of expenditures related to the intergovernmental transfer program, actual expenditures have totaled \$318.7 million, \$8.9 million less than the original appropriation estimate of \$327.6 million. Of the \$8.9 million savings, \$2.5 million is from the general fund.

Major expenditure variances among service areas through July 2000 include:

Service	Expenditure Variance Under (Over) Estimate	Percentage Variance Under (Over)
Nursing home care	\$7,290,948	5.93
Drugs (net)	(\$5,383,661)	(21.71)
Outpatient hospital	\$3,436,929	20.66
Inpatient hospital	\$1,683,522	5.47

Major reasons for these variances include:

- Nursing home care - The number of recipients has been approximately four percent less than anticipated and the cost per recipient has been approximately two percent less than projected.
- Drugs (net) - The number of recipients has been approximately seven percent greater than anticipated and the cost per recipient has been nearly 13.5 percent more than estimated.
- Outpatient hospital - Although expenditures have been less than estimated, the department anticipates making additional payments upon completion of cost settlements. Blue Cross Blue Shield reviews actual costs of medical providers for the services provided and, based on these reviews, payments are adjusted to reflect the actual cost of the services.

- Inpatient hospital - The number of recipients of inpatient hospital services has been seven percent less than estimated; however, the cost per recipient is approximately two percent more than projected.

In February 2000 the department reprojected community-based developmental disabilities services expenditures, and in May 2000 reprojected other medical assistance-related expenditures. The revised projections, excluding the intergovernmental transfer program, totaled \$658.8 million, \$8.9 million less than the original appropriation estimate of \$667.1 million.

Comparing the department's July 2000 estimate of biennial expenditures to the original appropriation, excluding the intergovernmental transfer program, the department projects that total biennial costs based on actual expenses through July 2000 and the department's revised estimates for the remainder of the biennium will be \$9.2 million less than appropriated, \$3 million of which is from the general fund.

ATTACH:2

DEPARTMENT OF HUMAN SERVICES TANF AND MEDICAID EXPENDITURES

The following schedule compares the 1999-2001 biennium original appropriation to actual expenditures to date for the TANF and Medicaid programs:

TANF (Temporary Assistance for Needy Families)

	Biennium to Date - Through June 2000					
	1999-2001 Original Appropriation	Percentage	Original Appropriation Estimate	Actual Expenditures	Variance	Percentage Variance
Federal share	\$13,110,930 ¹	52.43%	\$9,316,265	\$5,524,535	\$3,791,730	40.70%
State share	5,500,000 ¹	21.99%	2,135,414	5,199,513	(3,064,099)	(143.49%)
Other funds	6,397,947	25.58%	936,487	1,428,886	(492,399)	(52.58%)
Total	\$25,008,877	100.00%	\$12,388,166	\$12,152,934	\$235,232	1.90%

MEDICAL ASSISTANCE

	Biennium to Date - Through July 2000						Feb/May 2000 Revised Biennial Estimate	July 2000 Estimate of Biennial Expenditures	July 2000 Estimate Compared to Original Appropriation
	1999-2001 Original Appropriation ²	Percentage	Original Appropriation Estimate	Actual Expenditures	Variance	Percentage Variance			
Inpatient hospital	\$61,573,862	9.06%	\$30,776,626	\$29,093,104	\$1,683,522	5.47%	\$56,667,020	\$57,479,456	\$4,094,406
Outpatient hospital	33,671,184	4.96%	16,633,243	13,196,314	3,436,929	20.66%	29,267,142	28,622,298	5,048,886
Home health	4,034,500	0.59%	2,016,563	2,292,170	(275,607)	(13.67%)	5,075,816	4,830,946	(796,446)
Nursing home care	252,358,444	37.15%	123,021,968	115,731,020	7,290,948	5.93%	240,847,824	240,255,732	12,102,712
Healthy Steps - CHIP	3,886,838	0.57%	1,619,514	1,321,417	298,097	18.41%	4,115,076	4,133,443	(246,605)
Physicians' services	37,420,671	5.51%	18,703,011	18,676,789	26,222	0.14%	36,929,156	37,148,621	272,050
Drugs (net)	50,354,267	7.41%	24,802,446	30,186,107	(5,383,661)	(21.71%)	64,047,600	63,246,583	(12,892,316)
Durable medical equipment	4,199,096	0.62%	2,074,482	1,898,478	176,004	8.48%	4,125,376	3,985,898	213,198
Treatment services for children	5,400,000	0.79%	2,673,264	2,403,429	269,835	10.09%	6,117,573	5,816,330	(416,330)
Dental	9,888,492	1.46%	4,942,356	5,149,319	(206,963)	(4.19%)	10,775,473	10,539,195	(650,703)
Rural health clinics	4,021,989	0.59%	1,986,917	1,831,032	155,885	7.85%	3,510,397	3,607,284	414,705
Aged and disabled waiver	6,374,484	0.94%	3,155,676	3,619,447	(463,771)	(14.70%)	7,357,051	7,440,949	(1,066,465)
Community-based DD care	148,922,689	21.92%	73,027,825	72,777,869	249,956	0.34%	147,145,755	148,381,640	541,049
Intergovernmental transfer - SB 2168	12,183,210	1.79%	12,183,210	36,811,615	(24,628,405)	(202.15%)	36,811,615	36,811,615	(24,628,405)
Other	44,982,422	6.64%	22,175,415	20,536,576	1,638,839	7.39%	42,806,405	42,437,496	2,544,926
Total	\$679,272,148	100.00%	\$339,792,516	\$355,524,686	(\$15,732,170)	(4.63%)	\$695,599,279	\$694,737,486	(\$15,465,338)
Federal share	\$474,949,563	69.92%	\$237,872,689	\$249,985,355	(\$12,112,666)	(5.09%)	\$488,176,958	\$487,495,265	(\$12,545,702)
State share	196,287,473	28.90%	97,560,711	95,027,950	2,532,761	2.60%	193,476,475	193,330,513	2,956,960
Other funds	8,035,112	1.18%	4,359,116	10,511,381	(6,152,265)	(141.14%)	13,945,846	13,911,708	(5,876,596)
Total	\$679,272,148	100.00%	\$339,792,516	\$355,524,686	(\$15,732,170)	(4.63%)	\$695,599,279	\$694,737,486	(\$15,465,338)
Funding Sources Excluding Intergovernmental Transfer Program - SB2168									
Federal share	\$466,384,744	69.91%	\$229,307,870	\$224,062,616	\$5,245,254	2.29%	\$462,254,219	\$461,572,526	\$4,812,218
State share	192,669,082	28.88%	93,942,320	91,409,559	2,532,761	2.70%	189,858,084	189,712,122	2,956,960
Other funds	8,035,112	1.21%	4,359,116	3,240,896	1,118,220	25.65%	6,675,361	6,641,223	1,393,889
Total	\$667,088,938	100.00%	\$327,609,306	\$318,713,071	\$8,896,235	2.72%	\$658,787,664	\$657,925,871	\$9,163,067

GRAND TOTAL - TANF AND MEDICAID

	1999-2001		Biennium to Date - Through June/July 2000			
	Original Appropriation	Percentage ^{1,2}	Original Appropriation Estimate	Actual Expenditures	Variance	Percentage Variance
Federal share	\$488,060,493	69.30%	\$247,188,954	\$255,509,890	(\$8,320,936)	(3.37%)
State share	201,787,473	28.65%	99,696,125	100,227,463	(531,338)	(0.53%)
Other funds	14,433,059	2.05%	5,295,603	11,940,267	(6,644,664)	(125.48%)
Total	\$704,281,025	100.00%	\$352,180,682	\$367,677,620	(\$15,496,938)	(4.40%)

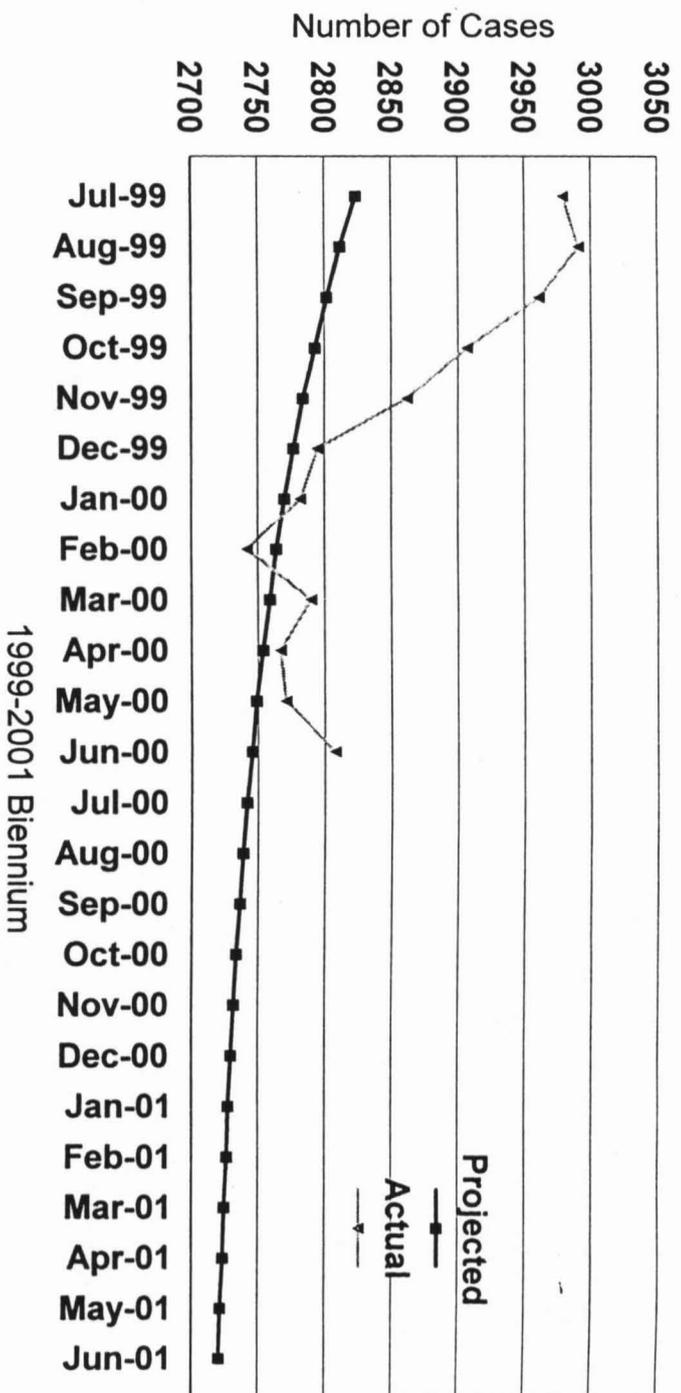
Funding Sources Excluding Intergovernmental Transfer Program - SB2168

Federal share	\$479,495,674	69.28%	\$238,624,135	\$229,587,151	\$9,036,984	3.79%
State share	198,169,082	28.63%	96,077,734	96,609,072	(531,338)	(0.55%)
Other funds	14,433,059	2.09%	5,295,603	4,669,782	625,821	11.82%
Total	\$692,097,815	100.00%	\$339,997,472	\$330,866,005	\$9,131,467	2.69%

1/ This amount has been adjusted as the result of Emergency Commission and Budget Section action that authorized the Department of Human Services to transfer \$5.5 million of general fund moneys from Program and Policy to Economic Assistance for TANF and a corresponding transfer of \$5.5 million of federal funds from Economic Assistance to Program and Policy for foster care.

2/ The 1999-2001 appropriation amounts do not reflect March 2000 Emergency Commission and Budget Section action that increased spending authority for the intergovernmental transfer program by \$24,628,405, \$17,357,920 of which is federal funds and \$7,270,485 from a Bank of North Dakota loan.

TANF - Number of Cases



TANF - Average Monthly Payment

