

March 2000

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

### TOTAL TANF AND MEDICAID EXPENDITURES

For the period July 1999 through January 2000, TANF and medical assistance (Medicaid) expenditures have totaled \$160.5 million, \$9.6 million, or 5.67 percent, less than estimated expenditures of \$170.1 million. Of the \$9.6 million savings to date, \$2.8 million is from the general fund.

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

### TANF 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 of 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 January 2000, actual TANF expenditures were \$7,227,000, \$91,000, or 1.28 percent, more than estimated expenditures of \$7,136,000.

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

### MEDICAL ASSISTANCE Appropriation

The 1999 Legislative Assembly appropriated \$667.1 million, \$192.7 million of which is from the

general fund, for medical assistance grants for the 1999-2001 biennium.

### Expenditures to Date

Actual Medicaid expenditures through January 2000 total \$153.3 million, \$9.7 million less than estimated expenditures of \$163 million. Of the \$9.7 million savings, \$2.6 million is from the general fund.

Major expenditure variances among service areas through January 2000 include:

Service	Expenditure Variance Under (Over)	Percentage Variance Under (Over)
Nursing home care	\$3,753,192	6.28%
Outpatient hospital	\$2,526,152	29.81%
Inpatient hospital	\$2,464,132	15.72%
Drugs (net)	(\$2,057,224)	(16.28%)
Community-based DD care	\$1,280,659	3.49%

Major reasons for these variances include:

- **Nursing home care** - There have been four percent fewer recipients than anticipated and the cost per recipient has been approximately one percent less than estimated.
- **Outpatient hospital** - Although the number of recipients has been slightly greater than anticipated, the cost per recipient has been 35 percent less than estimated.
- **Inpatient hospital** - There have been 16 percent fewer recipients than anticipated and the cost per recipient has been three percent less than estimated.
- **Drugs (net)** - The number of recipients has been six percent greater than anticipated and the cost per recipient has been 10 percent more than estimated.
- **Community-based DD care** - Although actual expenditures are reflected as being less than estimated, because of delays in approving new rates for providers, a number of providers are still operating under last year's rates. When the new rates are approved, they will be adjusted retroactively to July 1, 1999. These adjustments are anticipated to significantly reduce the positive variance reflected above.

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

	1999-2001		July 1999 Through January 2000			
	Original Appropriation	Percentage	Original Appropriation Estimate	Actual Expenditures	Variance	Percentage Variance
Federal funds	\$13,110,930 *	52.43%	\$5,450,269	\$5,524,535	(\$74,266)	(1.36%)
State general fund	5,500,000 *	21.99%	1,249,275	976,801	272,474	21.81%
Other funds	6,397,947	25.58%	436,260	725,819	(289,559)	(66.37%)
<b>Total</b>	<b>\$25,008,877</b>	<b>100.00%</b>	<b>\$7,135,804</b>	<b>\$7,227,155</b>	<b>(\$91,351)</b>	<b>(1.28%)</b>

### MEDICAL ASSISTANCE (MEDICAID)

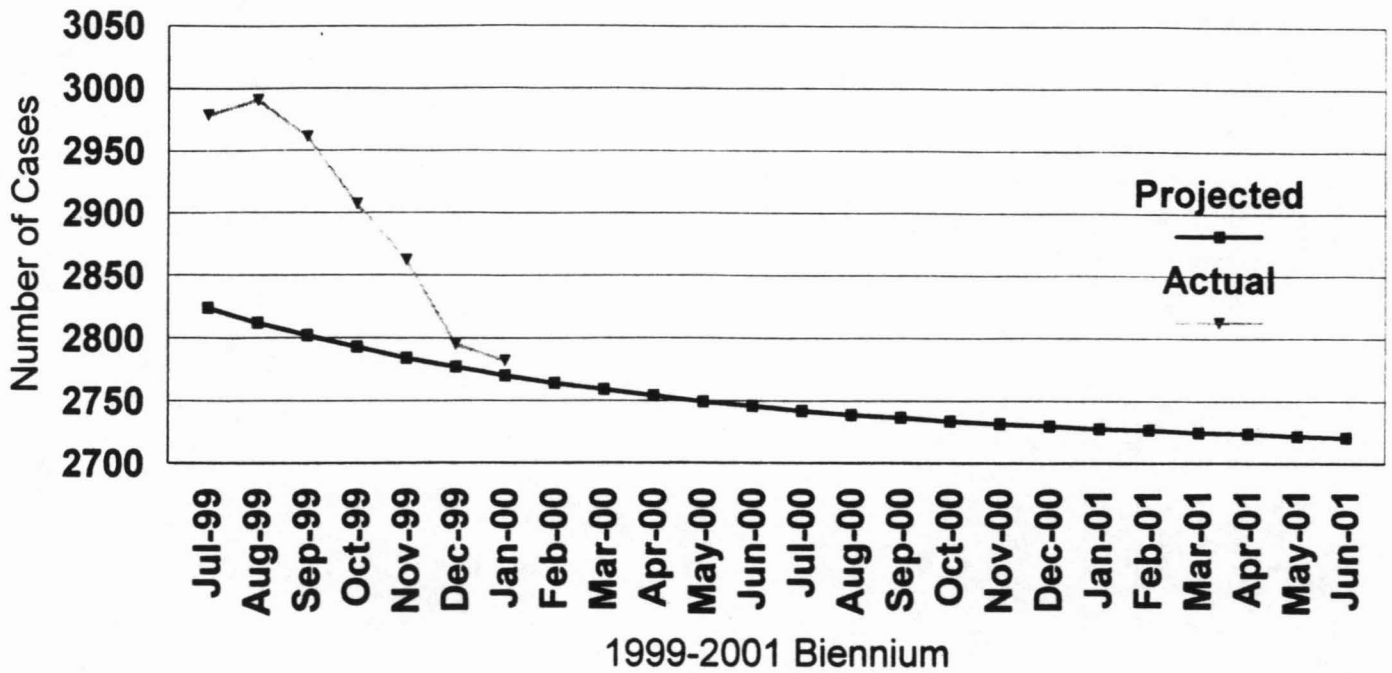
	1999-2001		July 1999 Through January 2000			
	Original Appropriation	Percentage	Original Appropriation Estimate	Actual Expenditures	Variance	Percentage Variance
Inpatient hospital	\$61,573,862	9.23%	\$15,679,920	\$13,215,788	\$2,464,132	15.72%
Outpatient hospital	33,671,184	5.05%	8,473,449	5,947,297	2,526,152	29.81%
Home health	4,034,500	0.60%	1,027,389	1,207,612	(180,223)	(17.54%)
Nursing home care	252,358,444	37.83%	59,800,060	56,046,868	3,753,192	6.28%
Healthy Steps - CHIP	3,886,838	0.58%	539,838	306,686	233,152	43.19%
Physicians' services	37,420,671	5.61%	9,527,949	8,761,494	766,455	8.04%
Drugs (net)	50,354,267	7.55%	12,635,208	14,692,432	(2,057,224)	(16.28%)
Durable medical equipment	4,199,096	0.63%	1,056,894	1,038,524	18,370	1.74%
Treatment services for children	5,400,000	0.81%	1,336,632	1,188,718	147,914	11.07%
Dental	9,888,492	1.48%	2,517,804	2,666,648	(148,844)	(5.91%)
Rural health clinics	4,021,989	0.60%	1,012,203	827,776	184,427	18.22%
Aged and disabled waiver	6,374,484	0.96%	1,577,838	1,736,687	(158,849)	(10.07%)
Community-based DD care	148,922,689	22.32%	36,722,174	35,441,515	1,280,659	3.49%
Other	44,982,422	6.75%	11,075,414	10,171,882	903,532	8.16%
<b>Total</b>	<b>\$667,088,938</b>	<b>100.00%</b>	<b>\$162,982,772</b>	<b>\$153,249,927</b>	<b>\$9,732,845</b>	<b>5.97%</b>
Federal funds	\$466,384,744	69.91%	\$113,913,810	\$107,668,316	\$6,245,494	5.48%
State general fund	192,669,082	28.88%	46,490,508	43,937,626	2,552,882	5.49%
Other funds	8,035,112	1.21%	2,578,454	1,643,985	934,469	36.24%
<b>Total</b>	<b>\$667,088,938</b>	<b>100.00%</b>	<b>\$162,982,772</b>	<b>\$153,249,927</b>	<b>\$9,732,845</b>	<b>5.97%</b>

### GRAND TOTAL - TANF AND MEDICAID

	1999-2001		July 1999 Through January 2000			
	Original Appropriation	Percentage	Original Appropriation Estimate	Actual Expenditures	Variance	Percentage Variance
Federal funds	\$479,495,674	69.28%	\$119,364,079	\$113,192,851	\$6,171,228	5.17%
State general fund	198,169,082	28.63%	47,739,783	44,914,427	2,825,356	5.92%
Other funds	14,433,059	2.09%	3,014,714	2,369,804	644,910	21.39%
<b>Total</b>	<b>\$692,097,815</b>	<b>100.00%</b>	<b>\$170,118,576</b>	<b>\$160,477,082</b>	<b>\$9,641,494</b>	<b>5.67%</b>

\* 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. Federal rules require state maintenance of effort funding to be spent on cash assistance for TANF recipients.

### TANF - Number of Cases



### TANF - Average Monthly Payment

