

DEPARTMENT OF SOCIAL SERVICES

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	FY 2010 REQUEST	GOVERNOR RECOMMENDS FY 2010
Office of the Director	\$ 21,605,870	\$ 33,363,072	\$ 33,363,072	\$ 26,495,603
Family Support Division	507,956,768	501,217,339	519,563,190	506,631,931
Children's Division	529,928,572	548,249,392	569,001,446	540,805,095
Division of Youth Services	60,272,360	63,266,561	67,945,936	64,632,902
MO HealthNet Division	5,088,245,354	5,744,048,921	6,209,782,178	6,231,320,002
DEPARTMENTAL TOTAL	\$ 6,208,008,924	\$ 6,890,145,285 *	\$ 7,399,655,822	\$ 7,369,885,533
General Revenue Fund	1,424,702,451	1,599,886,697	1,764,624,450	1,649,173,071
Title XIX - Federal and Other Funds	2,342,721,055	2,833,135,915	3,085,581,748	3,176,600,775
Temporary Assistance for Needy Families - Federal Funds	138,895,643	153,641,262	155,341,262	155,620,558
DSS - Federal and Other Funds	541,674,266	578,267,648	593,169,248	587,959,570
Uncompensated Care Fund	91,061,737	91,000,001	91,000,001	91,000,001
Pharmacy Rebates Fund	80,454,327	67,955,528	82,155,527	82,155,527
Third Party Liability Collections Fund	20,347,389	24,144,168	24,144,168	22,424,029
Federal Reimbursement Allowance Fund	1,094,302,176	1,022,434,493	1,123,226,317	1,122,837,254
Pharmacy Reimbursement Allowance Fund	31,701,119	31,933,855	42,840,929	42,845,040
MO HealthNet Managed Care Organization Reimbursement Allowance Fund	46,872,202	46,983,825	24,652,575	11,745,956
Family Services Donations Fund	9,693	133,994	133,994	133,994
Child Support Enforcement Fund	9,566,540	11,873,590	11,873,590	10,762,658
Nursing Facility Federal Reimbursement Allowance Fund	202,697,201	214,021,731	214,021,731	214,021,731
Nursing Facility Quality of Care Fund	77,304	540,794	90,794	93,211
Health Initiatives Fund	20,321,228	27,083,585	27,083,585	20,621,449
Gaming Commission Fund	500,000	500,000	500,000	500,000
DSS Administrative Trust Fund	5,417,944	5,452,035	5,452,035	5,452,154
DSS Educational Improvement Fund	5,736,405	6,373,082	5,853,082	5,935,383
Blind Pension Fund	27,194,086	30,141,932	31,994,636	32,022,476
Healthy Families Trust Fund	64,169,460	64,779,494	64,779,494	64,779,494
Healthy Families Trust Fund-Life Sciences Research Account	21,750,000	28,725,000	0	24,974,651
Youth Services Products Fund	0	1	1	1
Missouri Rx Plan Fund	1,628,249	10,730,525	10,730,525	10,752,429
Youth Services Treatment Fund	0	999	999	999
Early Childhood Development, Education and Care Fund	18,771,988	14,517,191	14,517,191	14,518,516
Premium Fund	5,585,804	13,637,940	13,637,940	10,704,606
Blindness Education, Screening and Treatment Program Fund	147,806	250,000	250,000	250,000
Alternative Care Trust Fund	11,702,851	12,000,000	12,000,000	12,000,000
Full-time equivalent employees	8,338.22	8,178.08	8,178.08	8,152.29

* Does not include \$27,490,697 recommended in the Fiscal Year 2009 Supplemental Appropriations, including \$1,071,496 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Social Services supplemental appropriations.

DEPARTMENT OF SOCIAL SERVICES

DEPARTMENT SUMMARY

Despite the current economic crisis, the Fiscal Year 2010 budget provides \$7.4 billion in total funding to the Department of Social Services, a seven percent increase from Fiscal Year 2009 levels. Unlike other states that have lowered provider rates to meet budget challenges, this budget does not call for a reduction in any provider rates. This budget includes an increase in the clothing and diaper allowance for children in foster care, maintains current eligibility levels for child care subsidies at 127 percent of the federal poverty level, and maintains the current transitional child care benefit for families with income up to 139 percent of the federal poverty level. Understanding the importance and need for direct service workers, and despite the deep cuts in administrative staffing throughout government, the Fiscal Year 2010 budget makes no cuts to the front-line employees in income maintenance, child welfare, or youth services. In fact, these workers received a \$7.7 million pay increase.

The total state Medicaid budget grew by 7.54 percent over fiscal year 2009 to \$7.4 billion, with services provided through the Department of Social Services (\$6.2 billion), Department of Health and Senior Services (\$535.3 million), Department of Mental Health, (\$682.6 million), and Department of Elementary and Secondary Education (\$3.4 million). In anticipation of Congress' reauthorization and expansion of the State Children's Health Insurance Program (SCHIP), the Fiscal Year 2010 budget includes \$81.8 million to improve the health of Missouri's children by removing premiums for families under 225 percent of the federal poverty level and implementing a flat premium for families between 225-300 percent of the federal poverty level. Additionally, \$142.9 million in new funding is directed for Medicaid coverage for parents with incomes up to 50 percent of the federal poverty level. In Fiscal Year 2009, a family of three with an income over \$292/month was excluded from coverage under Missouri's Medicaid Program. Together, these initiatives funded in the Fiscal Year 2010 budget will expand coverage to 62,000 Missourians. Finally, in order to help ensure the most return for our investment of scarce taxpayer resources, the Fiscal Year 2010 budget includes increased funding for reviews of providers in an effort to reduce waste, fraud, and abuse in Missouri's Medicaid program.

The core functions provided by the Department of Social Services include:

Children's Division

The Children's Division is dedicated to protecting the welfare of Missouri's children. The division's programs include: foster care, child abuse and neglect investigations, children's treatment, purchase of child care, and adoption assistance.

Income Maintenance

The Family Support Division is responsible for all income support programs and many of the state's child support enforcement functions. The programs administered by the division include: Temporary Assistance for Needy Families, Food Stamps, Energy Assistance, Blind Pension, Supplemental Aid to the Blind, Domestic Violence, and Medicaid eligibility.

Youth Services

The Division of Youth Services provides case management, community care, and aftercare to youth committed to the state's custody for various crimes. The Juvenile Court Diversion Program works with local communities to help prevent juvenile crime and provide treatment for youth in their own communities.

Medicaid

The Medicaid Program is responsible for the delivery of health care to the most vulnerable Missourians, including the elderly, the disabled, children, and pregnant women. The Medicaid Program (Title XIX of the Social Security Act) is a federal-state effort begun in 1965 to meet the health care needs of those who cannot pay for their own care. The program staff oversees the operation of the State Medicaid Program and SCHIP. The health care services include hospital, physician, pharmacy, skilled nursing home care, home health care, mental health, and managed care.

**DEPARTMENT OF SOCIAL SERVICES
DEPARTMENTAL ADMINISTRATION**

OFFICE OF THE DIRECTOR

Departmental Administration includes the director, the director's staff, and the Human Resource Center (HRC). The director sets policy for the department, forges public/private partnerships to help meet department goals, and ensures implementation of its mandates. The HRC plans, develops, and implements statewide human resource programs and training curriculums, giving direction and coordination to all divisions in the Department of Social Services.

The Division of Finance and Administrative Services provides centralized financial and administrative support to all Department of Social Services divisions. Financial related functions include audit support and contract compliance, budgeting, expenditure review and control, federal grants management and reporting, implementation of the department's fiscal policies, and responding to changes in federal and state fiscal policy. Administrative support services include emergency management, telecommunications, warehouse/inventory coordination and distribution, mail services, and fleet management. In addition, staff responsible for the department's research and data management functions are included in the Division of Finance and Administrative Services.

The Division of Legal Services (DLS) provides comprehensive legal support to all program and support divisions in the department. DLS responsibilities include due process hearings for recipient appeals, legal advice and representation for children in the custody of the Children's Division, investigating fraud and abuse of public assistance programs, and conducting background investigations on department employees prior to employment. The division also includes the State Technical Assistance Team (STAT) responsible for assisting in the investigation of child abuse and neglect, child exploitation, and child fatality cases. In addition, the STAT manages Missouri's Child Fatality Review Program (CFRP) and provides in-service training for CFRP panel members and other professional staff. DLS also coordinates the department's compliance with the federal Health Insurance Portability and Accountability Act (HIPAA) by employing a privacy officer to ensure that HIPAA standards are implemented appropriately.

Fiscal Year 2010 Governor's Recommendations

- \$1 federal funds on an open-ended basis to maximize the state's access to and use of federal stimulus funds when they become available.
- \$307,737 for pay plan, including \$209,245 general revenue.
- (\$7,175,207) and (15.25) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$1,312,369) general revenue.

**DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Family Support Administration	\$ 26,326,822	\$ 26,851,245	\$ 35,007,137
Income Maintenance Field Staff and Operations	88,471,832	95,310,728	96,547,728
Family Support Staff Training	525,346	525,347	422,319
Community Partnerships	8,069,008	8,304,423	8,307,217
Missouri Mentoring Partnership	1,353,398	1,584,924	1,384,924
Kids Mentoring	391,000	500,000	0
Adolescent Boys Program	0	300,000	0
Family Nutrition Program	7,869,490	9,294,560	9,294,560
Temporary Assistance for Needy Families (TANF)	121,566,675	131,033,466	127,233,466
Adult Supplementation	83,370	88,000	69,665
Supplemental Nursing Care	25,504,955	25,807,581	25,807,581
Blind Pension	24,509,071	27,295,396	29,148,100
Refugee Assistance	2,594,543	3,808,853	3,808,853
Community Services Block Grant	18,649,958	19,144,171	19,144,171
Homeless Challenge Grant	449,259	500,000	500,000
Emergency Shelter Grants	1,310,220	1,340,000	1,340,000
Food Distribution Programs	1,113,050	1,175,585	1,175,585
Energy Assistance	62,462,224	40,826,051	40,834,397
Utilicare Transfer	6,440,785	0	0
Domestic Violence	6,255,983	6,437,653	6,437,653
Blind Administration	4,715,914	4,993,042	5,115,088
Services for the Visually Impaired	6,791,036	8,459,151	8,459,151
Child Support Field Staff and Operations	35,525,253	40,014,163	36,079,447
Child Support Distributions	56,977,576	47,623,000	50,514,889
TOTAL	\$ 507,956,768	\$ 501,217,339	\$ 506,631,931
General Revenue Fund	96,766,971	93,801,304	87,552,468
Federal Funds	373,661,440	364,404,097	375,417,803
Other Funds	37,528,357	43,011,938	43,661,660

DEPARTMENT OF SOCIAL SERVICES

FAMILY SUPPORT DIVISION (Continued)

Administrative Services – Management, coordination, and general direction are provided to all Family Support Division programs. The division director and staff monitor the efficiency and effectiveness of and provide policy direction for Income Maintenance and Child Support programs. Administrative Services also provides financial management and operational services, human resource support, and systems support to Income Maintenance and Child Support Enforcement field staff.

Income Maintenance Field Staff and Operations - Staff provides intake services, information and referral, and eligibility determinations for applicants of financial services provided by the department. Funds in these sections support the salaries, general operating expenses, and training for Income Maintenance eligibility specialists, administrative and supervisory staff, and clerical support positions in Family Support offices.

Temporary Assistance for Needy Families (TANF) – TANF is a program designed to provide temporary assistance/relief to families to promote self-sufficiency so parents do not remain dependent on welfare payments and children do not grow up in poverty. Under federal welfare reform, TANF was designed to be a temporary assistance which, coupled with a myriad of other support services, would enable parents to find and retain employment; thereby, enabling them to support their families without government assistance. Missouri continues to implement new, innovative programs designed to meet the diverse needs of TANF recipients.

Adult Supplementation – The federal government assumed responsibility for Old Age Assistance, Aid to the Permanently and Totally Disabled, and Aid to the Blind programs in January 1974 when it created the Supplemental Security Income (SSI) Program. Recipients who are eligible for SSI, but who receive smaller benefits than their December 1973 payments, receive payments from the state equal to the difference. Recipients who are not eligible for SSI, but who received payments under one of the earlier programs, receive payments from the state equal to the amount they received in December 1973. The caseload has been declining since 1973 as recipients die, become ineligible through income changes, or leave the state.

Supplemental Nursing Care – This state-funded program makes monthly cash payments to residents of residential care, assisted living, and non-Medicaid nursing facilities. The type of facility appropriate for clients is dictated by their level of need for care. Minimal medical care is provided in Residential Care, more in Assisted Living, and significantly more in Nursing Facilities. Supplemental Nursing Care recipients also are provided an allowance each month for personal needs such as toiletries, transportation, and hair care.

Blind Pension and Supplemental Aid to the Blind – Three separate programs assist blind persons. The first, Supplemental Aid to the Blind, pays benefits to those who meet certain income requirements. The second, Blind Pension, aids the blind that do not qualify for Supplemental Aid to the Blind and who do not own property – excluding homes – worth more than \$20,000. The third program, Adult Supplemental Payments, aids those who received Aid to the Blind before the federal SSI Program began in 1974, but who receive less from SSI than from the earlier program. New cases that meet the state's 1973 guideline also may be certified for Supplemental Aid to the Blind. All of these programs are funded from an earmarked state property tax that provides revenue to the Blind Pension Fund.

Community Services Block Grant (CSBG), Emergency Shelter Grants, Homeless Funding, and Refugee Assistance – CSBG funds are used to address six causes of poverty: unemployment, inadequate education, malnutrition, inadequate housing, unmet emergency needs, and poor use of income. Federal statutes require that 90 percent of CSBG funding be passed through to Community Action Agencies. The Emergency Shelter Grants Program provides grants to local governments to be used for renovation or conversion of buildings for emergency shelters and to help meet the cost of emergency shelter operations. Homeless Challenge Grants offer local communities matching funds to establish programs to combat homelessness. The Refugee Assistance Program provides services to help refugees overcome language barriers, acquire or adapt vocational skills, and adjust to their new environment.

Food Distribution – The federally funded Food Distribution Program enables Family Support to store, ship, and distribute processed surplus commodity food to eligible individuals, families, charitable institutions, and organizations.

Energy Assistance – The Low-Income Home Energy Assistance Program is a federally funded block grant which provides heating assistance payments and winter and summer crisis assistance to low-income households.

Domestic Violence – This program provides grants to local communities for family violence shelters or services. Grants may be used for emergency shelters, counseling, and education services for families in community-based shelters.

Services for the Visually Impaired - Professional staff in Rehabilitation Services for the Blind counsel and train blind and other visually impaired Missourians, arrange for the purchase of other services, and help the visually impaired find jobs. Services include rehabilitation, vocational rehabilitation, diagnosis and treatment of eye disease, equipment and supplies for blind preschool children, the Public Building Vending Program, and the Readers for the Blind Program.

DEPARTMENT OF SOCIAL SERVICES

FAMILY SUPPORT DIVISION (Continued)

Child Support Field Staff and Operations – Child Support Enforcement staff provide services to locate missing parents; establish paternity, medical support, and financial child support obligations; and enforce the collection of support payments for TANF and for non-TANF families that apply for child support services. The state retains approximately 36 percent of all child support collected on TANF cases.

Child Support Distributions – Distributions are made to reimburse counties that have signed a cooperative agreement with the Department of Social Services to provide judicial assistance in the establishment and enforcement of child support obligations. Child support collection and prosecution costs incurred by the counties are reimbursed by the federal government at a rate of 66 percent. This funding also supports contractual agreements with local governments to assist the division with paternity and other types of child support referrals through the establishment of multi-county, full-service centers. Counties pool resources to establish service centers dedicated to child support work.

Distributions are also made to families when the payment was collected by the department and to refund some overpayments from federal income tax refund intercepts. This appropriation also provides a mechanism for reimbursing non-custodial parents for child support payments over-collected from state income tax refund intercepts.

Fiscal Year 2010 Governor's Recommendations

- \$8,200,000 federal funds to convert paper case records to electronic case records.
- \$1,852,704 Blind Pension Fund to increase the monthly benefit payment to blind pension recipients from \$609 to \$651 per month.
- \$3,853,314 for pay plan, including \$1,316,544 general revenue.
- \$2,558,042 federal and other funds transferred from the Department of Economic Development for the Parents Fair Share Program.
- \$1,700,000 federal funds transferred from the Department of Economic Development for a pilot project in St. Louis County to increase work participation rates of Temporary Assistance recipients.
- \$60,000 federal funds reallocated from the MO HealthNet Division for contracted hospital-based caseworkers.
- (\$12,109,468) and (3.54) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$6,965,380) general revenue.
- (\$500,000) transferred to the Department of Corrections for a mentoring program specifically targeting the children of parents who are incarcerated, including (\$400,000) general revenue.
- (\$200,000) core reduction for one-time expenditures.

**DEPARTMENT OF SOCIAL SERVICES
CHILDREN'S DIVISION**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Children's Administration	\$ 6,778,946	\$ 7,337,176	\$ 7,255,020
Children's Field Staff and Operations	71,406,354	74,896,466	76,658,242
Child Welfare Accreditation	8,174,405	11,785,717	8,874,403
Children's Staff Training	1,469,403	1,510,841	1,334,762
Children's Treatment Services	12,166,936	12,476,238	11,976,238
Crisis Nursery	0	1,350,000	1,350,000
Teen Crisis Care	0	400,000	400,000
Foster Care	29,535,761	35,885,583	37,404,450
Adoption and Subsidized Guardianship	77,073,565	84,239,364	81,739,364
Adoption Resource Centers	294,000	300,000	300,000
Independent Living	3,000,000	4,050,000	4,050,000
Transitional Living	2,064,018	2,064,018	2,064,018
Children's Programs Pool	5,116,209	16,444,251	16,444,251
Child Assessment Centers	1,865,983	2,298,952	2,298,952
Residential Treatment/Psychiatric Diversion	94,960,623	58,650,903	52,844,115
Performance Based Case Management Contracts	26,835,838	22,070,066	25,157,066
IV-E Court Contracts	167,860	700,000	400,000
Child Abuse and Neglect Grant	125,941	188,316	188,316
Foster Care Children's Account	11,702,851	12,000,000	12,000,000
Purchase of Child Care	175,606,738	197,701,501	196,165,898
Child Welfare Abuse and Neglect Prevention	1,292,141	1,600,000	1,600,000
Child Abuse Prevention	291,000	300,000	300,000
TOTAL	\$ 529,928,572	\$ 548,249,392	\$ 540,805,095
General Revenue Fund	254,619,331	268,214,450	264,698,833
Federal Funds	244,690,134	253,257,562	249,438,839
Other Funds	30,619,107	26,777,380	26,667,423

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION (Continued)

Children's Administration – The Children's Division Administrative Services provides management, coordination, and general direction for all Children's Division programs. The division director and staff monitor the effectiveness of programs that promote safety, permanency, and well being for Missouri's children served by the Division. Administrative Services provides policy direction, financial management and operational services, and human resource support to field staff.

CD Field Staff and Operations/Staff Training/Child Welfare Accreditation – Provides funding and staff training for Children's Service workers and support staff to support the Children's Division (CD) programs in each of the 45 Judicial Circuits in the state. Front line staff respond to allegations of child abuse or neglect, provide assistance for families in need of services to keep or return children home safely, secure appropriate out of home placements for children placed in the Division's custody, and locate permanent homes when it is in the best interest of children.

In addition, the Children's Division is in the process of seeking accreditation by the Council on Accreditation (COA). According to Section 210.113, RSMo, it is the intent and goal of the General Assembly to have the Department (Children's Division) attain accreditation by COA within five years of the effective date of this section (i.e. by August 28, 2009). To achieve accreditation, Missouri's child welfare system is reviewed and measured against nationally-recognized standards of best practice established by COA.

Children's Treatment Services, Intensive In-Home Services, Crisis Nursery, Teen Crisis Care and Prevention programs – The Children's Treatment Services funding provides a variety of contracted services to child abuse victims and their parents. Specific services include family therapy, homemaker services, respite care, parent aides, child care, crisis nursery and teen crisis care services, and incentive subsidies to encourage local units of government to develop community programs to combat child abuse and neglect. Children's Treatment Services also provides funding for intensive, in-home services to help prevent placement of children in foster care and keep children with their families. Prevention programs such as Crisis Nursery Centers, Teen Crisis Care Centers, home visitation, and other prevention programs provide services for families and children to prevent child abuse and neglect (CA/N) and to divert children from the state's custody.

Foster Care, Children's Account, Adoption Subsidy, and Subsidized Guardianship – The Foster Care Program provides monthly room and board payments for children in the custody and care of the Children's Division. Current payment rates for homes of traditional foster parents, relatives, and kinship for age groups are as follows: 0-5 years, \$282; 6-12 years, \$335; and 13 and over, \$372. There are special placements with different rates, including Behavioral or Medical Foster Care (\$732 per month) and Career Foster Care (\$48 per day). Homes may also receive an additional \$100 per month, per child, for attending professional parenting classes. Fiscal Year 2010 recommendations include an average clothing allowance increase of \$140 per child. Payments also are made for non-Medicaid medical and dental services, clothing, transportation, foster parent training, and other needs. Children in state custody may receive funds from a variety of sources, including child support payments. These monies are used to offset the cost of maintaining the child in foster care and to pay for any special expenses of the child.

The Adoption Subsidy Program and Subsidized Guardianship Program provide financial assistance to parents who adopt or become legal guardians of special needs children, in order to move these children from foster care into permanent family arrangements.

Children's Programs Pool – This pooled appropriation allows flexible spending for Children's Program areas.

Child Assessment Centers – Child Assessment Centers (CACs) provide a child friendly setting where children, reported to have been sexually abused, can be interviewed by multi-disciplinary team members and receive a single medical examination.

Residential Treatment, Transitional Living, Independent Living, and Title IV-E Court Contracts – Residential facilities are used when foster family care cannot meet the children's treatment needs. The division contracts with a wide range of residential programs, ranging from small group homes to large, self-contained, resident campuses. Facilities must be licensed or be accredited by one of three nationally recognized accrediting organizations. Independent Living programs assist foster care children, ages 15 to 21, in learning the necessary skills for the transition from foster care to adult independent living in the community. Transitional Living placement programs assist foster care children ages 16 to 21 by placing youth in their communities with support services. Court contracts through the Title IV-E Program allow the Children's Division to pass through federal funds to be used for reimbursement to juvenile courts for children in the court's custody placed in juvenile court residential facilities.

Performance Based Case Management Contracts – The Children's Division contracts with private agencies to provide foster/adoption case management services to children who have been removed from their homes and are under the jurisdiction of the Juvenile Court. These children have been abused and/or neglected or were found to be at serious risk of such. The goal of the performance based case management contracts is to improve safety, stability, and timely permanency for these children, with states outcome expectations.

Purchase of Child Care – A key to successful welfare reform and the prevention of abuse and neglect is access to quality, affordable child care. Without child care assistance, many parents could not participate in job training, education, or maintain employment in order to become self-sufficient and end their dependence on government assistance. Without such assistance, the risk of children being left

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION (Continued)

in unsafe environments also increases. The Early Childhood Development, Education and Care Fund supports programs to improve the availability of, and access to, quality child care and programs that prepare children to enter school ready to succeed. Because children learn more from the ages of zero to five than during any other developmental period, the availability of quality child care is essential to preparing children for school.

Fiscal Year 2010 Governor's Recommendations

- \$3,449,034 to maintain child care eligibility limits at 127 percent of the federal poverty level and maintain a transitional benefit for incomes up to 139 percent of the federal poverty level.
- \$1,656,451 to increase the foster care clothing and diaper allowance, including \$1,326,926 general revenue.
- \$730,212 federal funds to replace general revenue savings due to increased foster care earnings.
- \$712,079 federal funds for an inflationary rate increase for providers of residential treatment services for abuse and neglected children.
- \$2,412,122 for pay plan, including \$1,580,194 general revenue.
- (\$16,374,606) and (two) staff core reduction from the Fiscal Year 2009 appropriation level, including (\$9,852,686) general revenue.
- (\$29,589) transferred to the Office of Administration for leasing costs, including (\$19,085) general revenue.

DIVISION OF YOUTH SERVICES

The Division of Youth Services (DYS) is divided into three functional areas: Management and Development, Residential Services, and Alternative Services.

Management and Development is the central administrative unit with overall responsibility for designing, implementing, managing, and evaluating all programs operated by the division. Five regional offices work with central office staff to ensure program efficiency and effectiveness at the local level.

Residential Services provides youthful offenders with structured rehabilitation programs when placement at home is no longer an option. Educational Services provides academic and vocational education to youth in residential placement. The division has seven secure care facilities: Northwest Regional Youth Center in Jackson County, Hogan Street Youth Center in St. Louis City, Fulton Treatment Center in Callaway County, Mount Vernon Treatment Center in Lawrence County, Hillsboro Treatment Center in Jefferson County, Riverbend Treatment Center in Buchanan County, and Montgomery City Youth Treatment Center in Montgomery County. The division also operates 18 moderate care facilities and seven community-based facilities.

Alternative Services help youthful offenders adjust to community life and become law-abiding and productive citizens. The division provides several types of non-residential services: classification and case management; community care which includes day treatment, intensive supervision, family counseling, and alternative living; aftercare; and the Juvenile Court Diversion Program. Case management and classification involves evaluating youths' needs before they are assigned to one of the division's programs and managing their service delivery plan during their entire length of stay with the division. Community care involves treatment of youth in the community without the youth being placed in a DYS facility. Alternative living purchased by the division includes foster care and proctor care for juveniles who cannot return to their home. Day treatment programs provide education and treatment services for youth who continue to live at home. Family counseling is provided to strengthen the family structure, communication, and parenting. Intensive supervision provides mentoring to youth in the community. Aftercare is the provision of support services to help juveniles return to their families and communities as law-abiding and productive citizens. Finally, the Juvenile Court Diversion Program encourages local communities to develop programs to divert youth from commitment to DYS.

Fiscal Year 2010 Governor's Recommendations

- \$14,500,000 federal funds and 441.35 staff to replace general revenue savings due to increased Medicaid earnings.
- \$417,167 federal funds for contractual staff to submit new Medicaid claims earned from behavioral treatment services.
- \$153,664 for a 5.5 percent increase in food inflation.
- \$1,425,157 for pay plan, including \$806,445 general revenue.
- (\$14,609,647) and (446.35) staff core reduction from the Fiscal Year 2009 appropriation level.
- (\$520,000) DSS Educational Improvement Fund core reduction for one-time expenditures.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

FINANCIAL SUMMARY

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Administrative Services	\$ 56,336,602	\$ 135,147,157	\$ 97,419,222
MO HealthNet Vendor Payments and Managed Care	5,002,091,033	5,563,604,443	6,100,240,854
State Medical	27,732,719	30,234,821	31,159,926
Health Care Technology	2,085,000	15,062,500	2,500,000
TOTAL	\$ 5,088,245,354	\$ 5,744,048,921	\$ 6,231,320,002
General Revenue Fund	1,025,206,519	1,186,350,372	1,260,153,861
Title XIX -Federal and Other Funds	2,342,721,055	2,833,135,915	3,176,600,774
DSS - Federal and Other Funds	41,157,195	82,582,683	77,398,411
Uncompensated Care Fund	91,061,737	91,000,001	91,000,001
Pharmacy Rebates Fund	80,454,327	67,955,528	82,155,527
Third Party Liability Collections Fund	19,530,853	23,178,128	21,689,306
Federal Reimbursement Allowance Fund	1,094,302,176	1,022,434,493	1,122,837,254
Pharmacy Reimbursement Allowance Fund	31,701,119	31,933,855	42,845,040
MO HealthNet Managed Care Organization Reimbursement Allowance Fund	46,872,202	46,983,825	11,745,956
Nursing Facility Federal Reimbursement Allowance Fund	202,697,201	214,021,731	214,021,731
Nursing Facility Quality of Care Fund	77,304	540,794	93,211
Health Initiatives Fund	19,330,153	26,058,637	19,567,750
Healthy Families Trust Fund	64,169,460	64,779,494	64,779,494
Life Sciences Research Trust Fund	21,750,000	28,725,000	24,974,651
Missouri Rx Plan Fund	1,628,249	10,730,525	10,752,429
Premium Fund	5,585,804	13,637,940	10,704,606

ADMINISTRATIVE SERVICES

The MO HealthNet Division is an intermediary for provision of services to participants, including both participants and providers. The agency's structure includes two major sections: (1) Finance and Operations and (2) Clinical Services.

Finance and Operations work to incorporate the newest and best technology to accurately and efficiently pay providers in a paperless environment. Technology is a robust reporting function that is critical to the management responsibilities of the division. The resultant database of paid claims is used to monitor the programs, provide program integrity, and compile data to project financial needs and trends. Provider enrollment and relations, participant services, and premium collections are also functions under the Finance and Operations section.

The Clinical Services section oversees pharmacy enhancement and rebates, the exception program, the psychology program, and the Missouri Rx Plan. Program development and the driving force of policy decisions come from the Clinical Services section, allowing for policy decisions and processes to be oriented to the health and continuum of care needed by participants. The Clinical Services unit reaches out to organizations through existing contracts, such as the University of Missouri Health Management Team, to assist in needed data mining and analysis. This information is used to make informed decisions about the consequences of proposed changes. The process allows for examination and analysis of performance in terms of efficiency of operations and anticipated health status outcomes. Utilizing a variety of sources, the Clinical Services unit establishes best practices based on evidence-based reviews. Missouri collaborates with other state Medicaid agencies to make high-quality evidence available as a basis for making policy decisions about benefit design and coverage.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

ADMINISTRATIVE SERVICES (Continued)

Fiscal Year 2010 Governor's Recommendations

- \$2,187,500 to support CyberAccess and electronic prior authorization of durable medical equipment originally funded with one-time Health Care Technology Funds.
- \$1,750,000 federal funds for enhanced match rate of clinical services.
- \$316,038 and four staff for the program integrity unit to increase reviews of all providers, including \$158,019 general revenue.
- \$313,866 for pay plan, including \$114,341 general revenue.
- \$5,110 core reallocated from pharmacy program.
- (\$42,235,339) and (four) staff core reduction from FY 2009 appropriation level, including (\$15,673,647) general revenue.
- (\$65,110) federal and other funds core reallocated to various divisions in the department.

MEDICAID VENDOR PAYMENTS AND MANAGED CARE

The Medicaid Program (Title XIX of the Social Security Act) is a federal-state effort to pay the health care of those who cannot pay for their own care. Federal law sets the minimum provisions for any state that opts to administer a Medicaid program. These include hospital; physician; Early and Periodic Screening, Diagnostic and Treatment (EPSDT); lab and x-ray; skilled nursing home care; home health care; Federally Qualified Health Centers; rural health clinics; non-emergency transportation; and family planning services.

The 1115 Waiver is a federal-state effort to pay for women's health services. The SCHIP State Plan is the federal-state effort to pay for the health care of uninsured children above existing Medicaid eligibility limits up to 300 percent of the federal poverty level. Children will receive a benefit package equal to Medicaid coverage, though non-emergency medical transportation is not available to children in families with income above 150 percent of the federal poverty level.

**MEDICAID EXPENDITURES
SELECTED SERVICES AND ANNUAL TOTALS**

	FY 2008 EXPENDITURE	FY 2009 APPROPRIATION	GOVERNOR RECOMMENDS FY 2010
Pharmacy	\$ 783,633,061	\$ 979,732,959	\$ 1,176,528,212
Physicians	464,263,706	488,755,007	513,765,163
Dental	10,163,381	13,201,986	13,511,118
Premium Payments	144,069,361	148,162,552	157,776,954
Nursing Facilities and Home Health	546,825,057	619,869,151	618,741,857
Rehabilitation and Specialty Services	190,195,189	249,162,538	253,675,368
Managed Care	949,937,902	1,112,794,035	1,153,155,773
Hospital Care	662,153,045	697,593,493	835,718,638
Safety Net Hospitals	3,948,066	8,000,000	8,000,000
FRA and NFFRA	1,066,180,005	965,840,231	1,029,175,009
Health Care Access	2,497,733	13,126,786	13,296,086
Children's Health Insurance Program	109,470,234	187,544,853	247,877,254
Department of Elementary and Secondary Education Services	23,721,462	33,369,908	33,369,908
MO HealthNet Supplemental Pool	34,987,001	35,698,085	35,698,084
Other MO HealthNet	10,045,830	10,752,859	9,951,430
Total	\$ 5,002,091,033	\$ 5,563,604,443	\$ 6,100,240,854

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

MEDICAID VENDOR PAYMENTS AND MANAGED CARE (Continued)

Fiscal Year 2010 Governor's Recommendations

- \$142,991,585 for coverage of 34,800 parents up to 50 percent federal poverty level, including \$14,154,364 general revenue.
- \$100,400,000 Federal Reimbursement Allowance Fund to align the program with planned expenditures.
- \$81,808,277 to provide coverage for an additional 27,609 children, including \$22,797,669 general revenue.
- \$71,804,403 to apply a 7.5 percent pharmacy trend factor and a 7.6 percent non-pharmacy trend factor for both utilization and cost component increases for managed care in the eastern, central, and western regions, including \$25,171,809 general revenue.
- \$70,633,648 to address the anticipated increases in the Pharmacy Program due to new drugs, therapies, utilization, and inflation, including \$10,756,127 general revenue.
- \$70,268,857 to fund caseload growth for the Permanently and Totally Disabled (PTD) and Qualified Medical Beneficiary (QMB), including \$25,170,304 general revenue.
- \$48,721,448 federal funds for an adjustment to address the change in the Medicaid federal participation percentage.
- \$35,698,084 to fund additional hospital program cost, including \$12,787,054 general revenue.
- \$30,063,600 federal and other funds to support the new Pharmacy provider tax methodology.
- \$22,331,250 to replace the Managed Care Reimbursement Allowance Fund authority.
- \$13,997,035 for increased clawback payments for Medicare Part D drug coverage.
- \$4,044,774 for anticipated increases in Medicare Part A and B premiums, including \$1,436,403 general revenue.
- \$3,750,349 to replace Life Sciences Research Trust Fund authority in the pharmacy program.
- \$2,654,932 for an inflation cost and utilization increase to the non-emergency medical transportation rate, including \$950,997 general revenue.
- \$995,300 to rebase PACE rates as required by federal regulation, including \$356,516 general revenue.
- \$396,646 for anticipated increases to Medicare hospice rates, including \$142,023 general revenue.
- \$5,110 Pharmacy Rebates Fund reallocated from Administrative Services.
- (\$80,612,418) core reductions from the Fiscal Year 2009 appropriation level, including (\$265,000) general revenue.
- (\$48,721,448) core reduction for an adjustment to address the change in the Medicaid federal participation percentage.
- (\$34,389,911) core reduction from program lines to align appropriation authority with anticipated expenditures, including (\$12,510,781) general revenue.
- (\$200,000) core reduction of one-time expenditures, including (\$150,000) general revenue.
- (\$5,110) reallocated to Administrative Services.

STATE MEDICAL

The Medicaid Program allows individuals who do not meet categorical eligibility criteria for Title XIX to receive nearly all of the same services which are reimbursed for Title XIX eligibles, including non-institutional, nursing facility, and hospital care. These individuals include Child Welfare Services, Blind Pension, Presumptive Eligibility for Pregnant Women recipients, and youth in the custody of the Division of Youth Services.

Fiscal Year 2010 Governor's Recommendations

- \$925,105 to address the rising costs in the Pharmacy Program due to new drugs, therapies, utilization, and inflation.

HEALTH CARE TECHNOLOGY

Health care technology funding supports projects that promote the use of technology in health care, and create data automation systems that provide critical information about the population served. These initiatives also improve the delivery of care, reduce administrative burdens, and reduce waste, fraud, and abuse.

Fiscal Year 2010 Governor's Recommendations

- (\$12,562,500) core reduction of the Health Care Technology Fund Transfer, including (\$6,062,500) general revenue.