

+-----+  
 | ADMINISTRATIVE DIRECTIVE |  
 +-----+

TRANSMITTAL: 96 ADM-12

DIVISION: MS&QI

TO: Commissioners of  
 Social Services

DATE: June 12, 1996

SUBJECT: Submission of Local Plans for Exempt Areas 1995-96 State  
 Share Administrative Cap

SUGGESTED

DISTRIBUTION: Directors of Administrative Services  
 Accounting Supervisors  
 Directors of Income Maintenance  
 Directors of Food Stamps  
 Directors of Medical Assistance  
 Employment Coordinators  
 Staff Development Coordinators

CONTACT

PERSON: Bureau of Local Financial Operations  
 Roland Levie, 1-800-343-8859, extension 4-7549  
 User ID #FMS001  
 Marvin Gold, Metropolitan Area, (212) 383-1733  
 User ID #0FM270

ATTACHMENTS:

1. Exempt Activity Plan Worksheet
2. Exempt Activity Plan Summary
3. Local District Administrative Cap Figures  
 (Attachments available on-line)

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
	91 ADM-2	609.5(j)	Article 6		90 LCM-142
91 ADM-2	93 ADM-25		Title 4B		92 LCM-35
93 ADM-25	94 ADM-18		409-i		92 LCM-65
94 ADM-18			L.1990,C.53		94-95 State
95 ADM-22			L.1991,C.53		Budget Aid
					to
					Localities

I. Purpose

This Administrative Directive provides instructions to social services districts for the submission of plans to the Department for activities exempt from the State share cap on administrative costs for State Fiscal Year 1995-96.

II. Background

The Aid to Localities Budget requires that, "Notwithstanding sections 153, 368-a and subdivision 6 of section 95 of the social services law, funds appropriated herein may not be used to reimburse aggregate local administrative costs for the determination of recipient and applicant eligibility and benefit payments for the income maintenance, medical assistance, and food stamp programs to the extent such local administrative costs exceed aggregate statewide reimbursement for such purposes in the 1994-95 state fiscal year. The amount herein appropriated for reimbursement of local administration shall be distributed in a similar fashion to reimbursement for the 1994-95 state fiscal year. In allocating funds herein appropriated to social services districts, the department shall reduce such allocations or, subject to the approval of the director of the budget, reduce aid otherwise payable to such districts from this appropriation by the amount of expenditures associated with food stamp and/or public assistance benefit issuance that were formerly paid directly by such districts but are currently reimbursed under the alternative food stamp issuance process."

The Department is now informing the local districts to begin to develop and submit the local plan required by the budget.

III. Program Implications

Upon submission and approval of a local district plan, one or more of the activities listed in this part or any other activity that is included in the approved plan shall not be subject to the limit on the State share of reimbursement as delineated under Background above. Once a plan is approved, the salary and related fringe benefits, identifiable non salary and the proportion of overhead costs attributed to the staff will be exempt to the extent that the costs exceed State share levels in the cap base or, from the previous year. Base year expenditures are those costs incurred during the 1989-90 State Fiscal Year, or the first year of the initiative's existence. Local districts have the option of comparing the current year cost of the initiative to the base year or the previous calendar year when computing the exemption request. Such activities of staff devoted full time or full time equivalent may include but are not limited to the following:

- A. Revenue maximization:
  - (a) Conversions of Predetermination Grant Aid to Dependent Children, (PG-ADC) cases to Aid to Dependent Children, (ADC), Emergency Assistance to Families with Needy Children (EAF).
  - (b) Third Party Health Insurance, including Medicare maximization.
  - (c) MA Disability Determination Reviews.
  - (d) MA Federally Non Participating (FNP) to Federal Participating (FP) Activities.
  - (e) Referrals for Supplemental Security Income (SSI) determinations.
  
- B. Corrective Action efforts:
  - (a) Quality assurance staff that review cases for high risk, error prone elements, (e.g.: earned income, 18-19 year olds, Social Security Number enumeration, school verification); establish error trends after case reviews; develop, implement and monitor a corrective action plan to address identified error trends.
  - (b) Staff that address targeted areas, e.g.: Internal Revenue Service (IRS) 1099's, Automated Case Management Evaluations (ACME) reports and other Welfare Management System (WMS) generated reports.
  - (c) Staff devoted to keeping MA error rate below the Federal penalty level.
  - (d) Staff devoted to reducing and/or maintaining the food stamp error rate.
  
- C. Fraud and Abuse Detection:
  - (a) Investigations
  - (b) Prosecution Referrals
  - (c) Recipient Restriction Program (RRP)
  - (d) Front End Detection System
  - (e) Claims and Collection Activity (CAMS)
  - (f) Finger Imaging
  
- D. Case Management Services:
  - (a) Client services provided by local district staff under the Teenage Services Act (TASA) (Social Services Law 409-i). This provision only applies to districts which report TASA costs as part of its administrative claim. (89-LCM-210)
  
- E. Cost Containment:
  - (a) Medical Assistance Managed Care
  - (b) Medicaid for Children with Handicapping Conditions

- (c) Recipient Restriction Program
  - (d) Medicare Care Coordinator Program
  - (e) Cost containment initiatives implemented pursuant to State statutory or regulatory action including efforts such as the Assisted Living Program, PERS, shared aide, estate recovery and other initiatives.
- F. Native American Services:
- (a) Fully exempt for an amount equal to the State share of administrative costs claimed on the Schedule RF-3 for Income Maintenance and Medical Assistance.
- G. Department Initiatives:
- (a) Security measures instituted since 10/15/92. (93-LCM-85)

Social Services districts are being notified of their respective caps via Attachment 3. Once a Social Services district receives approval of one or more exempt areas, the approved State share amount will be restored on a future claims settlement.

IV. Required Action

Social Services districts may submit a plan to the Department for any activities that they believe fall under the exempt areas listed. The plan should include at a minimum the following information:

- A. Exempt area title and a description of the activity.
- B. The gross and State share amount that was claimed during calendar year 1994, or the base calendar year used in establishing these costs.
- C. The gross and State share amount that was claimed during calendar year 1995.
- D. For those projects requiring case review; the number of cases reviewed and the number of case closings, budget reductions or cases shifted to federal programs as a result of the reviews.
- E. Number of full time or full time equivalent (FTE) staff assigned to the activity.
- F. An estimate of the State share savings, revenue or other outcome realized as a result of the activity for calendar years 1994 or base year and 1995 (where required).

A separate worksheet (attached) with the above information must be submitted for each exempt area along with a description of the activities for which the district is requesting an exemption.

Attachments 1 and 2 are now available via Ofislink, in Elib. These attachments can be imported to your work area for electronic submission.

PLEASE TAKE NOTE

An administrative directive for the submission of these plans for exemption will not be issued in the future. Instructions for filing the plans will be contained in the Fiscal Reference Manual (FRM). Any future updates will be made in the FRM.

Local districts are encouraged to submit these plans via Ofislink. Automated submission will permit increased efficiency in the distribution and review of the plans. Any attachments will have to be sent through the mail. Please make every attempt to use the available automation.

Please note for a successful submission:

- The format illustrated must be completed for each activity and summarized, as indicated. Provision of all data requested will greatly enhance the capability of the required review and reduce requests for additional information.
- Do not submit a plan if your district has not exceeded its cap.
- Each activity must have greater costs in 1995 than in 1994 (or the base year) in order to qualify for exemption.
- Although some initiatives do not require State share savings figures, most do. Except for those initiatives listed, State share savings should be sufficient to justify an exemption for the increased cost. Initiatives (which require them) that do not include State share savings will be referred back to the local district for further detail. Initiatives not requiring State share savings are; Security, Managed Care, AFIS, TASA, CAMS, Medicaid for Children with Handicapping conditions and Native American Services.
- Expenditures included on the Schedule D-10 (DSS-2347F, Claiming of Fraud & Abuse Administrative Costs) will be included in expenditures applied to the cap. For exemption, these expenditures must be detailed in your plan.
- Exemption is only granted for the net difference between 1994 (or base year) State share costs and 1995 State share costs for approved activities. For new activities, the entire State share will be exempted, (if approved) and the base year should be continued with zero expenditure.

- Once a base year is established, it may be maintained without change.
- When precise State shares of costs or savings are not available, a best estimate is acceptable.

Social Services districts are to submit a plan by September 1, 1996 to:

Roland F. Levie, Principal Accountant  
Bureau of Local Financial Operations  
NYS Department of Social Services  
40 N Pearl Street - 8D  
Albany, NY 12243  
FMS001

The Department will evaluate each district's plan and advise the district of its approval/disapproval of each activity when the required Department evaluation has been completed and approved by the State Division of the Budget. The Department's review team will consist of staff from the Office of Budget Management, Office of Quality Assurance and Audit, Office of Financial Management, and involved Program Divisions. At the time of completion of the review of the district's plan, the district will be notified of the results of the Department's review and what amount, if any, would be restored.

VI. Effective Date

The effective date of this Administrative Directive is July 1, 1996. However, approval of any exempt area(s) is retroactive to the April, 1995 claims settlement (January, 1995 claims) for any eligible expenditures.

---

Stephanie O'Connell  
Acting Director  
Office of Financial Management

\_\_\_\_\_ County  
 SFY \_\_\_\_\_  
 Administrative Cost Cap  
 Exempt Activity Plan Worksheet  
 Component # \_\_\_\_\_

Title -	(1)	(2)	(3)
		(or base year)	Net
	<u>1995</u>	<u>1994</u>	<u>Difference</u>

1. Gross Amount Claimed
2. State Share Amount Claimed
3. State Share Savings
4. Number of Cases Reviewed
5. Number of Cases Closed
6. Number of Budget Reductions
7. Number of Cases Shifted to  
    Fed. Programs

FTE Staff Assigned to Activity

Narrative:

\_\_\_\_\_ County  
SFY \_\_\_\_\_  
Administrative Cost Cap  
Exempt Activity Plan Summary

Title (line 2, col. 3)  
State Share Exemption Request

1.	_____
2.	_____
3.	_____
4.	_____
5.	_____
6.	_____
7.	_____
8.	_____
9.	_____
10.	_____
11.	_____
12.	_____
13.	_____
14.	_____
15.	_____

Total State Share Exemption Requested \_\_\_\_\_



SFY 1995-96  
Administrative Cap

Albany	\$ 3,565,978	Oneida	\$ 2,346,603
Allegany	705,372	Onondaga	4,757,209
Broome	1,563,467	Ontario	705,170
Cattaraugus	906,763	Orange	2,680,695
Cayuga	904,508	Orleans	348,771
Chautauqua	1,453,036	Oswego	1,073,383
Chemung	912,706	Otsego	463,720
Chenango	408,265	Putnam	416,233
Clinton	760,957	Rensselaer	1,067,101
Columbia	483,254	Rockland	2,853,249
Cortland	530,665	St. Lawrence	1,263,400
Delaware	363,411	Saratoga	612,957
Dutchess	1,727,546	Schenectady	1,219,023
Erie	10,286,671	Schoharie	342,409
Essex	466,677	Schuyler	137,940
Franklin	547,644	Seneca	281,328
Fulton	627,824	Steuben	812,098
Genesee	489,238	Suffolk	12,157,914
Greene	550,246	Sullivan	864,489
Hamilton	47,571	Tioga	547,599
Herkimer	499,454	Tompkins	648,591
Jefferson	956,883	Ulster	1,328,105
Lewis	321,278	Warren	352,906
Livingston	651,830	Washington	474,589
Madison	387,668	Wayne	744,964
Monroe	5,313,199	Westchester	11,108,934
Montgomery	398,052	Wyoming	380,436
Nassau	6,105,637	Yates	107,294
Niagara	2,387,227	New York City	205,909,712
		Rest of State	94,420,137
		Statewide Total	\$300,329,849