

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

TRANSMITTAL: 91 ADM-2

DIVISION: Administration

TO: Commissioners of  
 Social Services

DATE: January 10, 1991

SUBJECT: Submission of Local Plans for Exempt Areas 1990-91 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  
 Irid Gordon, 1-800-342-3715, extension 4-7549  
 Marvin Gold, Metropolitan Area, (212) 804-1108

ATTACHMENTS:

Attachment I - Exempt Areas Costs From the State  
 Administrative Cost Cap (Available On-Line)

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
90 LCM-142			Article 6 Title 4B 409-i		1990-91 State 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 1990-91.

II. Background

As required by the State budget, for State Fiscal Year 1990-91, State reimbursement of aggregate local administrative costs claimed thru the RF2A "Monthly Statement of Administrative Expenditures and Claims Purchase of Service Expenditures and Claims for Federal and State Aid" for the determination of recipient and applicant eligibility and benefit payments for the Income Maintenance, Medical Assistance and Food Stamp programs shall not exceed 105 percent of aggregate statewide reimbursement for such purposes in 1989-90 State Fiscal Year. Costs of revenue maximization, employment and training services, corrective action efforts necessary to reduce public assistance error rates, fraud and abuse detection and case management services provided under Title 4-B of Article 6 of the Social Services Law shall be exempt from the reimbursement limitations for a local district provided a local plan as required under regulations is approved by the Department. Services, Child Support, and Training costs are exempt from the cap.

The Department has filed regulations effective December 21, 1990 pursuant to the above provisions and 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. 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 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) 1099s, Automated Case Management Evaluations (ACME) reports and other Welfare Management System (WMS) generated reports.
  - (c) staff established as a front end fraud group to address high risk cases prior to or immediately after case opening.
  - (d) staff devoted to keeping MA error rate below the Federal penalty level.
- C. Fraud and Abuse Detection:
- (a) Investigations
  - (b) Prosecution Referrals
  - (c) Recipient Restriction Program (RRP)
- 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.
- E. Employment and Training Services:
- (a) Comprehensive Employment Program and Job Opportunity and Basic Skills (effective October 1, 1990) activities shall be fully exempt upon acceptance of the local district's JOBS plan required by the Department.

Local districts were notified of their respective cap in Local Commissioners Memorandum 90 LCM-142. Once a local district receives approval of one or more exempt areas, including Employment, the district's cap will be adjusted downward by the lesser of the amount claimed and/or reimbursed in SFY 1989-90 times 105 percent, since the exempt area(s) costs would have been included in the established cap. The approved exempt areas will then be reimbursed a normal State share consistent with the approved plan and the availability of State appropriations.

IV. Required Action

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

- A. Exempt area title and a description of the activity.
- B. The gross amount claimed during calendar year 1989 and the corresponding State share claimed.
- C. An estimate of the gross and State share amount to be claimed during calendar year 1990.
- D. Number of full time or full time equivalent (FTE) staff assigned to the activity.
- E. Monitoring plan including milestone dates.
- F. An estimate of the savings, revenue or other outcome realized as a result of the activity for both calendar years 1989 and 1990.

A separate sheet with the above information should be submitted for each exempt area along with a description of the activities for which the district is requesting an exemption. For Employment related activities, no request for exemption is necessary, since Employment will be exempt once a district's JOBS Plan is approved. Local districts should accumulate requested cost information, however, since Employment costs will not be separately identifiable until the October 1990 claims submission.

Local districts are to submit a plan by February 15, 1991 to:

Richard Radzynski, Director  
Bureau of Local Financial Operations  
NYS Department of Social Services  
40 N Pearl Street - 8D  
Albany, NY 12243

The Department will evaluate each district's plan and advise the district of its approval/disapproval of each activity within 30 days of receipt of plan. The Department's review team will consist of staff from the Office of Budget, Office of Audit and Quality Control, Office of Financial Management, and involved Program Divisions. At the time of approval of the local plan, the local district will be notified of its adjusted cap.

Once a district's plan is approved, the district will report, on Attachment I, the costs claimed for each activity during calendar year 1990 once the December 1990 claim has been prepared.

V. Additional Information

The Department will monitor claims against the caps contained in 90 LCM-142. Any district outside of New York City which is projected to exceed its cap will have its reimbursement adjusted beginning with the October 1990 claim settlement scheduled for the end of January 1991. For New York City the cap monitoring will begin with the July 1990 claims settlement scheduled for the end of October 1990. Any district which has an exempt area or areas approved will receive full reimbursement for the activity during State Fiscal year 1991-92 if the cap monitoring beginning with the October 1990 claim results in an inappropriate denial of State reimbursement.

VI. Effective Date

The effective date of this directive is January 1, 1991. However, approval of any exempt area(s) is retroactive to the April 1990 claims settlement (January 1990 claims) for any eligible expenditures.

---

John M. Sweeney  
Assistant Commissioner  
Office of Financial Management

ATTACHMENT I

DISTRICT \_\_\_\_\_

PERIOD COVERED BY REPORT \_\_\_\_\_

EXEMPT AREA COSTS FROM THE STATE ADMINISTRATIVE COST CAP

ACTIVITY \_\_\_\_\_

Salaries \_\_\_\_\_

Number of full time or  
full time equivalent staff \_\_\_\_\_

Fringe benefits \_\_\_\_\_

Identifiable non salary costs \_\_\_\_\_

Overhead costs (salary & non-salary) \_\_\_\_\_

- (based on percent of exempt staff divided  
by total functional staff (IM, (F-1); MA, (F-4, F-5);  
FS, (F-7) x overhead allocated to  
function on Schedule D)

TOTAL \$ \_\_\_\_\_  
-----

State Share related to above total \$ \_\_\_\_\_

Submitted by: \_\_\_\_\_

Name

\_\_\_\_\_  
Title

Date: \_\_\_\_\_