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 | ADMINISTRATIVE DIRECTIVE |  
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TRANSMITTAL: 92 ADM-35

DIVISION: Administration

TO: Commissioners of  
 Social Services

DATE: September 4, 1992

SUBJECT: Submission of Local Plans for Exempt Areas 1991-92 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, 1-800-342-3715, extension 4-7549  
 User ID # OFM270  
 Marvin Gold, Metropolitan Area, (212) 804-1108  
 User ID # FM0020

ATTACHMENTS:

NONE

FILING REFERENCES

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

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 1991-92.

II. Background

The Aid to Localities Budget requires that, for State Fiscal Year 1991-92 (Chap. 53 of the laws of 1991), State reimbursement of aggregate local administrative costs claimed through 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 aggregate statewide reimbursement for such purposes in the 1990-91 State Fiscal Year. In establishing individual district allocations, the Department has reduced such allocations by the amount of expenditures associated with food stamp issuance that was formerly paid by the districts, but are currently funded under the Alternate Food Stamp Issuance process and an annualized amount representing JOBS expenditures previously included in the administrative cap as income maintenance costs but which have been separately identified and are currently exempt from such limitations. The Budget further provides that costs of revenue maximization, cost containment, Native American services, corrective action efforts necessary to reduce public assistance and medical assistance error rates, fraud and abuse detection activities 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, if such services and activities are provided for in a local plan which has been approved by the Department. Costs related to JOBS, Services, Child Support, and Training are exempt from the cap.

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 from the previous year or, for new exempt activities, the entire State share. 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 Federally Participating (FP) Activities
  - (e) Referrals for Supplemental Security Income (SSI) determinations
  
- B. Corrective Action Efforts:
  - (a) Quality assurance staff who 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 who 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.
  
- 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)
  
- D. Case Management Services:
  - (a) Client services provided by Social Services 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. Cost Containment:
  - (a) Medical Assistance Managed Care
  - (b) Medicaid for Children with Handicapping Conditions
  - (c) Recipient Restriction Program
  - (d) Medicare Care Coordinator Program
  
- F. Native American Services:
  - (a) Fully exempt for an amount equal to the State share of administrative costs claimed on the RF-3 for Income Maintenance and Medical Assistance.

Social Services districts were notified of their respective caps in Local Commissioners Memorandum 92-LCM-65. 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 plans 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 amount claimed during calendar year 1990 and the corresponding State share claimed.
- C. The gross and State share amount that was claimed during calendar year 1991.
- 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 savings, revenue or other outcome realized as a result of the activity for calendar years 1990 and 1991.

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.

Please note that State share restorations will only be for those approved amounts that exceed State share levels in the cap base from the previous year or for new, exempt activities, the entire State share.

Social Services districts are to submit a plan by October 31, 1992 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 90 days of receipt of the plan. The Department's review team will consist of staff from the Office of Budget Management, Office of Audit and Quality Control, Office of Financial Management, and involved Program Divisions. At the time of approval 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.

V. Effective Date

The effective date of this Administrative Directive is October 1, 1992. However, approval of any exempt area(s) is retroactive to the April, 1991 claims settlement (January, 1991 claims) for any eligible expenditures.

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John M. Sweeney  
Assistant Commissioner  
Office of Financial Management