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 | ADMINISTRATIVE DIRECTIVE |  
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TRANSMITTAL: 93 ADM-25

DIVISION: MS&QI

TO: Commissioners of  
 Social Services

DATE: September 1, 1993

SUBJECT: Submission of Local Plans for Exempt Areas 1992-93 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 #AX2060  
 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

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		1992-93
91 ADM-2			Title 4B		State
92-LCM-65			409-i		Budget Aid to
92-LCM-35			L.1990,C.53		Localities
93-LCM-85			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 1992-93.

II. Background

The Aid to Localities Budget requires that, for State Fiscal Year 1992-93 (Chap. 53 of the Laws of 1992), 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" (DSS-1272A-1) 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 1991-92 State Fiscal Year. The budget provides that costs of revenue maximization, cost containment, Native American services, corrective action efforts necessary to reduce public assistance and food stamp 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 on administration.

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)
  
- 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. 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.

G. Department Initiatives:

- (a) Administrative costs associated with the DeAllaume v. Perales decision.
- (b) Security measures instituted since 10/15/92.

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 1991, or the base calendar year used in establishing these costs.
- C. The gross and State share amount that was claimed during calendar year 1992.
- 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 1991 or base year and 1992.

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.

Please note:

- The attached format 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 1992 than in 1991 (or the base year) in order to qualify for exemption.
- Indicated State share savings should be sufficient to justify an exemption for the increased cost.
- 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 1991 (or base year) State share costs and 1992 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.
- 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 17, 1993 to:

Roland F. Levie, Principal Accountant  
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 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 August 1, 1993. However, approval of any exempt area(s) is retroactive to the April, 1992 claims settlement (January, 1992 claims) for any eligible expenditures.

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John M. Sweeney  
Assistant Commissioner  
Office of Financial Management

\_\_\_\_\_ County  
 SFY 92-93  
 Administrative Cost Cap  
 Exempt Activity Plan Worksheet  
 Component # \_\_\_\_\_

Title -	(1)	(2)	(3)
	(or base year*)		Net
	<u>1992</u>	<u>1991</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:

\* - Please indicate base year

\_\_\_\_\_ County  
SFY 92-93  
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 1992-93  
Administrative Cap

Albany	\$ 3,677,845	Oneida	\$ 2,385,253
Allegany	711,051	Onondaga	5,093,848
Broome	1,595,575	Ontario	719,623
Cattaraugus	912,036	Orange	2,744,158
Cayuga	904,508	Orleans	378,689
Chautauqua	1,453,036	Oswego	1,073,383
Chemung	914,018	Otsego	463,720
Chenango	488,758	Putnam	421,868
Clinton	764,436	Rensselaer	1,119,021
Columbia	483,636	Rockland	2,943,545
Cortland	530,665	St. Lawrence	1,280,182
Delaware	365,376	Saratoga	612,957
Dutchess	1,769,064	Schenectady	1,231,934
Erie	11,444,607	Schoharie	346,849
Essex	480,014	Schuyler	140,157
Franklin	564,115	Seneca	281,328
Fulton	632,641	Steuben	816,482
Genesee	489,238	Suffolk	12,297,903
Greene	550,246	Sullivan	864,489
Hamilton	48,324	Tioga	561,422
Herkimer	499,454	Tompkins	674,662
Jefferson	963,635	Ulster	1,408,017
Lewis	343,025	Warren	352,906
Livingston	675,924	Washington	474,589
Madison	387,668	Wayne	748,035
Monroe	5,431,504	Westchester	11,798,105
Montgomery	398,052	Wyoming	380,436
Nassau	6,454,494	Yates	108,455
Niagara	2,541,842	New York City	215,919,703
		RoS Total	98,196,803
		Statewide Total	\$314,116,506