



**IDAHO**

Department of  
Health and Welfare

**Indirect Support Services**  
**Joint Finance-Appropriations Committee**

**David N. Taylor, CPA, CFE**  
**Deputy Director**

**January 18, 2016**



IDAHO DEPARTMENT OF  
HEALTH & WELFARE

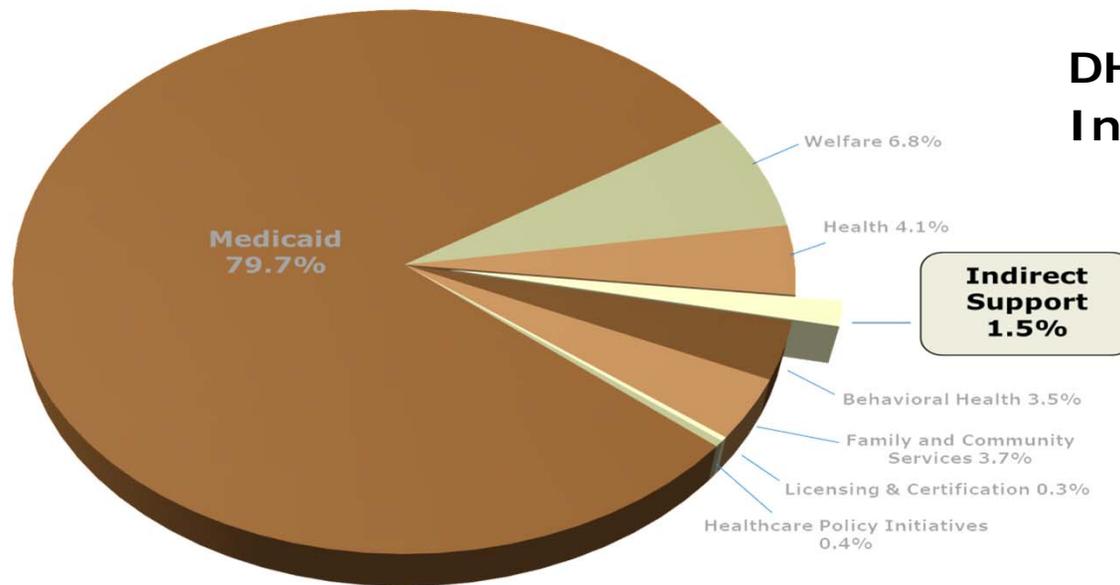


## Today's Presentation

- **Overview of the Governor's 2017 recommended budget**
- **Report on Legislative intent language**
- **Summary and review of the Department's Legislative Audit findings**
- **Looking ahead to the 2017 Legislative Session**



## FY2017 DHW Overview

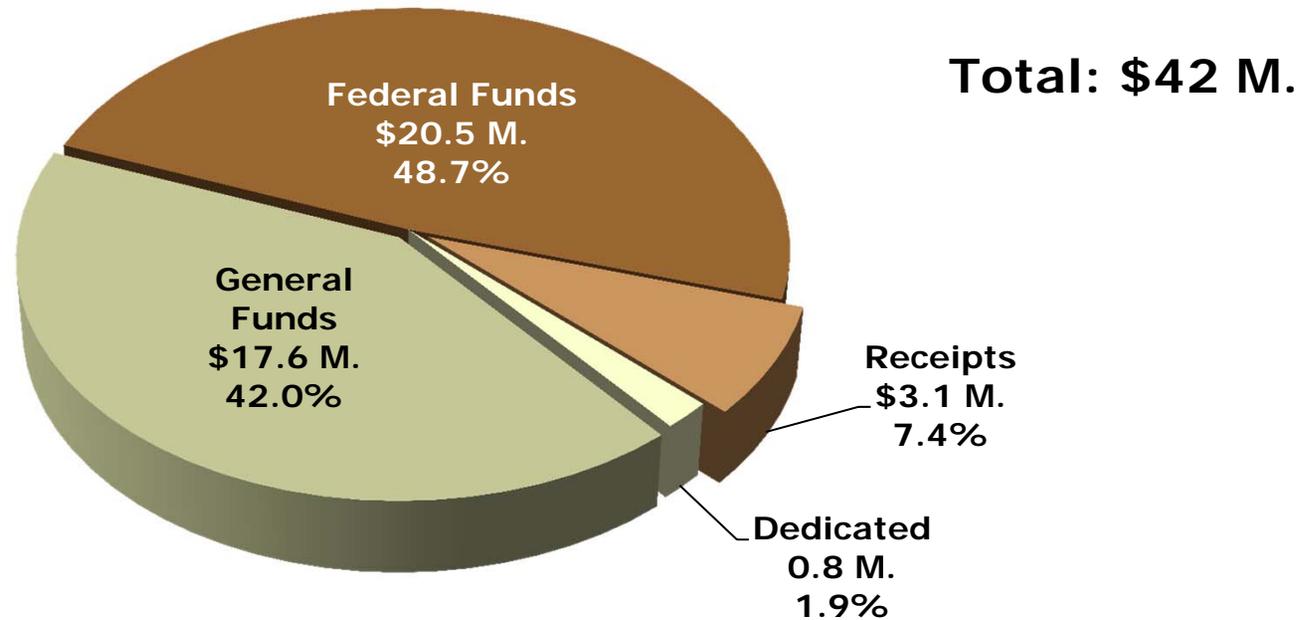


**DHW Total: \$2.78 B.**

**Indirect Support: \$42 M.**

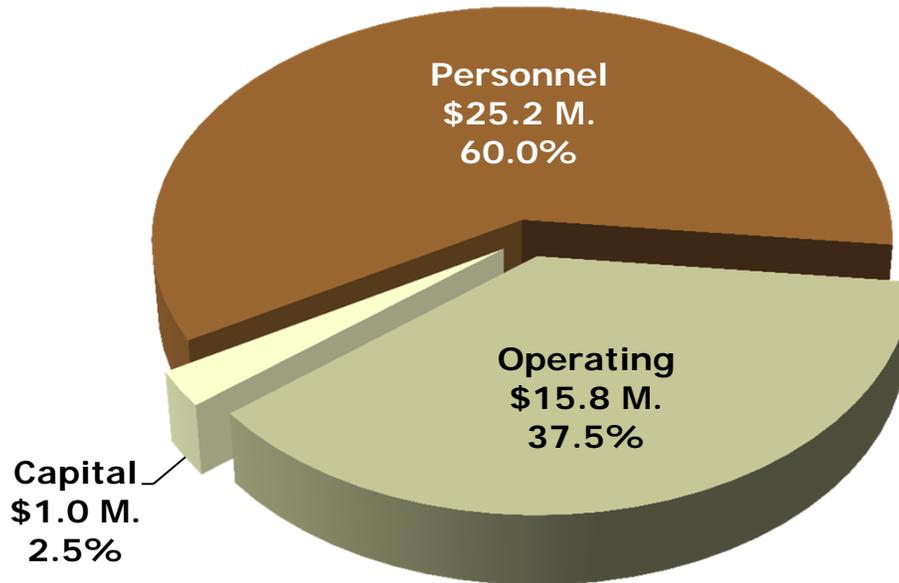


## FY2017 Indirect Support by Fund Source





# FY2017 Indirect Support by Object



**Total: \$42 M.**

**FTP: 291.6**



## Indirect Support Services

- Office of Financial Services
- Division of Information Technology Services
- Division of Operational Services
- Bureau of Audits & Investigations



# Governor's Recommended Budget

- **SFY 2016 - Supplemental:**
  1. Federal Earned Revenue Rate
- **SFY 2017 – Program Maintenance:**
  2. Replacement items
- **SFY 2017 - Line Items:**
  3. Criminal History Unit Staffing
  4. Reduce Funding – Workload Shift to AG
  5. Primary Care Access Program (PCAP)



## Federal Earned Revenue Rate

### LBB 2-30: Line #6 – Supplemental

- Since FY 2013, the department has been receiving an enhanced earned revenue rate (ERR) from the federal government for various IT projects, including the Medicaid Readiness Project.
- The enhanced funding for these projects has increased the federal share of costs to about 75% for IT personnel.

	<b>One-Time Federal Funds</b>	<b>Total</b>
<b>Operating</b>	\$ 1,349,800	\$ 1,349,800
<b>Total</b>	\$ 1,349,800	\$ 1,349,800



## Replacement Items

### LBB – 2-31: One-time

- Governor recommends \$1,287,800 for replacement items
  - Including 16 vehicles (2004 to 2007) with mileage ranging from 120,366 to 139,078; 2 passenger mini-vans; 10 data backup storage servers; 4,000 data backup licensing; 1,000 desktop computers and 300 computer monitors.

	Number of units	Average Unit cost	One-Time General Funds	One-Time Federal Funds	Total
Mid-size sedans	16	\$ 21,500	\$ 166,400	\$ 177,600	\$ 344,000
Mini-vans	2	\$ 22,900	\$ 22,000	\$ 23,800	\$ 45,800
Data backup storage servers	10	\$ 5,000	\$ 16,200	\$ 33,800	\$ 50,000
Data backup licensing	4,000	\$ 50	\$ 65,000	\$ 135,000	\$ 200,000
Desktop computers - Older than 5 yrs	1,000	\$ 600	\$ 195,000	\$ 405,000	\$ 600,000
Computer monitors - Older than 5 yrs	300	\$ 160	\$ 15,600	\$ 32,400	\$ 48,000
<b>Total</b>			\$ 480,200	\$ 807,600	\$ 1,287,800



## Criminal History Unit (CHU)

	SFY 2012	SFY 2013	SFY 2014	SFY 2015
<b>Applicants Fingerprinted</b>	21,720	22,870	23,254	24,998
<b>% Increase over prior year</b>	-	5%	2%	8%
<b>Applications Denied/Withdrawn</b>	269	263	277	303



## Appointments Scheduled

December, 2015 – January, 2016

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
December 28	29	30	31	January 01, 16	2	3
4	5	6	7	8	9	10
			8:00 AM (Westgate 1 - 1720 Westgate Drive, Suite A-2)	2:40 PM (Westgate 1 - 1720 Westgate Drive, Suite A-2)		
11	12	13	14	15	16	17
		8:20 AM (Westgate 1 - 1720 Westgate Drive, Suite A-2)	9:00 AM (Westgate 2 - 1720 Westgate Drive, Suite A-2)			
18	19	20	21	22	23	24

Show more

Real-time Appointment Calendar



Appointment Availability

Location	7 Day	14 Day	21 Day	28 Day
Coeur d'Alene	4	63	97	54
Moscow	2	12	23	13
Lewiston	0	11	32	21
Nampa 1	32	60	85	48
Nampa 2	9	38	36	36
Boise Westgate 1	3	34	72	32
Boise Westgate 2	15	66	87	48
Mountain Home	0	9	0	12
Twin Falls	23	47	68	17
Burley	9	11	12	15
Pocatello	4	43	23	7
Idaho Falls	22	26	66	32
Rexburg	0	3	13	38

Appointment Availability Display



## Criminal History Unit Staffing

### LBB 2-32: Line #14 – Line item

- The department experienced an 8% workload growth from SFY 2014 to SFY 2015
- The department anticipates similar growth through SFY 2016, SFY 2017 and beyond

<u>FTP</u>		Ongoing Dedicated Funds	Ongoing Federal Funds	One-Time Dedicated Funds	One-Time Federal Funds	Total
2	Personnel	\$ 98,800	\$ 2,600	\$ -	\$ -	\$ 101,400
	Operating	\$ 137,800	\$ 3,800	\$ 6,000	\$ 12,400	\$ 160,000
	<b>Total</b>	\$ 236,600	\$ 6,400	\$ 6,000	\$ 12,400	\$ 261,400



## Reduce Funding – Workload Shift to AG

### LBB 2-32: Line #23 – Line item

- The department requests a reduction of \$26,500 from the General Fund and \$26,900 from federal funds for costs related to a contracted position that the department believes should be staffed in the Office of the Attorney General (AG)
- In FY 2016, the department requested and the Legislature agreed to reduce two positions and associated funding from the department and add those resources to the office of the AG
- This third position was overlooked in the initial analysis

	Ongoing General Funds	Ongoing Federal Funds	Total
<b>Operating</b>	\$ (26,500)	\$ (26,900)	\$ (53,400)



**Primary Care Access Program**

Page 2-88 Line 37		Division of Welfare Recommendations					Support Services	DHW* (annualized)
Type	Category	FTP	Fund Source & Match Rate		Dedicated	Total 2017	Total 2017	Ongoing 2018
One time	Operating	0	Dedicated	100%	\$ 3,670,400	\$ 3,670,400	\$ 678,000	
Ongoing	Personnel	10	Dedicated	100%	\$ 732,600	\$ 732,600	\$ 116,400	\$ 849,000
Ongoing	Operating*	0			\$ 205,000	\$ 205,000	\$ -	\$ 405,000
Ongoing	Trustee & Benefits*	0			\$ 13,946,000	\$ 13,946,000	\$ -	\$28,746,000
Total 2017 ongoing		10			\$ 14,883,600	\$ 14,883,600	\$ 116,400	
<b>Total 2017 one time + ongoing</b>		<b>10</b>				<b>\$ 18,554,000</b>	<b>\$ 794,400</b>	
Total 2018 annualized-ongoing		10	* Annualized Welfare Operating (\$405,000) and Welfare Trustee & Benefits (\$28,746,000)					<b>\$30,000,000</b>



## Creation of Primary Care Access Program (PCAP)

### LBB 2-32: Line #37 – Line item

- The Governor recommends ongoing and one-time dedicated fund spending authority for development costs of the Primary Care Access Program (PCAP)
- *Ongoing* costs are for supportive services provided to the Division of Welfare
- *One-time* funding is for development costs for business contractors and automation development contractors

	Ongoing Dedicated Funds	One-Time Dedicated Funds	Total
<b>Personnel</b>	\$ 116,400	\$ -	\$ 116,400
<b>Operating</b>	\$ -	\$ 678,000	\$ 678,000
<b>Total</b>	\$ 116,400	\$ 678,000	\$ 794,400



## Medicaid Program Integrity Unit (MPIU)

### 2015 Legislative Intent Language – H 288:

It is the intent of the Legislature that the Indirect Support Services Division provide reports biannually to LSO and DFM comparing the total costs from all funding sources used for the MPIU and the collections related to those efforts.

	SFY 2013	SFY 2014	SFY 2015	SFY 2016 YTD
Overpayments Identified	\$ 3,461,010	\$ 3,320,008	\$ 3,196,032	\$ 2,077,832
Overpayments Collected	\$ 2,426,125	\$ 2,660,073	\$ 2,927,470	\$ 1,383,556
Total Costs	\$ 1,210,786	\$ 1,178,557	\$ 1,232,688	\$ 625,289
<b>Net Recovered</b>	<b>\$1,215,339</b>	<b>\$1,481,516</b>	<b>\$1,694,782</b>	<b>\$ 758,267</b>
Federal Funds Recovered	\$ 640,529	\$ 887,308	\$ 1,089,247	\$ 429,442
General Funds Recovered	\$ 574,810	\$ 594,208	\$ 605,535	\$ 328,825
	\$ 1,215,339	\$ 1,481,516	\$ 1,694,782	\$ 758,267



## Legislative Audit Findings - Status

	SFY 2012	SFY 2013	SFY 2014
<b>Total Single Audit Findings - Support Services:</b>	<b>3</b>	<b>2</b>	<b>5</b>
<b><u>Open Findings</u></b>			
<b>Period of Availability</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Federal Funding Accountability and Transparency (FFATA)</b>	<b>2</b>	<b>-</b>	<b>1</b>
<b>Cash Draws / Financial Reports for Medicaid</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Temporary Assistance For Needy Families (TANF) Transfers</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Total Open Findings:</b>	<b>3</b>	<b>2</b>	<b>5</b>



## Period of Availability: SFYs 2012-2014

	SFY 2012	SFY 2013	SFY 2014
<b>Period of Availability</b>	12F-9	2013-207	2014-208
<b><u>Impacted Programs</u></b>			
Child Care	X		
Supplemental Nutrition Assistance Program (SNAP)		X	X
Temporary Assistance for Needy Families (TANF)		X	X
Child Support		X	
Medicaid		X	
Foster Care		X	



	SFY 2012	SFY 2013	SFY 2014
<b>Period of Availability</b>	12F-9	2013-207	2014-208
<b><u>Open Findings</u></b>			
Child Care	Open		
Supplemental Nutrition Assistance Program (SNAP)		Feds sustain finding	Open
Temporary Assistance for Needy Families (TANF)		Feds sustain finding	Open
Child Support		Feds do not concur with finding	
Medicaid		Feds do not concur with finding	
Foster Care		Feds do not concur with finding	

**Period of Availability: Federal Response**



## Federal Funding Accountability and Transparency Act (FFATA)

### **Audit Year - 2012**

- Finding 13: Subawards were not reported as required
- Finding 14: Subawards were not reported as required

### **Audit Year - 2014**

- Finding 209: Subawards were not reported as required

### **Status:**

- Filed required reports / Developing process



## Financial Reporting – TANF & Child Care

### Audit Year - 2013

- Finding 213: Financial reporting for TANF & Child Care

### Audit Year - 2014

- Finding 219: Financial reporting for TANF

### Status:

- Legislative Audit closed Child Care finding - March 31, 2015
- Feds did not sustain TANF finding – Letter dated June 12, 2015



## Federal Cash Draw Process

### Audit Year - 2014

- Finding 210: The drawing down of Federal dollars

### Status:

- Hired additional staff to assist with the monitoring and review of the cash draw process to help ensure compliance
- Legislative Audit will review as part of the 2015 Single Audit fieldwork which is currently in process



## Medicaid and CHIP Financial Reporting

### Audit Year - 2014

- Finding 212: Internal controls over financial reporting for the Medicaid Cluster and Children's Health Insurance Program (CHIP)

### Status:

- Submitted an adjustment for the reporting error
- Strengthened and improved the quarterly reporting process
- Legislative Audit will review as part of the 2015 Single Audit fieldwork, which is currently in progress



## Looking ahead to the 2017 Legislative Session

- During the 2010 Legislative session DHW made an ongoing \$1.4 M GF request to maintain critical services
- In February 2010, due to declining State revenues, DHW offered to utilize available SSBG funds instead of the \$1.4 M GF recommendation
  - Ongoing impact of \$1.4 million shifted to SSBG funds
- In addition, the 2015 SSBG award is now approximately \$500,000 below the 2010 and 2011 annual award amount
- Reserve SSBG funds will soon be depleted
  - Will work with DFM and LSO to develop a plan to address a potential \$2 million ongoing shortfall for SSBG supported programs
  - Will report back to JFAC during the 2017 Legislative session



## Questions?





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