

NOTICE OF INSTRUCTION

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West Central Florida
Area Agency on Aging, Inc.



Assistance. Advocacy. Answers on Aging.

NOTICE OF INSTRUCTION #: 071607-ADMIN-MK

TO: All SGR Lead Agencies
FROM: Maureen Kelly
DATE: July 16, 2007
SUBJECT: Florida 2007-2008 Budget Release Plan

cc: Fiscal & Program Management Unit Team Members, Phil Hollister, Charlotte McHenry, Gloria Schuyler

The DOEA and Florida's Area Agencies on Aging participated in a conference call on Wednesday, July 11. A major topic of discussion was the information provided to state agencies by Governor's Office of Policy and Budget. The Office of Policy and Budget is working in collaboration with the House and Senate Appropriations staff to develop an Annual Release Plan for the Fiscal Year 2007-08.

The purpose of this memorandum is to keep you, our providers, informed of the budget issues at the state level that may or will affect the 2007-2008 contract year.

STATE REVENUE BUDGET ISSUES

The DOEA provided the following information:

1. Revenues at the state level are projected to fall short of the state's projected budget. The revenue forecast will be reviewed and possibly revised on or about August 1.
2. To address the currently projected revenue shortfall, the Governor has asked each department to submit an amended 2007-2008 budget reducing spending 10%. A reduction of 10% in SGR revenue is reduction of approximately \$20.2 million in DOEA funding statewide.

Currently the DOEA does not believe their amended budget will affect CCE, ADI, HCE, LSP, and MW ADA and ALE service funding.

3. There is a possibility of a special Legislative session to address the state's revenue issues in September. Should there be a special legislative session, the legislature may consider cost saving options that are currently not under consideration by the DOEA.
4. The DOEA's MW total funding allocation for the 2007-08 year was reduced.

- a. The ADA Waiver funding was reduced 2.58% resulting in \$ 2,264,990 funding shortfall. The funding shortfall resulted in WCFAAA's ADA funding being reduced \$ 189,455 (from \$ 7,415,952 to \$7,150,433).
- b. The ALE Waiver experienced an overall funding reduction of 15%. However, based on PSA 6's current ADA enrollment figures, WCFAAA's ADA contract was increased from \$ 3,926,221 to \$ 4,201,469.
- c. Statewide, the 2006-07 ALE Waiver is projected to overspend its funding allocation by approximately \$ 5,433,402. The state may consider reducing the 07-08 ALE Waiver funding allocation to cover the anticipated deficit.

DOEA BUDGET REDUCTION

To counter the projected revenue shortfall, actual and possible budget reductions, and to address the MW deficit issue, the DOEA has taken several steps, which will affect our PSA's funding.

1. The Department of Elder Affairs issued a Notice of Instruction, # 070907-1-I-OVCS, on July 9, 2007, regarding the 2007-2008 Budget Release Plan. The notice states the Area Agencies on Aging are prohibited from billing for more than 24% of each SGR contract amount during the first three quarters of the state fiscal year, and 28% during the last quarter (April 08 – June 30, 2008), 9.33% per month. The total of the fourth quarter budget appropriation may change based on legislative action.

The DOEA anticipates reducing SGR advance requests to comply with the state's 2007-08 Budget Release Plan.

2. Medicaid ADA and ALE enrollment is closed until the resolution of the budget issues are finalized and the current enrollment figures are at or below the revised funding levels.
3. The DOEA encourages all AAAs and their providers to reduce spending until the full impact of the anticipated revision to the state's 2007-08 budget is known.

In acknowledgement of the DOEA's concerns, WCFAAA after discussion among its senior managers has taken the following action.

1. In accordance with the "Obligation to Pay" clause of your contracts, WCFAAA will only be able to process an amount up to 8% of your contract amount for any one-month's request for payment effective with the request for payment for services provided from July 1 – 31, 2007.
2. Payment of SGR advance requests will be distributed in proportion to the advance funding received.
3. HCE: Until further notice HCE funding may be used for basic subsidies only. Special subsidy reimbursement requests will not be processed for payment and disallowed. WCFAAA strongly recommends HCE providers continue to collect receipts, etc. for special subsidy reimbursement. Reimbursement for special subsidies will be considered once WCFAAA's final funding allocations have been determined and all clients with a 5, 4, or 3-priority code have been enrolled.
4. CCE, ADI, and LSP: Until further notice, WCFAAA's approval will be required to enroll new clients. MW and SGR Care Plan Review Protocols remain in effect when adding services to

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an existing care plan that will cause the care plan's cost to exceed PSA 6's Targeted Guidelines.

5. Medicaid Waiver:

- a. The MW programs are currently closed to enrollment.
- b. All providers were requested on June 30, 2007 to review their APPL list and ensure the information in CIRTIS is accurate and up to date. If you have not completed your review, it is imperative that the review be completed no later than Wednesday, July 18.
- c. A second APPL list will be sent to your agency's secure email address on Thursday, July 18. The purpose of the email is to use the APPL list to create a WCFAAA MW APPL waitlist management log by waiver and case management agency. The tracking log will be utilized to track where the client is in the MW enrollment process for waitlist management purposes. It is imperative, that this PSA's expenditures do not exceed its 2007-2008 spending authority.
- d. All agencies must bill Medicaid for all 2006-07 MW case management and other home & community-based services on or before August 20. Any 06/07 MW billing received by Medicaid after August 31, will be considered "delayed billing" and will be paid out of the 2007-08 budget. Should a "delayed billing" occur it will further impair our ability to enroll clients in need of services in the waivers.
- e. Retroactive billing of MW for services provided under CCE, LSP, ADI or HCE after the final request for payment for 2006-07 CCE, LSP, ADI or HCE has been submitted:

All providers bill MW for services provided from the date of enrollment. Should DCF authorize enrollment of a client in MW and the enrollment date is prior to June 30, 2007, **and** the final SGR contract request for payment as been submitted, the Medicaid payment received must credited to the appropriate WCFAAA contract.

1. For services provided under CCE, ADI, LSP, or HCE, payment must be credited as Program Income to the appropriate 2007-08 WCFAAA contract and used to expand services. Receipt of payment from MW must be reported on the Request for Payment for the appropriate funding source (contract) and reported in the month in which payment has been received.
 2. For services provided with OAA funding, the 2007 contract year units of service should be credited.
6. CIRTIS: Now more than ever it is imperative client information in CIRTIS be accurate and up to date. This is particularly true as it relates to those clients who transition out of either the ADA or ALE Waiver. The DOEA is monitoring client enrollment numbers to determine when the freeze of enrollment in the waivers will be lifted and enrollment allowed.

WCFAAA greatly appreciates the assistance and cooperation of you and your case management staff. A telephone conference call will be held on Tuesday, July 17, at 10:30 AM to review this notice. The conference call-in number is 866-223-2287 and the pass code is 8162511. We look forward to talking with you at that time.

Thank you.

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