

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.19, E30.1, E30.4, E30.12-13, E30.35, E32.5

APPROPRIATION:
Children's Health Insurance Administration

I. SUMMARY FINANCIAL DATA

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$6,241	\$2,244 ¹	\$1,234
Federal Funds Total	\$14,355	\$17,138	\$10,575
Federal Sources Itemized			
<i>Children's Health Insurance Program</i>	\$14,355	\$17,138	\$10,575
Total	\$20,596	\$19,382	\$11,809

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds	\$0
Total	\$0

¹ Children's Health Insurance Administration moved to the Department of Human Services from The Pennsylvania Insurance Department in Fiscal Year 2015-2016. Fiscal Year 2014-2015 amounts reflect The Pennsylvania Insurance Department's appropriated amounts.

II. DETAIL BY MAJOR OBJECT
(\$ Amounts in Thousands)

APPROPRIATION:
Children's Health Insurance Administration

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$1,237	\$390	\$247	(\$143)	-36.67%
Federal Funds	\$2,445	\$1,991	\$2,246	\$255	12.81%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$3,682	\$2,381	\$2,493	\$112	4.70%
OPERATING					
State Funds	\$5,004	\$1,854	\$987	(\$867)	-46.76%
Federal Funds	\$10,338	\$9,457	\$8,329	(\$1,128)	-11.93%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$15,342	\$11,311	\$9,316	(\$1,995)	-17.64%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$0	\$0	\$0	\$0	0.00%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$1,572	\$5,690	\$0	(\$5,690)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$1,572	\$5,690	\$0	(\$5,690)	-100.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$6,241	\$2,244	\$1,234	(\$1,010)	-45.01%
Federal Funds	\$14,355	\$17,138	\$10,575	(\$6,563)	-38.30%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$20,596	\$19,382	\$11,809	(\$7,573)	-39.07%

APPROPRIATION: Children's Health Insurance Administration

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$3,369	\$250	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	23	26	26
<i>Filled</i>	18	20	20
Federally Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Other Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Total			
<i>Authorized</i>	23	26	26
<i>Filled</i>	18	20	20
Benefit Rate	74.18%	76.00%	83.57%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget authorizes 26 positions. This increase reflects three new Medical Program Technician positions added in Fiscal Year 2015-2016.

Legislative Citations:

Article XXIII-A of the Insurance Company Law of 1921 (Act 2015-84)

Disbursement Criteria:

These appropriations fund the administrative and claims operations of the Children's Health Insurance Program. Disbursements are made based on approved positions and established employee benefits, invoices submitted for operating expenses and fixed assets in the operation of the program, and benefit claims.

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Children's Health Insurance Administration

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
PERSONNEL				
1. Provides for a salary adjustment factor and an increase in the total cost of employee benefits:	\$18	\$113	\$0	\$131
2. Provides for other changes in personnel:	<u>(\$19)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$19)</u>
Subtotal Personnel	(\$1)	\$113	\$0	\$112
OPERATING				
1. Reflects a decrease in information technology maintenance and projects:	(\$269)	(\$1,726)	\$0	(\$1,995)
2. Provides for a change in Enhanced Federal Medical Assistance Percentage rates:	<u>(\$740)</u>	<u>\$740</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Operating	(\$1,009)	(\$986)	\$0	(\$1,995)
BUDGETARY RESERVE				
1. Reflects non-recurring Fiscal Year 2015-2016 federal budgetary reserve:	<u>\$0</u>	<u>(\$5,690)</u>	<u>\$0</u>	<u>(\$5,690)</u>
Subtotal Budgetary Reserve	<u>\$0</u>	<u>(\$5,690)</u>	<u>\$0</u>	<u>(\$5,690)</u>
TOTAL	<u><u>(\$1,010)</u></u>	<u><u>(\$6,563)</u></u>	<u><u>\$0</u></u>	<u><u>(\$7,573)</u></u>

CHILDREN'S HEALTH INSURANCE ADMINISTRATION

PROGRAM STATEMENT

The Children's Health Insurance Administration appropriation provides funding for administrative and overhead systems that support the operation of the Children's Health Insurance Program (CHIP). The appropriation includes funding for 26 positions and operating expenses associated with administrative support.

OFFICE OF CHILDREN'S HEALTH INSURANCE PROGRAM

The Office of CHIP provides free or low-cost health insurance coverage to uninsured children under the age of 19 whose families earn too much to qualify for Medical Assistance, but who cannot afford to purchase private insurance. Per the Affordable Care Act, the commonwealth must now accept and process applications coming from the Federally-Facilitated Marketplace and incorporate data available from the Federal Data Services Hub. The new requirements necessitate enhancements to the CHIP Application Processing System (CAPS) and modification of the interaction of CAPS with other systems operated by DHS. The multitude of changes substantiates the need for the centralization of eligibility to provide quality assurance services and to ensure proper eligibility determinations. The centralization of eligibility improves program integrity, reduces fraud, waste and abuse, and simplifies the application process by reducing the need for verification information.