

February 1996

TO: New York State County Fiscal Officers

FROM: New York State Office of the State Comptroller, Division of Municipal Affairs

SUBJECT: Social Service Block Grants and Targeted Medicaid Cost Savings

For program details, please contact the NYS Department of Social Services, Roland Levie at (518) 474-7549 or Marvin Gold at (212) 383-1733. Mr. Gold is responsible for Region V social services districts which include Sullivan, Ulster, Dutchess, Orange, Putnam, Rockland, Westchester, Nassau, and Suffolk Counties, as well as New York City. Mr. Levie covers all other counties.

For accounting questions, call Municipal Accounting Systems at (518) 474-6023.

Block Grants

Background - Chapter 83 of the Laws of 1995 adds Social Services Law section 153-i, Block Grants for family and children's services. The law requires the New York State Department of Social Services to apportion the state funds appropriated among the social services districts by a formula contained in section 153-i, subdivision 1, paragraph b.

Section 153-i, Subdivision 11, states:

“Any portion of a social services district apportionment from the block grant for a particular state fiscal year that is not claimed by such district during that state fiscal year shall be added to that social services district’s block grant apportionment for the next state fiscal year. Any claims submitted by a social services district for reimbursement under the social services district’s block grant apportionment for a particular state fiscal year for which the social services district does not receive state or federal reimbursement during that state fiscal year may be claimed against that district’s block grant apportionment for the next state fiscal year.”

Chapter 83, Section 362, paragraph 21, states that Section 153-i, Subdivision 11:

“Shall expire and be deemed repealed on March 31, 1999 at which time the state shall not be responsible to provide reimbursement for any outstanding claims for family and children’s services provided prior to April 1, 1999 that exceed the district’s block grant apportionment for state fiscal year 1998-99.”

(Continued)

Block Grants (Continued)

Accounting - Local social services districts should record the advance of cash from the Family and Children's Services Block Grant as a debit to either cash or MMIS Deposits with State, as the circumstances would dictate, and a credit to the receivable account State and Federal, Social Services. As claims are submitted, an entry should be made to recognize the revenue by a debit to State and Federal, Social Services and a credit to Revenue using the appropriate subsidiary (3609, 3610, 3619, 3670). **At the end of the fiscal year, any amount accrued over and above the amount of the Block Grant Cap should be written off on a prorata basis against the program subsidiary revenue accounts (3609, 3619, 3670), unless it is expected to be recovered against future block grants, as explained below.**

Starting on January 1, 1996 a new subsidiary revenue account 3661 Family and Children's Services Block Grant will replace the current three revenue subsidiaries (3609, 3619, 3670). **Again, at the end of each fiscal year, any accrual above the amount of the block grant cap for that year should be written off against the program subsidiary revenue account 3661, unless it can be recovered against future block grants, as explained below.**

As provided in subdivision 11 (see above), unreimbursed claims may be charged against the district's block grant apportionment for the next state fiscal year. However, these amounts can be recognized as receivables/revenues at year end, if and only if, the district will be able to use future block grants to cover these amounts. To accrue any receivable/revenue, at year end starting December 31, 1995, you should prepare a projection of future block grants, eligible expenditures, and expected reimbursements that demonstrates the ability to claim and recover all amounts. Otherwise, any year-end receivable should be written off as noted in the above two paragraphs.

Targeted Medicaid Cost Savings

Background - Chapter 81 of the Laws of 1995 assigns each social services district a cost savings target to be achieved through the expanded use of Personal Emergency Response Services (PERS) and Shared Aide Services. The statewide target for fiscal year 1995-96 is \$52 million. The Department of Social Services is required to determine the district specific targets and the factors utilized in establishing the targets.

When districts do not achieve 100% of the targeted savings through the use of shared aide and PERS, the Department has been directed to intercept state payments for public assistance and care or any other payments made to the district in an amount equal to the difference between the savings target and the district's actual savings.

Districts can refer to DSS publication 95 LCM-101 which explains how the targets were calculated and gives the target level for each local district.

Accounting - Any intercepted amount from State payments because the district did not achieve 100% of their targeted savings should be recorded as a reduction to revenue account 3601 Medical Assistance; even if the State intercepts some other revenue source, that source should be recorded gross and the reduction shown against the Medicaid Revenue Account.

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