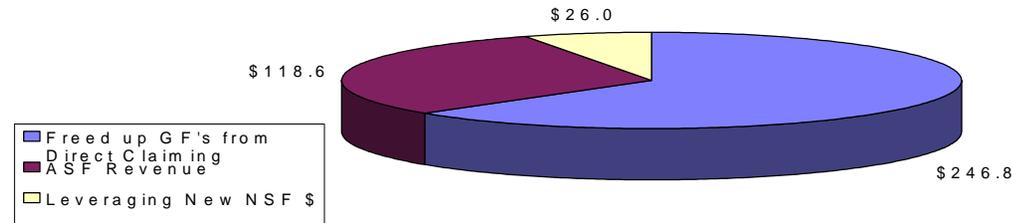


MANAGEMENT IMPROVEMENT COST RECOVERY OPPORTUNITIES REVIEW - PHASE I

IMPACT

The Issues	The Goal	The Intervention	The Results
<ul style="list-style-type: none"> As the state has funded more and more of the department's operations from revenue generated by the department and as those operations are increasing in cost over time, it has become imperative that we get every dollar of revenue that can be collected based on our existing services. 	<ul style="list-style-type: none"> To ensure that revenue was being maximized from services provided by DSCYF and that nothing had been missed during the initial Cost Recovery Project or as service expansions have occurred over time. 	<ul style="list-style-type: none"> To conduct a systematic, program by program, department-wide review of all services provided by DSCYF, evaluate their revenue potential and compare it to actual revenue recovered. 	<ul style="list-style-type: none"> Some 11 additional "firm" areas of previously untapped revenue from existing DSCYF operations as well as some less certain possibilities were identified during the review. If the "firm" sources were fully maximized, they would yield an additional \$391.4 in annual revenue.

New Revenue Identified by Method of Receipt



Narrative Summary

Begun in 1992, the DSCYF Cost Recovery Project has resulted in an increase in the department's revenue recoveries from federal entitlement programs from \$2M in FY91 to a high of \$23.1M in FY97. The federal welfare reform bill passed in August of 1996 eliminated a major new funding source for the department, the Emergency Assistance program. Currently, the department funds approximately 17 % of its annual budget or \$15.3M with ASF funds. Over time, increases in staff and program costs and additional services funded with ASF revenue will erode the department's ability to fund these operations, as inflationary increases in revenue tend to rise less quickly than costs. It is therefore, important to ensure that every service that can possibly be covered by a federal program is being covered. Between September and December of 1997, a comprehensive review of the department's services from a recovery standpoint was conducted. This is the first phase in what will be a series of reviews of the department's policies, procedures and practices with regard to Medicaid and IV-E claiming, eligibility, cost allocation, rate setting, accounting practices and automated information systems to make sure that all are functioning to maximize the department's collections. The additional phases of the review are expected to be completed by June 1999. Each phase will culminate in a written report of findings that can then be used to direct corrective actions and to guide future reviews.