

**Item Title:** Appropriate \$1,685,939 and Establish 36 FTEs for Human Services Economic Self Sufficiency Programs Supporting Food and Nutrition Services, Medicaid and NC FAST Implementation

**Specific Action Requested:**

**That the Board of Commissioners:**

- 1. Accepts up to \$901,987 in Medicaid administration funds;**
- 2. Appropriates to the General Fund a total of \$1,685,939 consisting of Federal funds up to \$901,987 and a fund balance appropriation of \$783,952; and**
- 3. Establishes 36.00 FTEs to address the workload needs associated with NC FAST implementation and the administration of the Medicaid and Food and Nutrition programs.**

**Item Summary:**

The NC FAST (North Carolina Families Accessing Services through Technology) case management system is in the second year of a multi-year rollout of economic services programs. Wake County completed the conversion of the FNS program into NC FAST in 2013 and began taking applications for Medicaid in the new system in October 2013. Conversion of all active Medicaid and Work First cases will take place during 2014.

As part of the FY2014 budget, Commissioners approved a \$1.8 million appropriation to provide temporary workers and overtime funding to assist existing program employees with increased workload due to system conversion issues. It was anticipated that process efficiencies would mitigate the need for additional full time program staff and these temporary resources would provide the support needed for roll-out of NC FAST in the FNS and Medicaid programs. The implementation has been complicated by both system issues and backlogs that have become unmanageable.

Since 2008, there has been significant growth in the Food and Nutrition Services (FNS) and Medicaid programs, with the FNS program growing from 20,000 to 40,000 cases between 2008 and 2012. The Family & Children's Medicaid caseload increased from 36,558 to 53,209 from 2008 to 2013, a 45% increase. Additionally, the new system requires a substantial amount of training of staff which takes time away from completing work. Efficiencies realized from technology improvements were not sufficient to mitigate the impact of the additional caseloads and training requirements. As a result, staff have been unable to meet processing deadlines as established by the US Department of Agriculture (USDA) for Food and Nutrition Services and the Center for Medicaid Services (CMS) for Medicaid.

Many counties in North Carolina have experienced similar challenges and in January 2014, the USDA issued a deadline for processing untimely FNS applications and recertifications. To meet the deadline, staff partnered with the State of North Carolina to

address FNS backlogs. The partnership was successful in addressing the most untimely cases. Continued focus will be required to completely eliminate the backlog and remain current on incoming applications and recertifications. As a result of workload evaluation and benchmarking, we believe this approach will allow staff to effectively manage the FNS caseloads, assuming no continuing system issues. Staff will continue to evaluate FNS resource needs for FY2015 and will work through the FY2015 budget process. Staff will also use existing resources to evaluate existing processes to best respond to the abilities and challenges of the new NC FAST system.

To address similar challenges in the Medicaid program, a different approach is needed. Increased caseloads and complicated application processes result in a need for additional full-time staff to maintain ongoing operations. Temporary resources are needed to catch-up on the Medicaid backlog, transition existing clients into NC FAST and responding to incoming calls and emails. New staff are needed to process applications and recertifications within CMS processing protocols and meet training needs associated with these programs. It is anticipated that the new staff will be needed throughout the NC FAST roll-out process, which is scheduled to extend into 2017. During this period, caseworkers will transition from individual program workers to universal workers. Evaluations of staffing levels will be conducted regularly to determine if staffing numbers should be adjusted as a result of process and system efficiencies or caseload demands.

It is requested that the Board of Commissioners authorize \$1,685,939 (\$901,987 Federal; \$783,952 County) and create 36 new FTEs. These resources will provide new support and resources for case management, communications, training, call center operations and continued temporary assistance and overtime for the remainder of FY2014.

With these resources, we are projecting that we will eliminate the backlog of FNS cases by March 15, 2014. Given the conversion of Medicaid cases into NC FAST and the applications coming from the Federal Marketplace, it is anticipated that we will need until October 1, 2014 to become current with Medicaid applications and re-certifications.

Counties are anticipating a particularly challenging situation for Medicaid clients in the coming months. A short-term strategy to allow more time for NC FAST testing and improvements will result in significantly increased workloads from March through May. Staff will continue to work with existing staff, temporaries, contractors and the state of North Carolina to address these demands and mitigate the community impacts.

**Request Summary:**

1. Temporary staff and overtime for the remainder of FY14 - Requesting a one-time appropriation of \$817,324. The federal government will provide reimbursement for up to \$528,327 of these costs. The remainder of the funding (\$288,997) will come from Wake County's fund balance. It is also anticipated that temporary staff and overtime funds will be needed in the next fiscal year.

Sustain Current Service Level for FNS and Medicaid through June 30, 2014								
OPERATING COSTS:				#Temps	YTD Actual (12/31/13)	Year End Projection	Federal Share	County Share
1110 Overtime Salaries Total					398,497	869,448	551,617	317,831
2104 TEMPORARY AGENCY SERVICES Total				68	488,325	1,527,319	763,660	763,660
Call Center/Equipment Costs				5	171,826	301,939	53,500	248,439
Total Current Service Level				73	1,058,648	2,698,706	1,368,776	1,329,930
<b>FY 2014 Expansion Budget</b>						<b>(1,881,382)</b>	<b>(840,449)</b>	<b>(1,040,933)</b>
<b>Funds Needed to Sustain Current Service Level for FNS and Medicaid:</b>						<b>817,324</b>	<b>528,327</b>	<b>288,997</b>

2. New Positions – Will provide additional case management and training staff to address the long term caseload growth and training needs. Requesting an FY2014 appropriation of \$868,615. The federal government will provide reimbursement for up to \$373,660 of these costs. The remainder of the funding (\$494,955) will come from Wake County's fund balance. The commitment of these resources in FY2014, will lead to ongoing funding needs in future fiscal years. This will reduce funding available to address other unfunded priority needs in FY2015.

Position Classification	Current Staffing	New Positions	Proposed Staffing
Program Managers	3	1	4
HS Supervisors	19	3	22
Case Managers	166	26	192
Administrative Staff	16	2	18
Trainers	8	4	12
<b>Total</b>	<b>212</b>	<b>36</b>	<b>248</b>

PERSONNEL COSTS:							PROJECTED REVENUE	
Position Classification	Band	FTE	Unit Salary	Base Salary	Total Fringes	Sum of Total	Federal Share	County Share
HS Program Manager	30	1.00	71,500	71,500	20,079	91,579	45,790	45,790
HS Supervisor I	27	3.00	53,000	159,000	49,475	208,475	104,238	104,238
HS Program Specialist	27	4.00	47,040	188,160	61,344	249,504	124,752	124,752
Administrative Assistant	3	2.00	25,355	50,710	22,262	72,972	36,486	36,486
HS Case Manager	5	26.00	34,680	901,680	336,418	1,238,098	785,505	452,593
Temp/Contract Public Information Specialist Support	27	0.00	65,628	65,628	-	65,628	-	65,628
Total Personnel Cost		36.00		1,436,678	489,578	1,926,256	1,096,770	829,486
Total Operating Costs						236,610	13,110	223,500
Total NC FAST Budget Request (annualized)						2,980,190	1,638,207	1,341,983
<b>Total NC FAST Expansion (4mos of Service Mar-Jun 2014)</b>						<b>868,615</b>	<b>373,660</b>	<b>494,955</b>

The anticipated fiscal year 2015 budget impact due to the increase of 36 FTEs and associated operating costs net a total of \$852,596, as illustrated below:

						PROJECTED REVENUE		
FY 2015 Budget Impact:						FY 2015 Projection	Federal Share	County Share
Total NC FAST Expansion of Services (36.00 FTEs)						1,962,476	1,109,880	852,596

**Attachments:**

1. Presentation
2. NC FAST Budget
3. Budget Memo