

# Office of the Healthcare Advocate

## MCO39400

### Position Summary

Account	Actual FY 12	Governor Estimated FY 13	Governor Recommended		Legislative	
			FY 14	FY 15	FY 14	FY 15
Permanent Full-Time - IF	9	18	13	13	17	17

### Budget Summary

Account	Actual FY 12	Governor Estimated FY 13	Governor Recommended		Legislative	
			FY 14	FY 15	FY 14	FY 15
Personal Services	720,459	1,268,100	993,680	1,022,421	1,293,734	1,339,621
Other Expenses	136,281	157,442	366,417	317,699	374,985	326,267
Equipment	1,400	6,700	0	5,000	0	5,000
<b>Other Current Expenses</b>						
Fringe Benefits	451,597	841,954	700,272	725,559	910,309	947,599
Indirect Overhead	117,473	19,211	26,056	27,229	26,056	27,229
<b>GAAP Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,157</b>	<b>0</b>	<b>12,157</b>
<b>Agency Total - Insurance Fund</b>	<b>1,427,211</b>	<b>2,293,407</b>	<b>2,086,425</b>	<b>2,110,065</b>	<b>2,605,084</b>	<b>2,657,873</b>
<b>Total - Appropriated Funds</b>	<b>1,427,211</b>	<b>2,293,407</b>	<b>2,086,425</b>	<b>2,110,065</b>	<b>2,605,084</b>	<b>2,657,873</b>
<b>Additional Funds Available</b>						
Carry Forward Funding	0	0	0	0	70,000	0
Federal & Other Restricted Act	228,529	150,000	200,000	200,000	200,000	200,000
<b>Agency Grand Total</b>	<b>1,655,740</b>	<b>2,443,407</b>	<b>2,286,425</b>	<b>2,310,065</b>	<b>2,875,084</b>	<b>2,857,873</b>

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

### Current Services

#### Adjust Funding to Reflect Wage & Compensation Related Costs

Personal Services	0	107,147	0	165,458	0	0	0	0
<b>Total - Insurance Fund</b>	<b>0</b>	<b>107,147</b>	<b>0</b>	<b>165,458</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Governor

Provide funding of \$107,147 in FY 14 and \$165,458 in FY 15 to reflect current services wage-related adjustments such as annual increments, general wage increases, annualization, and other compensation-related adjustments.

#### Legislative

Same as Governor

#### Apply Inflationary Increases

Other Expenses	0	2,256	0	5,439	0	0	0	0
<b>Total - Insurance Fund</b>	<b>0</b>	<b>2,256</b>	<b>0</b>	<b>5,439</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Background

Applying inflationary factors to current year expenditures provides an estimate of the cost of continuing services into the next year.

#### Governor

Increase funding for Other Expenses by \$2,256 in FY 14 and an additional \$3,183 in FY 15 (for a cumulative total of \$5,439 in the second year) to reflect inflationary increases.

#### Legislative

Same as Governor

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

### Adjust Operating Expenses to Reflect Current Requirements

Other Expenses	0	217,543	0	168,825	0	0	0	0
<b>Total - Insurance Fund</b>	<b>0</b>	<b>217,543</b>	<b>0</b>	<b>168,825</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Governor

Provide funding of \$217,543 in FY 14 and \$168,825 in FY 15 in Other Expenses to reflect FY 14 and FY 15 anticipated expenditure requirements. These include lease and moving costs as well as costs for additional software licenses.

#### Legislative

Same as Governor

### Adjust Funding for Replacement Equipment

Equipment	0	(6,700)	0	(1,700)	0	0	0	0
<b>Total - Insurance Fund</b>	<b>0</b>	<b>(6,700)</b>	<b>0</b>	<b>(1,700)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Governor

Reduce funding by \$6,700 in FY 14 and \$1,700 in FY 15 to reflect current equipment requirements in this agency.

#### Legislative

Same as Governor

### Provide Funding for GAAP

Nonfunctional - Change to Accruals	0	24,899	0	18,255	0	0	0	0
<b>Total - Insurance Fund</b>	<b>0</b>	<b>24,899</b>	<b>0</b>	<b>18,255</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Background

Each agency's budget will include a new line item account called "Nonfunctional - Change to Accruals". This line item represents the estimate of the difference between an agency's cash-basis budget amounts and the accrual-basis amounts that will be reflected under Generally Accepted Accounting Principles (GAAP). These funds will not be available for spending; in the aggregate they will prevent the state's GAAP deficit from growing.

#### Governor

Provide funding of \$24,899 in FY 14 and \$18,255 in FY 15 to reflect the implementation of GAAP in the budget.

#### Legislative

Same as Governor

### Adjust Fringe Benefits and Indirect Overhead

Fringe Benefits	0	120,719	0	161,537	0	0	0	0
Indirect Overhead	0	6,845	0	8,018	0	0	0	0
<b>Total - Insurance Fund</b>	<b>0</b>	<b>127,564</b>	<b>0</b>	<b>169,555</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Background

Non-General Fund agencies are budgeted directly for employee fringe benefits and indirect overhead.

#### Governor

Provide funding of \$127,654 in FY 14 and \$169,555 in FY 15 to ensure sufficient funds for fringe benefits and indirect overhead.

#### Legislative

Same as Governor

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

## Policy Revisions

### Adjust Funding for GAAP

Nonfunctional - Change to Accruals	0	(24,899)	0	(6,098)	0	0	0	0
<b>Total - Insurance Fund</b>	<b>0</b>	<b>(24,899)</b>	<b>0</b>	<b>(6,098)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Governor

Reduce funding by \$24,899 in FY 14 and \$6,098 in FY 15 to reflect changes to GAAP accruals as a result of a policy change.

#### Legislative

Same as Governor

### Remove Funding for Salary Increases of Appointed Officials

Personal Services	0	(6,708)	0	(14,092)	0	0	0	0
<b>Total - Insurance Fund</b>	<b>0</b>	<b>(6,708)</b>	<b>0</b>	<b>(14,092)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Governor

Reduce funding by \$6,708 in FY 14 and \$14,092 in FY 15 to reflect the elimination of salary increases for appointed officials.

#### Legislative

Same as Governor

### Eliminate Vacant Positions

Personal Services	(1)	(74,805)	(1)	(79,845)	0	0	0	0
Fringe Benefits	0	(52,364)	0	(55,892)	0	0	0	0
<b>Total - Insurance Fund</b>	<b>(1)</b>	<b>(127,169)</b>	<b>(1)</b>	<b>(135,737)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Governor

Reduce funding by \$127,169 in FY 14 and \$135,737 in FY 15 to reflect the elimination of one position that is currently vacant.

#### Legislative

Same as Governor

### Eliminate Inflationary Increases

Other Expenses	0	(2,256)	0	(5,439)	0	0	0	0
<b>Total - Insurance Fund</b>	<b>0</b>	<b>(2,256)</b>	<b>0</b>	<b>(5,439)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Governor

Reduce Other Expenses by \$2,256 in FY 14 and \$5,439 in FY 15 to reflect the elimination of inflationary increases.

#### Legislative

Same as Governor

### Maintain Enhanced Medicaid Recoveries Unit

Personal Services	0	0	0	0	4	300,054	4	317,200
Other Expenses	0	0	0	0	0	8,568	0	8,568
Fringe Benefits	0	0	0	0	0	210,037	0	222,040
<b>Total - Insurance Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>518,659</b>	<b>4</b>	<b>547,808</b>

#### Background

The FY 13 revised budget included funding and four positions to allow the Office of the Healthcare Advocate (OHA) to pursue private insurance payment for rejected claims for Medicaid eligible individuals.

#### Governor

Reduce funding by \$518,659 in FY 14 and \$547,808 in FY 15 and eliminate four positions to reflect the elimination of the Enhanced Medicaid Recoveries Unit.

#### Legislative

Maintain four positions and funding of \$518,659 in FY 14 and \$547,808 in FY 15 for the Medicaid recoveries unit.

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

### Carry Forward

#### Carry Forward Funds for Equipment

Equipment	0	70,000	0	0	0	70,000	0	0
<b>Total - Carry Forward Funding</b>	<b>0</b>	<b>70,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>70,000</b>	<b>0</b>	<b>0</b>

#### Legislative

Section 95 of PA 13-247, the general government implementer, carries forward funding of \$70,000 in the Personal Services account and transfers it to the Equipment account for voice and data wiring and a computer network switch during the fiscal year ending June 30, 2014.

### Totals

Budget Components	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Governor Estimated - GF	0	0	0	0	0	0	0	0
Policy Revisions	0	0	0	0	0	0	0	0
<b>Total Recommended - GF</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Governor Estimated - IF	18	2,293,407	18	2,293,407	0	0	0	0
Current Services	0	472,709	0	525,832	0	0	0	0
Policy Revisions	(1)	(161,032)	(1)	(161,366)	4	518,659	4	547,808
<b>Total Recommended - IF</b>	<b>17</b>	<b>2,605,084</b>	<b>17</b>	<b>2,657,873</b>	<b>4</b>	<b>518,659</b>	<b>4</b>	<b>547,808</b>