



**North Carolina Department of Health and Human Services
Office of the Controller**

Pat McCrory
Governor

Aldona Z. Vos, M.D.
Ambassador (Ret.)
Secretary DHHS

Laketha M. Miller
Controller

February 25, 2013

Arif Karim, Director
Division of Cost Allocation and Liaison
Central States Field Office
Department of Health and Human Services
1301 Young Street, Suite 732
Dallas, Texas 75202

Dear Mr. Karim:

The North Carolina Department of Health and Human Services (NC DHHS) will implement North Carolina Families Accessing Services through Technology (NC FAST) in June 2013. NC FAST is a program designed to improve the way the NC DHHS and county departments of social services do business. New technological tools and business processes will enable workers to spend less time on administrative tasks and more time assisting families.

NC FAST will have a marked impact on county department of social services workers, particularly those employees performing intake, case management tasks. The current cost allocation plan requires that workers record 100% of their activities on day sheets. Since the application process is segregated by type of case, workers can identify the time spent on various activities by type of case and record time accordingly.

The case management and intake processes under NC FAST, however, are integrated. For example, a citizen will be able to apply for multiple programs simultaneously. As such, the intake worker will not be able to track time and effort to a particular program. A new cost allocation method will need to be implemented when NC FAST enters production that will still allow for 100% time reporting.

Three activities have been identified that will capture the time and effort of the county worker:

- Application Process
- Recertification Process
- Other Case Management.

In our proposal, staff will continue to maintain 100% time reporting by using additional Services Information System (SIS) service codes when recording time for the activities above. Costs will be allocated using the following method:

- Time on the activities will be accumulated in each county.

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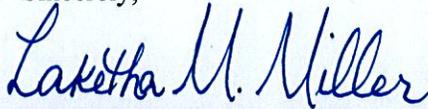
- NC FAST will generate monthly reports that detail per county the number of actions, for example, 1,200 recertifications for Medicaid.
- Allocation percentages will be developed by program for applications, recertification and other case management duties based upon the time and number of actions.
- A final calculation based upon the percentage of time by program will yield the allocation percentages for allocating costs

The attached spreadsheet illustrates the cost allocation process.

In order for our timekeeping system to be updated by NCFast implementation, programming requirements are soon needed. To that end, we request that the approval process of this amendment request be expedited by your office. If you have questions, please contact Curtis Crouch of my office at 919-855-3693 or curtis.crouch@dhhs.nc.gov.

Thank you in advance for your consideration.

Sincerely,



Laketha M. Miller

LMM/clc

Attachment

cc: Curtis L. Crouch

Example of Allocation Method of Worker Time

Minutes Worked 30,240
Expenditures for Allocation \$100,000

Activity Codes	A	
	Time by Activity Code	% of Time by Activity Code
Recertifications	9,240	30.56%
Applications	15,000	49.60%
Case Management	6,000	19.84%
Total	30,240	100.00%

Programs	B	C	D	Allocated Cost by Program
	# of Recertifications by Program	% of Recertifications by Program		
Medicaid	1,200	39.34%	12.02%	\$12,021.86
SNAP	1,500	49.18%	15.03%	\$15,027.32
TANF	350	11.48%	3.51%	\$3,506.38
Total	3,050	100.00%	30.56%	\$30,555.56

Programs	B	C	D	Allocated Cost by Program
	# of Applications by Program	% of Applications by Program		
Medicaid	35,000	38.04%	18.87%	\$18,870.77
SNAP	42,000	45.65%	22.64%	\$22,644.93
TANF	15,000	16.30%	8.09%	\$8,087.47
Total	92,000	100.00%	49.60%	\$49,603.17

Programs	B	C	D	Allocated Cost by Program
	# of Case Counts by Program	% of Case Counts by Program		
Medicaid	22,000	55.70%	11.05%	\$11,050.83
SNAP	14,000	35.44%	7.03%	\$7,032.35
TANF	3,500	8.86%	1.76%	\$1,758.09
Total	39,500	100.00%	19.84%	\$19,841.27

Programs	Grand Total Allocated Cost by Program	
	Program	Cost
Medicaid		\$41,943.46
SNAP		\$44,704.60
TANF		\$13,351.94
Total		\$100,000.00

Example of Allocation Method to Water Users

Activity Code	Time by Activity Code	Minutes Water
Case Management	100.00%	30.000
Applications	10.00%	3.000
Resolutions	10.00%	3.000
Total	100.00%	36.000

Programs	Time by Program	Allocated Cost by Program
Total	100.00%	\$30,000.00
JANET	33.33%	\$9,000.00
SNAP	33.33%	\$9,000.00
Medical	33.33%	\$9,000.00
Total	100.00%	\$27,000.00
JANET	33.33%	\$8,100.00
SNAP	33.33%	\$8,100.00
Medical	33.33%	\$8,100.00
Total	100.00%	\$24,300.00
JANET	33.33%	\$7,290.00
SNAP	33.33%	\$7,290.00
Medical	33.33%	\$7,290.00
Total	100.00%	\$21,780.00
JANET	33.33%	\$6,534.00
SNAP	33.33%	\$6,534.00
Medical	33.33%	\$6,534.00
Total	100.00%	\$19,602.00