



Charlie Crist
Governor

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State Surgeon General

Certification of Expenditures
of
Newborn Screening Program
For the year ended June 30, 2010
R-1011DOH-026

OFFICE OF INSPECTOR GENERAL

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FLORIDA DEPARTMENT OF HEALTH
REVENUES AND EXPENDITURES
OF THE
NEWBORN SCREENING PROGRAM
Fiscal Year ended June 30, 2010

CERTIFIED REVENUES AND EXPENDITURES

Revenues and other credits

Hospital Fees	\$	3,434,463
Third Party Reimbursement		
Medicaid		9,652,618
Medicare Part B		6,613
Other Third Party		3,245,506
Refunds		671
Other		6,517
Total Revenues and other credits		16,346,387

Expenditures

Planning & Evaluations Trust Fund - 20-2-531003

Salaries		1,647,170
Expenses		5,041,593
Contracted Services		2,065,302
Operating Capital Outlay		15,723
Human Resource Transfer to Department of Management Services		4,412
Service Charge to General Revenue		203,606
Transfers to Agency for Health Care Administration (State Medicaid Match)		2,959,057
		11,936,864

Donations Trust Fund - 20-2-168001

Salaries		143,554
Expenses		7,483
Grants & Aid - CMS Network		123,359
Human Resource Transfer to Department of Management Services		1,309
		275,706

Federal Grants Trust Fund - 20-2-261009

Human Resource Transfer to Department of Management Services		13,236
		13,236

Total Expenditures - CERTIFIED **12,225,806**

Excess of Revenues Over (Under) Expenditures - CERTIFIED **4,120,581**

EXPENDITURES CHARGED TO, BUT NOT CERTIFIED AS DIRECT EXPENDITURES OF THE NEWBORN SCREENING PROGRAM (Please read Note 4)

Expenditures

Contracted Services		530,326
Excess Of Revenues Over (Under) Expenditures		\$ 3,590,255

Amounts for revenues and expenditures were provided by the Division of Administration.

FLORIDA DEPARTMENT OF HEALTH
REVENUES AND EXPENDITURES
OF THE
NEWBORN SCREENING PROGRAM
Fiscal Year ended June 30, 2010

NOTES

1. Certification by Office of the Inspector General

Pursuant to Section 383.14(3)(g), *Florida Statutes*, the Office of the Inspector General shall calculate the annual direct costs of the uniform testing and reporting procedures of the Newborn Screening Program (Program), including applicable administrative costs (reasonably and directly associated with the Program), and certify that such costs are related. Our procedures included analyzing amounts provided to us by Department of Health's Division of Administration. We reviewed selected items on a judgmental basis to determine whether transactions charged to the Program reasonably reflect the actual costs of the Program (See Note No. 4).

2. Historical Data

Revenues and Expenditures – 6 years

	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>
Revenues	\$4,986,504 ¹	\$5,646,334	\$8,591,294 ²	\$9,915,267 ²	\$10,740,601 ²	\$13,387,330 ²
Expenditures	\$4,543,460	\$7,082,686	\$7,796,810 ³	\$9,703,285 ³	\$9,699,768 ³	\$9,266,748 ³
Excess of Revenues Over (Under) Expenditures	\$443,044	(\$1,436,352)	\$794,484	\$211,982	\$1,040,833	\$4,120,582

The \$3,079,749 increase in the Excess of Revenues Over (Under) Expenditures between fiscal years ended June 30, 2009 and 2010 was due to a \$2,646,729 increase in revenues and a \$433,020 decrease in certified expenditures. The increase in revenues is largely attributable to contracting with a new third-party billing agent and a re-designed specimen collection card that allows for more complete collection of insurance data.

Cost per Screening Ratio

	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>
Total Expenditures	\$7,082,686	\$7,796,810	\$9,703,285	\$9,699,768	\$9,266,748
Total Screenings ⁴	314,401 ⁵	324,150 ⁵	288,790 ⁶	267,943 ⁷	265,945 ⁸
Total Cost per Screening ⁹	\$22.54	\$24.05	\$33.59	\$36.20	\$34.84

¹ The increase in revenue was due to revisions made to Florida law effective July 1, 2004.

² Total Revenues less amount transferred to AHCA for State Medicaid Match.

³ Total Expenditures less amount transferred to AHCA for State Medicaid Match.

⁴ Does not include Confirmatory Testing.

⁵ Total Screenings are for the calendar years ended 2006 and 2007, respectively.

⁶ Total Screenings are for fiscal year ended June 30, 2008.

⁷ Total Screenings are for fiscal year ended June 30, 2009.

⁸ Total Screenings are for fiscal year ended June 30, 2010.

⁹ Cost per Screening is calculated using Expenditures ÷ Screenings. Cost Per Screening is rounded.

3. Medicaid Match

According to 42 CFR 433.50(a)(1), Medicaid requires states to share in the cost of medical assistance expenditures. The formula to determine the percentage that states are required to match is outlined in 42 CFR 433.10. The State of Florida's match requirement percentage was 32.36% through September 30, 2009, decreased to 31.51% through June 30, 2010 as part of the American Recovery and Reinvestment Act (ARRA) of 2009 providing additional Medicaid funding based on a temporary increase in the federal portion.

4. Expenditures Not Certified by the Office of the Inspector General

Section 383.14(1)(b), *Florida Statutes*, stipulates tests and screening must be performed by the State Public Health Laboratory.

The following contracts were for referrals or other services not related to the direct cost of testing, where at least a portion of expenditures were charged to the Newborn Screening Program. As these expenditures were not direct costs associated with testing and reporting procedures, we did not certify \$530,326 in expenditures related to these contracts:

Contract COQDG	University of Florida	\$87,600
Contract COQDH	University of Miami	2,470
Contract COQEO	University of Florida	25,000
Contract COQEY	University of Miami	25,000
Contract COQNK	University of South Florida	27,700
Contract COQNL	University of Miami	27,700
Contract COQNM	University of Florida	27,700
Contract COQNN	Tenet St. Mary's, Inc.	27,700
Contract COQNO	Nemours Children's Clinic – Pensacola	27,700
Contract COQNP	Nemours Children's Clinic – Orlando	27,700
Contract COQNQ	Nemours Children's Clinic - Jacksonville	27,700
Contract COQNR	Variety Children's Hospital	27,700
Contract COQNS	South Broward Hospital District	27,700
Contract COQNT	All Children's Hospital, Inc.	27,700
Contract COQOJ	Lee Memorial Health System	27,700
Contract COQQE	University of South Florida	60,556
Contract COQRA	University of Florida	25,000
Total Expenditures Not Certified		<u>\$530,326</u>