

Arizona Health Cost Care Containment System
Long-Term Care

A.R.S. § 36-2901

		FY 2001 Actual	FY 2002 Estimate	FY 2003 Approved
OPERATING BUDGET				
ALTCS Lump Sum Appropriation	(SM)	190,884,700	219,716,100	242,394,900
	(TF)	555,343,800	636,237,900	734,731,100
Board of Nursing	(SM)	104,800	104,800	104,800
	(TF)	<u>209,700</u>	<u>209,700</u>	<u>209,700</u>
TOTAL APPROPRIATIONS	(SM)	190,989,500	219,820,900	242,499,700
	(TF)	555,553,500	636,447,600	734,940,800 ^{1/2/3/4/}
FUND SOURCES				
General Fund		33,574,300	49,623,400	52,542,200 ^{5/6/}
<u>Other Appropriated Funds</u>				
County Funds		157,415,200	169,893,300	189,957,500 ^{6/}
Medical Services Stabilization Fund		0	304,200	0
Federal Title XIX Funds		<u>364,564,000</u>	<u>416,626,700</u>	<u>492,441,100</u>
<i>Subtotal - Other Appropriated Funds</i>		<u>521,979,200</u>	<u>586,824,200</u>	<u>682,398,600</u>
TOTAL APPROPRIATIONS		555,553,500	636,447,600	734,940,800

SM = State Match, and consists of the state General Fund and County Funds.

TF = Total Funds, and represents the sum of the State Match and Federal Funds.

COST CENTER DESCRIPTION — *The Arizona Long-Term Care System (ALTCS) was established in 1989 to provide federal Medicaid long-term care services to persons meeting federally-prescribed income and resource standards and at risk of being institutionalized. Prior to FY 1998, ALTCS program costs were funded entirely with county and federal dollars. Beginning in FY 1998, the state and the counties share in the cost of ALTCS program growth pursuant to a formula based on utilization, net assessed property value growth, and reservation populations. The state continues to fund the non-federal share of the administrative cost of ALTCS. The AHCCCS Administration conducts ALTCS eligibility and is also responsible for contracting with providers. As in the Acute Care program, providers receive a monthly capitation payment that covers the full range of ALTCS services, including acute medical services.*

^{1/} Any Federal Funds that the Arizona Health Care Cost Containment System Administration passes through to the Department of Economic Security for use in long-term administration care for the developmentally disabled shall not count against the Long-Term Care expenditure authority above. (General Appropriation Act footnote)

^{2/} General Appropriation Act (Laws 2002, Chapter 327) funds are appropriated by Special Line Items for the Program.

^{3/} Before making fee-for-service program or rate changes that pertain to hospital, nursing facility, or home and community based services rates or for any of the other fee-for-service rate categories that have increases that, in the aggregate, are 2% above and \$1,500,000 from the state General Fund greater than budgeted medical inflation in FY 2003, the Arizona Health Care Cost Containment System Administration shall report its plan to the Joint Legislative Budget Committee for review. (General Appropriation Act footnote)

^{4/} Before implementation of any changes in capitation rates, the Arizona Health Care Cost Containment System Administration shall report its plan to the Joint Legislative Budget Committee for review. (General Appropriation Act footnote)

^{5/} This amount represents a direct appropriation. All other expenditures are part of total expenditure authority.

^{6/} Pursuant to A.R.S. § 11-292B, the FY 2003 nonfederal portion of the costs of providing long-term care system services is \$242,499,700. The state contribution is \$52,542,200 and the county contribution is \$189,957,500.

PERFORMANCE MEASURES	FY 1999	FY 2000	FY 2001	FY 2002-03
	Est./Actual	Est./Actual	Est./Actual	Estimate
• % of nursing facility residents that receive influenza immunization	91/78	95/80	82/83	85
• % of members utilizing Home and Community Based Services (HCBS)	41/41	41/46	47/51	49
• % of ALTCS applications processed on time (within 45 days)	96/93	93/93	91/94	90
• % of financial redeterminations processed on time (within 12 months)	96/96	96/96	93/98	90

Lump Sum Appropriation — The approved FY 2003 amount is based on 23,098 average annual member years and an average cost of \$2,576 per member per month. The approved amount reflects the cost of Capitation, Fee-for-Service, Reinsurance, and Medicare Premiums.

Pursuant to A.R.S. § 11-292, the state and the counties share in the growth of the ALTCS program. In FY 2003, for counties with populations of less than 500,000 persons, the state and county shares of the growth were based on the following formula:

1. The growth is split 50% to the state, 50% to the counties.
2. The counties' portion is allocated among the counties based on their FY 2000 ALTCS expenditures.
3. Each county's contribution is then limited to 90 cents per \$100 of net assessed property value.
4. In counties with an "on-reservation" population of at least 20%, the contribution is limited by an alternative formula specified in statute.
5. If any county would still pay more under the above provisions than under the previous statutory percentages, that county's contribution is limited by a further alternative formula specified in statute.

Pursuant to the Health Omnibus Reconciliation Bill (Laws 2002, Chapter 329), counties with populations of greater than 500,000 persons shall pay 100% of the FY 2003 growth in the ALTCS program.

The approved amount includes a total General Fund ALTCS contribution of \$52,437,400, which is an increase of \$2,614,600 above FY 2002.

The approved amount also includes a county contribution of \$189,957,500, which is an increase of \$20,064,200 above the FY 2002 contribution. *Table 1* shows the allocation of the county contribution among the counties for FY 2003.

Table 1
County Contributions

	FY 2003
Apache	\$ 430,900
Cochise	4,884,100
Coconino	1,292,600
Gila	3,050,500
Graham	881,100
Greenlee	220,000
La Paz	638,500
Maricopa	114,845,600
Mohave	5,993,800
Navajo	1,782,300
Pima	35,458,300
Pinal	7,489,500
Santa Cruz	1,752,600
Yavapai	6,110,600
Yuma	<u>5,127,100</u>
Total	\$189,957,500

Board of Nursing — This Special Line Item reflects amounts to be passed through to the Board of Nursing for the cost of administering the Nurse Aid Training program.

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