

**Department of Health Services**  
**Public Health**

A.R.S. § 36-103

JLBC Analyst: Beth Kohler

	<b>FY 2001 Actual</b>	<b>FY 2002 Estimate</b>	<b>FY 2003 Approved</b>
<b>OPERATING BUDGET</b>			
Full Time Equivalent Positions	240.7	242.7 <sup>1/</sup>	233.0 <sup>1/</sup>
Personal Services	3,964,600	4,028,200	4,199,800
Employee Related Expenditures	879,200	997,500	1,067,200
Professional and Outside Services	88,200	172,200	172,200
Travel - In State	87,700	111,800	111,800
Travel - Out of State	12,200	7,500	7,500
Other Operating Expenditures	1,019,900	1,007,400	1,007,400
Equipment	150,500	12,000	12,000
Lump Sum Reduction	0	0	(947,500)
<i>Operating Subtotal</i>	6,202,300	6,336,600	5,630,400
<b>Disease Control</b>			
Tuberculosis Provider Care and Control	819,000	1,082,000	1,082,000
Vaccines	1,974,200	2,351,800	2,821,900 <sup>2/3/</sup>
Arizona Statewide Immunization Information System	0	477,000	477,000
STD Control Subventions	44,800	52,500	52,500
AIDS Reporting and Surveillance	1,023,400	1,125,000	1,125,000
Laboratory Services	3,530,600	3,806,900	3,930,500
Kidney Program	84,200	101,000	101,000
Hepatitis C Surveillance	0	350,000	350,000
<b>Local Health</b>			
Direct Grants	578,000	578,000	500,900 <sup>4/</sup>
Reimbursement to Counties	393,400	357,400	135,900 <sup>5/</sup>
County Public Health - Tobacco Tax	0	200,000	200,000 <sup>6/</sup>
<b>Primary Care</b>			
Loan Repayment	106,400	100,000	100,000
Children's Health Insurance Program	24,600	0	0
Community Health Centers	3,541,500	1,000,000	0
<b>Disease Research</b>			
DCRC Anti-Cancer Drug Discovery	0	1,000,000	0
Alzheimer Disease Research	1,000,000	2,000,000	2,000,000
<b>Emergency Medical Services</b>			
University of Arizona Poison Control Center Funding	787,500	1,050,000	1,050,000 <sup>7/</sup>
Poison Control Center Funding	600,000	800,000	800,000 <sup>8/</sup>
EMS Operations	3,040,400	4,515,600	3,108,300 <sup>9/</sup>
Trauma Advisory Board	112,000	250,000	250,000
Trauma Centers	0	4,300,000	0
<b>SUBTOTAL</b>	<b>23,862,300</b>	<b>31,833,800</b>	<b>23,715,400</b>
<b>Additional Appropriations -</b>			
Biotechnology; Research, Ch. 186	0	0	500,000
Appropriations; Biotechnology, Ch. 320	0	0	5,000,000 <sup>10/</sup>
<b>TOTAL APPROPRIATIONS</b>	<b>23,862,300</b>	<b>31,833,800</b>	<b>29,215,400 <sup>11/</sup></b>

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Approved
<b>FUND SOURCES</b>			
General Fund	13,617,900	15,117,100	14,689,700
<b>Other Appropriated Funds</b>			
Poison Control Fund	1,387,500	1,850,000	1,850,000
Environmental Laboratory Licensure Revolving Fund	474,400	774,100	790,400
Newborn Screening Program Fund	224,100	0	0
Emergency Medical Services Operating Fund	3,152,400	6,065,600	3,358,300
Spinal and Head Injuries Trust Fund	0	3,000,000	0
Disease Control Research Fund		1,000,000	1,000,000
Health Research Fund	0	0	500,000
Tobacco Tax and Health Care Fund Medically Needy Account	5,006,000	3,027,000	2,027,000
Tobacco Tax and Health Care Fund Health Education Account	0	0	5,000,000
Tobacco Tax and Health Care Fund Health Research Account	0	1,000,000	0
<i>Subtotal - Other Appropriated Funds</i>	10,244,400	16,716,700	14,525,700
<b>TOTAL APPROPRIATIONS</b>	<b>23,862,300</b>	<b>31,833,800</b>	<b>29,215,400</b>

**COST CENTER DESCRIPTION** — *The Public Health program provides funding for both state and local emergency medical services programs and poison control centers. In addition, the program provides funding for some county health programs, epidemiology and disease control, and treatment of a number of specific illnesses, as well as maintaining vital records services for birth and death certificates. The program also includes the State Health Laboratory, which provides laboratory testing for other state agencies, water testing, contagious disease testing and other public health related testing. The laboratory also monitors and evaluates the quality of laboratory testing statewide.*

- 1/ Includes 105.5 FTE Positions funded from Special Line Items in FY 2003.
- 2/ The Department of Health Services shall report to the Joint Legislative Budget Committee by February 1, 2003 on the amount of federal monies received for FY 2003 for the 317 vaccines program. If the department receives more than \$1,188,000 in Federal 317 monies for vaccines purchase for FY 2003, the state General Fund amount of the state FY 2003 appropriation for the Vaccines Special Line Item equal to the amount by which the Federal monies exceed \$1,188,000, up to \$576,600, shall revert to the state General Fund. (General Appropriation Act footnote)
- 3/ The Department of Health Services shall require the screening of potential recipients of vaccines for private insurance coverage, eligibility for the federal Vaccines for Children program and eligibility for the state Children's Health Insurance Program. This requirement applies to vaccines purchased with state monies appropriated for the Vaccines Special Line Item for both the Federal 317 program and the state-only immunization program. (General Appropriation Act footnote)
- 4/ The appropriation for Direct Grants is to provide for local health work and a portion of the cost of employing 1 public health nurse and 1 sanitarian in counties with populations of less than 500,000 persons. The monies are to be divided equally among eligible counties on a nonmatching basis. All monies that are received by a county under this appropriation and that are not used for the prescribed purposes revert to the state General Fund. (General Appropriation Act footnote)
- 5/ The \$135,900 appropriated for Reimbursement to Counties is to provide matching monies to counties with populations of less than 500,000 persons for local health work on an equal matching basis and shall be distributed based on amounts received in FY 2002. (General Appropriation Act footnote)
- 6/ The \$200,000 appropriation for County Public Health - Tobacco Tax shall be distributed as follows to the following counties to reimburse local health departments pursuant to A.R.S. § 36-189: Coconino, \$36,200; Gila, \$5,440; Mohave, \$30,780; Yavapai, \$25,820; Yuma, \$101,740. (General Appropriation Act footnote)
- 7/ The \$1,050,000 appropriated in FY 2003 for the University of Arizona Poison Control Center shall not be used to support any poison control center other than the one at the University of Arizona. The Department of Health Services shall transmit all of the appropriated amount to the University of Arizona for this purpose. (General Appropriation Act footnote)
- 8/ The \$800,000 appropriated in FY 2003 for Poison Control Center funding shall only be expended for poison control services in counties with a population of more than 1,500,000 persons according to the most recent United States decennial census. (General Appropriation Act footnote)
- 9/ Includes \$200,000 appropriated by Laws 2001, Chapter 283 for distribution to rural areas for increased costs associated with providing ambulance services.
- 10/ Pursuant to Laws 2002, Chapter 320, this appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.
- 11/ General Appropriation Act (Laws 2002, Chapter 327) funds are appropriated as an Operating Lump Sum with Special Line Items for the Program..

PERFORMANCE MEASURES	FY 1999	FY 2000	FY 2001	FY 2002-03
	Est./Actual	Est./Actual	Est./Actual	Estimate
• Number of uninsured clients receiving primary care services through the Tobacco Tax grants	55,000/48,864	60,000/55,000	60,000/53,970	65,000
• Number of clients receiving HIV medications through the Arizona Drug Assistance Program (average per month)	NA/500	550/633	724/740	800
• Immunization rate among 2-year-old children	75/77	80/78	80/75	82/84
• % of high school youth who smoked in the last month	NA/26.1	NA/26.1	25.6/25.6	25.1/24.9
• Exposure calls received at AZ Poison Control Centers	76,000/73,500	73,500/73,500	73,500/43,024	82,000
• Customer waiting time in Vital Records' lobby (in minutes)	NA/50	30/22	20/23	20

### Disease Control

**Tuberculosis Provider Care and Control** — Provides General Fund reimbursement to hospitals and physicians for the care of hospitalized tuberculosis patients and for assistance to all county health departments for local tuberculosis control programs. The program also provides directly-observed therapy to tuberculosis patients deemed at-risk not to complete treatment, and therefore, possibly to develop drug-resistant tuberculosis.

**Vaccines** — Provides General Fund monies for the purchase of vaccines from the federal government for the state immunization program.

**Arizona Statewide Immunization Information System (ASIIS)** — Provides funding for ASIIS, which is a statewide immunization database that records all vaccinations provided in Arizona. The approved amounts are funded from the Medically Needy Account of the Tobacco Tax and Health Care Fund. The Health Omnibus Reconciliation Bill (ORB) (Laws 2002, Chapter 329) authorized the transfer of Medically Needy Account monies for ASIIS (*see p. 25*).

**Sexually Transmitted Disease Control Subventions** — Provides General Fund monies for assistance to local venereal disease control programs.

**AIDS Reporting and Surveillance** — Provides \$125,000 in FY 2003 from the General Fund for a database system to track the incidence of Acquired Immune Deficiency Syndrome (AIDS) and AIDS-related conditions.

The approved amount also includes \$1,000,000 in FY 2003 from the Medically Needy Account of the Tobacco Tax and Health Care Fund to supplement the Arizona Drug Assistance Program (ADAP) (*see p. 25*). ADAP provides medications to uninsured, low-income persons with Human Immunodeficiency Virus (HIV). The Health ORB authorized the transfer of Medically Needy Account monies for ADAP. This program also receives Federal Funds for the medications.

**Laboratory Services** — Provides laboratory testing for other state agencies, water testing, contagious disease testing, and other public health related testing. The laboratory also monitors and evaluates the quality of private laboratory testing statewide. This line item includes 56.5 FTE Positions funded from the General Fund and 14 FTE Positions funded from the Environmental Laboratory Licensure Revolving Fund. The approved amount includes \$3,140,100 from the General Fund and \$790,400 from the Environmental Laboratory Licensure Revolving Fund.

**Kidney Program** — Reimburses provider hospitals and licensed dialysis centers for the transportation and medication costs of patients ineligible for other public assistance programs. This program is funded from the General Fund.

**Hepatitis C Surveillance** — Provides funding for surveillance and control efforts of Hepatitis C, which is the most common blood borne infection in the United States. Activities include maintaining a registry of Hepatitis C cases and improving healthcare provider reporting of cases. The approved amount is funded from the Medically Needy Account of the Tobacco Tax and Health Care Fund (*see p. 25*). The Health ORB authorized the transfer of Medically Needy Account monies for Hepatitis C Surveillance.

### Local Health

**Direct Grants** — *See footnote 4 for a description of the program.* The approved amount includes a General Fund decrease of \$(77,100) below FY 2002 to eliminate funding for direct grants to counties with populations of greater than 500,000 persons.

**Reimbursement to Counties** — *See footnote 5 for a description of the program.* The approved amount includes a General Fund decrease of \$(221,500) to eliminate funding for counties with populations of greater than 500,000 persons.

**County Public Health – Tobacco Tax** — This line item includes funding from the Medically Needy Account of the Tobacco Tax and Health Care Fund to reimburse local health departments pursuant to A.R.S. § 36-189 (*see p. 27*). The Health ORB authorized the transfer of Medically Needy Account monies for County Public Health.

Pursuant to a footnote in the General Appropriation Act, the amount shall be distributed as follows:

Coconino County	\$36,200
Gila County	\$5,440
Mohave County	\$30,780
Yavapai County	\$25,820
Yuma County	\$101,740

**Primary Care**

**Loan Repayment** — These General Fund monies are used to pay physician and mid-level practitioner student loans in order to encourage providers to practice in rural areas.

**Children’s Health Insurance Program** — Provides funding from the Medically Needy Account of the Tobacco Tax and Health Care Fund for grants to contracting qualifying health centers and hospitals. The funding for this line item was eliminated in FY 2002

**Community Health Centers** — Provides grants to qualifying community health centers. The grants funded through this Special Line Item are designated for expanding primary care services to Arizona’s uninsured population. The approved amount includes a decrease of \$(1,000,000) from the Medically Needy Account of the Tobacco Tax and Health Care Fund (*see p. 26*).

**Disease Research**

**DCRC Anti-Cancer Drug Discovery** — Provides funding for the support of cancer research projects directed at all phases of drug discovery, application, development, and clinical trials. Laws 1998, Chapter 237 appropriated \$5,000,000 in FY 1999, \$2,000,000 in FY 2000, \$2,000,000 in FY 2001, and \$1,000,000 in FY 2002 from the Health Research Account of the Tobacco Tax and Health Care Fund. There is no funding for this issue in FY 2003 (*see p. 26*).

**Alzheimer’s Disease Research** — Provides \$1,000,000 from the General Fund for grants to universities, hospitals, and research centers in Arizona for dollar-for-dollar matching grants for research on the causes of Alzheimer’s Disease.

Laws 2001, Chapter 387 also provided \$1,000,000 from the Disease Control Research Fund in FY 2002 and FY 2003 for “Alzheimer’s research, recruitment, and retention efforts.” The monies were contingent upon distribution of Tobacco Litigation Master Settlement

monies to the public health programs listed in A.R.S. § 5-522, pursuant to Proposition 204. This appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.

**Emergency Medical Services**

**POISON CONTROL FUND**

The programs below are funded entirely through Poison Control Fund monies. Laws 1996, Chapter 5, 5<sup>th</sup> Special Session established the Poison Control Fund and allocated 0.3% of the revenues from the Telecommunication Services Tax to the fund. The Health ORB continues this allocation. The Telecommunications Services Excise Tax is a surcharge on local telephone bills and is currently levied at a total rate of 1.1%. The remainder of the tax, 0.8%, is allocated to the Telecommunication Devices for the Deaf (TDD) Fund administered by the Commission for the Deaf and the Hard of Hearing.

**University of Arizona Poison Center Funding** — Provides 24-hour poison education services and treatment information. The center receives approximately 70,000 calls annually. The approved amount includes total funding of \$1,050,000. A General Appropriation Act footnote specifies that the entire \$1,050,000 must be passed through the U of A Poison Information Center.

**Poison Control Center Funding** — Provides funding for provision of poison control services in Maricopa County. The existing center is located at Good Samaritan Hospital in Phoenix. The approved amount includes total funding of \$800,000. A General Appropriation Act footnote specifies that the \$800,000 may only be used for poison control services in counties with populations of more than 1.5 million, according to the most recent decennial census.

**EMERGENCY MEDICAL SERVICES OPERATING FUND**

The programs below are funded entirely through Emergency Medical Services (EMS) Operating Fund monies. The EMS Operating Fund receives 48.8% of the Medical Services Enhancement Fund revenues, which in turn receives monies from a 13% surcharge on fines charged for criminal offenses and traffic violations. The purpose of the EMS Operating Fund is to provide a variety of statewide emergency medical services.

**EMS Operations** — Provides funding for the operating costs of programs that relate to emergency medical services. The functions of these programs include, but are not limited to, the regulation of ambulance services and providers, assistance to rural EMS providers through equipment grants and technical assistance, and the coordination and planning for the provision of local EMS programs. This Special Line Item includes funding for 35 FTE Positions.

The approved amount includes \$200,000 for rural ambulance services. Laws 2001, Chapter 283 also appropriated \$200,000 in both FY 2002 and FY 2003 for distribution to rural areas for increased costs associated with providing ambulance services.

The approved amount includes a reduction of \$(1,500,000) for the elimination of a one-time appropriation. Laws 2001, Chapter 283 appropriated \$1,500,000 in FY 2002 from the EMS Operating Fund to DHS for distribution to rural areas to improve emergency medical services.

**Trauma Advisory Board** — Provides funding for operating expenses of the Trauma Advisory Board. The Trauma Advisory Board (A.R.S. § 36-2222) recommends standards for a statewide trauma system, for maintaining the confidentiality of information throughout the quality assurance process, and for uniform data collection for a statewide trauma registry.

**Trauma Centers** — This line item provides monies for DHS to reimburse Level I trauma centers within hospitals in Southern Arizona for losses associated with trauma center readiness costs. The approved amount includes a decrease of \$(1,300,000) from the EMS Operating Fund and a decrease of \$(3,000,000) from the Spinal and Head Injuries Trust Fund below FY 2002 to reflect the elimination of funding for this line item. Laws 2001, 2nd Special Session, Chapter 1 amended Laws 2001, Chapter 283 to provide \$1,300,000 from the EMS Operating Fund and \$3,000,000 from the Spinal and Head Injuries Trust Fund in FY 2002. The legislation did not provide funding for FY 2003.

**Additional Appropriations: Biotechnology; Research (Chapter 186)** — This legislation appropriates \$500,000 annually from FY 2003 to FY 2012 from the Health Research Fund to the Disease Control Research Commission (DCRC) for allocation to a nonprofit medical research foundation that specializes in biotechnology and that collaborates with universities, hospitals, and other public and private biotechnology businesses and research centers. The legislation also requires a dollar for dollar match from the foundation and stipulates that the foundation commission an audit of the expenditure of the monies.

**Appropriations: Biotechnology (Chapter 320)** — This legislation appropriates \$5,000,000 annually from FY 2003 to FY 2007 from the Health Education Account of the Tobacco Tax and Health Care Fund to the DCRC for allocation to a nonprofit medical research foundation that specializes in biotechnology and that collaborates with universities, hospitals, and other public and private biotechnology businesses and research centers. These appropriations are exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations. If no monies are allocated in FY 2003, the FY 2003 appropriation shall revert to the Health Education Account and no further appropriations shall be made. The legislation also

specifies that if a tobacco tax referendum passes in the 2002 general election, the appropriation shall be from the Health Research Fund.

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