

Department of Health Services
Public Health

A.R.S. § 36-103

	FY 2002 Actual	FY 2003 Estimate	FY 2004 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	242.7	218.0	238.5 ^{1/}
Personal Services	3,982,600	3,928,100	3,928,100
Employee Related Expenditures	998,700	1,016,100	1,013,200
Professional and Outside Services	89,500	58,700	45,700
Travel - In State	82,900	83,300	83,300
Travel - Out of State	10,100	2,500	2,500
Other Operating Expenditures	836,500	857,300	857,300
Equipment	79,000	7,800	7,800
OPERATING SUBTOTAL	6,079,300	5,953,800	5,937,900
SPECIAL LINE ITEMS			
Disease Control			
County Tuberculosis Provider Care and Control	872,000	1,082,000	1,010,500
Vaccines	2,350,100	2,504,700	2,904,700 ^{2/3/}
Arizona Statewide Immunization Information System	404,300	477,000	451,400
STD Control Subventions	44,000	26,300	26,300
AIDS Reporting and Surveillance	1,093,800	1,125,000	1,125,000
Laboratory Services	3,522,600	3,754,300	3,778,900
Kidney Program	92,600	50,500	50,500
Renal and Nonrenal Disease Management	0	0	468,000 ^{4/5/}
Hepatitis C Surveillance	260,300	350,000	350,000
Local Health			
Direct Grants	578,000	460,300	460,300 ^{6/}
Reimbursement to Counties	357,400	67,900	67,900 ^{7/}
County Public Health - Tobacco Tax	200,000	200,000	200,000 ^{8/}
Primary Care			
Loan Repayment	80,900	100,000	100,000
Community Health Centers	852,500	0	10,400,000 ^{5/9/}
Telemedicine	0	0	260,000 ^{5/}
Disease Research			
Biotechnology	0	5,500,000	5,500,000 ^{10/}
DCRC Anti-Cancer Drug Discovery	1,000,000	0	0
Alzheimer Disease Research	2,000,000	1,000,000	1,000,000
Emergency Medical Services			
University of Arizona Poison Control Center Funding	787,500	1,050,000	1,050,000 ^{11/}
Poison Control Center Funding	600,000	800,000	800,000 ^{12/}
EMS Operations	3,659,500	3,108,300	3,051,100
Trauma Advisory Board	191,400	250,000	250,000
Trauma Centers	4,300,000	0	0
PROGRAM TOTAL	29,326,200	27,860,100	39,242,500^{13/}
FUND SOURCES			
General Fund	14,485,100	13,334,400	25,268,600
Other Appropriated Funds			
Arizona Medical Board Fund	0	0	100,000
Disease Control Research Fund	1,000,000	1,000,000	0
Emergency Medical Services Operating Fund	5,150,900	3,358,300	3,301,100
Environmental Laboratory Licensure Revolving Fund	585,600	790,400	822,800
Health Research Fund	0	3,000,000	6,500,000
Poison Control Fund	1,387,500	1,850,000	1,850,000
Spinal and Head Injuries Trust Fund	3,000,000	0	0
TTHCF Health Research Account	1,000,000	0	0
TTHCF Medically Needy Account	2,717,100	2,027,000	0
TTHCF Health Education Account	0	2,500,000	0
Vital Records Electronic Systems Fund	0	0	1,400,000
SUBTOTAL - Other Appropriated Funds	14,841,100	14,525,700	13,973,900
PROGRAM TOTAL	29,326,200	27,860,100	39,242,500

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.*

PERFORMANCE MEASURES	FY 2002 Appropriation	FY 2002 Actual	FY 2003 Appropriation	FY 2004 Appropriation
• Number of uninsured clients receiving primary care services through the Tobacco Tax grants	65,000	43,100	65,000	32,500
• Number of clients receiving HIV medications through the Arizona Drug Assistance Program (average per month)	800	702	800	400
• Immunization rate among 2-year-old children	82	74	84	85
• % of high school youth who smoked in the last month	25.1	NA	24.9	24.0
• Exposure calls received at AZ Poison Control Centers	82,000	75,768	82,000	82,000
• Customer waiting time in Vital Records lobby (in minutes)	20	19	20	--

Comments: The agency did not submit information for any measure labeled as NA. There is no FY 2004 estimate for customer waiting time in Vital Records lobby due to Vital Records Electronic Systems Fund fund shift (see below for more details).

Technical Adjustments — The FY 2004 approved amount includes technical adjustments for Employee Related Expenditures, Other Fund health and dental insurance changes; and Other Fund retirement. *(Please see the General Provisions section at the end of this*

Appropriations Report for further details on these changes.)

The FY 2004 approved amount also includes technical changes related to the consolidation of the funding for Attorney General Legal Services. This includes shifting

- 1/ Includes 74 General Fund FTE Positions and 49 Other Funds FTE Positions funded from Special Line Items in FY 2004.
- 2/ The Department of Health Services shall report to the Joint Legislative Budget Committee by February 1, 2004 on the amount of federal monies received for FY 2004 for the 317 vaccines program. ~~If the department receives more than \$1,188,000 in Federal 317 monies for vaccines purchase for FY 2004, the state General Fund amount of the state FY 2004 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) The stricken language reflects language vetoed by the Governor. This Appropriations Report has incorporated the veto without making an assessment of its legality. As of this writing, there is pending litigation concerning the legality of this particular veto.
- 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/ No monies appropriated for AIDS reporting and surveillance and renal and nonrenal disease management may be spent for services for persons who are not residents of this state. (General Appropriation Act footnote)
- 5/ The Department of Health Services may use up to 4% of the amounts appropriated for renal and nonrenal disease management, community health centers and telemedicine for the administrative costs to implement each program. (General Appropriation Act footnote)
- 6/ 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)
- 7/ The \$67,900 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 the proportion of funding each county received in FY 2003. (General Appropriation Act footnote)
- 8/ The \$200,000 appropriated for County Public Health shall be distributed as follows to the following counties to reimburse local health departments pursuant to A.R.S. § 36-189: Coconino, \$36,220; Gila, \$5,440; Mohave, \$30,780; Yavapai, \$25,820; Yuma, \$101,740. (General Appropriation Act footnote)
- 9/ Of the \$10,400,000 appropriated for community health centers, \$744,000 shall be distributed as follows for county primary care programs: Pinal County, \$180,000; Yavapai County, \$564,000. (General Appropriation Act footnote)
- 10/ Includes \$5,000,000 appropriated by Laws 2002, Chapter 320 for Biotechnology. This appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations. Also includes \$500,000 appropriated by Laws 2002, Chapter 186 for Biotechnology.
- 11/ The \$1,050,000 appropriated in FY 2004 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)
- 12/ The \$800,000 appropriated in FY 2004 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. (General Appropriation Act footnote)
- 13/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

funding from each program's operating budget into the Attorney General Legal Services Special Line Item in the Administration program. (*See Administration for more detail.*)

General Fund Offset from Vital Records Fund — The approved amount includes a General Fund decrease of \$(1,400,000) below FY 2003 and a corresponding Vital Records Electronic Systems Fund increase of \$1,400,000 above FY 2003 to shift Vital Records operating costs from the General Fund to the Vital Records Electronic Systems Fund, which receives revenues from fees for birth and death certificates. To allow for the expenditure of these monies, the Health Omnibus Reconciliation Bill (ORB) (Laws 2003, Chapter 265) authorized the use of the Vital Records Electronic Systems Fund for operating costs. This authorization was line item vetoed by the Governor.

Fund Shifts — The approved amount shifts funding for several programs from the Medically Needy Account of the Tobacco Tax and Health Care Fund to the General Fund. The amounts associated with these fund shifts are specified in the appropriate Special Line Item descriptions.

Disease Control

County 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. The approved amount includes a General Fund decrease of \$(71,500) below FY 2003 due to the elimination of funding for non-county entities.

Vaccines — Provides General Fund monies for the purchase of vaccines from the federal government for the state immunization program. The approved amount includes a General Fund increase of \$400,000 above FY 2003 for additional purchase of vaccines.

Of the approved amount \$2,328,100 is to purchase vaccines for underinsured children who do not have private insurance coverage for vaccines and who are not eligible for the federal Vaccines for Children program or the KidsCare program.

The remaining \$576,600 in the line item was added in prior years to fill in a potential shortfall in the funding for the Federal 317 Vaccines program (which also is used for vaccines purchase). This funding is continued in FY 2004. The General Appropriation Act, as originally passed, included a footnote requiring the department to report to the JLBC by February 4, 2004 on the amount of monies received in FY 2004 for the Federal 317 vaccines program and to revert a portion of the General Fund appropriation

for vaccines if the monies received for the Federal 317 exceeded a specified amount. The Governor line item vetoed the provision requiring the reversion of General Fund monies. This Appropriations Report has incorporated the veto without making an assessment of its legality.

As of this writing, there is pending litigation concerning the legality of this particular veto. (*Please see footnote 2 for further details.*)

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 amount includes a General Fund increase of \$451,400 and 6 FTE Positions above FY 2003 and a corresponding Medically Needy Account decrease of \$(477,000) below FY 2003 (*See the Medically Needy Account table in the AHCCCS Summary section.*)

Sexually Transmitted Disease Control Subventions — Provides General Fund monies for assistance to local venereal disease control programs. The approved amount is unchanged from FY 2003.

AIDS Reporting and Surveillance — The approved amount includes a General Fund increase of \$1,000,000 above FY 2003 to shift funding from the Medically Needy Account of the Tobacco Tax and Health Care Fund to the General Fund. (*See the Medically Needy Account table in the AHCCCS Summary section.*) The approved amount also includes a corresponding Medically Needy Account decrease of \$(1,000,000) below FY 2003. This program also receives Federal Funds for the medications.

The line item also provides \$125,000 from the General Fund for a database system to track the incidence of Acquired Immune Deficiency Syndrome (AIDS) and AIDS-related conditions.

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 53.5 FTE Positions funded from the General Fund and 14 FTE Positions funded from the Environmental Laboratory Licensure Revolving Fund. The approved amount includes \$2,956,100 from the General Fund and \$822,800 from the Environmental Laboratory Licensure Revolving Fund. The approved amount is unchanged from FY 2003 except for technical adjustments.

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. The approved amount is unchanged from FY 2003.

Renal and Nonrenal Disease Management — Provides funding for medication and other transplant-related services for renal and nonrenal transplant patients who are ineligible for other public assistance programs. The approved amount includes a General Fund increase of \$468,000 above FY 2003 to shift funding from the Medically Needy Account of the Tobacco Tax and Health Care Fund to the General Fund. *(See the Medically Needy Account table in the AHCCCS Summary section.)* A General Appropriation Act footnote allows up to 4% of the appropriation to be spent on the administrative costs of the program.

This line item was previously funded from non-appropriated Medically Needy Account monies and thus did not appear in the General Appropriation Act in FY 2003.

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 includes a General Fund increase of \$350,000 and 6 FTE Positions above FY 2003 and a corresponding Medically Needy Account decrease of \$(350,000) below FY 2003. *(See the Medically Needy Account table in the AHCCCS Summary section.)*

Local Health

Direct Grants — Provides General Fund grants to counties with populations of less than 500,000 persons for local health work. *(See footnote 6 for more information on the program.)* The approved amount is unchanged from FY 2003.

Reimbursement to Counties — Provides matching General Fund funding to counties with populations of less than 500,000 for local health work. *(See footnote 7 for more information on the program.)* The approved amount is unchanged from FY 2003.

County Public Health — Includes funding to reimburse local health departments pursuant to A.R.S. § 36-189. The approved amount includes a General Fund increase of \$200,000 above FY 2003 and a corresponding Medically Needy Account decrease of \$(200,000) below FY 2003. *(See the Medically Needy Account table in the AHCCCS Summary section.)*

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

Coconino County	\$36,220
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. The approved amount includes a General Fund decrease of \$(100,000) below FY 2003 and a corresponding Arizona Medical Board Fund increase of \$100,000 above FY 2003 to shift funding for this program from the General Fund to the Arizona Medical Board Fund (AMBF). The AMBF is the operating fund of the Arizona Medical Board (formerly the Board of Medical Examiners), which licenses physicians. The AMBF is funded from examination and licensing fees that the Arizona Medical Board collects from Arizona physicians.

Community Health Centers — Provides grants to community health centers to expand primary care services to Arizona’s uninsured population. The department may authorize grants to both federally qualified health centers (which meet certain guidelines required to receive federal monies such as serving a medically underserved area or population) and non-federally qualified health centers.

The approved amount includes a General Fund increase of \$10,400,000 and 8.5 FTE Positions above FY 2003 to shift funding from the Medically Needy Account of the Tobacco Tax and Health Care Fund to the General Fund. *(See the Medically Needy Account table in the AHCCCS Summary section.)* A General Appropriation Act footnote allows up to 4% of the appropriation to be spent on the administrative costs of the program.

This line item was previously funded from non-appropriated Medically Needy Account monies and thus did not appear in the General Appropriation Act in FY 2003.

Telemedicine — Provides funding for Telemedicine programs to facilitate the provision of health care in medically underserved areas of the state. Telemedicine is the use of computers, video imaging, broad-band channels, and telecommunications for diagnosis and treatment of persons in rural communities and secure State institutions. The approved amount includes a General Fund increase of \$260,000 above FY 2003 to shift funding from the Medically Needy Account of the Tobacco Tax and Health Care Fund to the General Fund. *(See the Medically Needy Account table in the AHCCCS Summary section.)* A General Appropriation Act footnote allows up to 4% of the appropriation to be spent on the administrative costs of the program.

This line item was previously funded from non-appropriated Medically Needy Account monies and thus did not appear in the General Appropriation Act in FY 2003.

Disease Research

Biotechnology — Provides funding 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.

Laws 2002, Chapter 186 appropriated \$500,000 annually from FY 2003 to FY 2012 from the Health Research Fund to the Disease Control Research Commission (DCRC) for this purpose. 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.

Additionally, Laws 2002, Chapter 320 appropriated \$5,000,000 annually from FY 2003 to FY 2007 to the DCRC for this purpose. These appropriations are exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations. The first \$2,500,000 of the FY 2003 appropriation was from the Health Education Account of the Tobacco Tax and Health Care Fund. Pursuant to the legislation, because a tobacco tax referendum passed in the 2002 general election, the remaining \$2,500,000 in FY 2003 and \$5,000,000 in each year thereafter is appropriated from the Health Research Fund.

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 and FY 2004. (*See Health Research Account table in the AHCCCS Summary section.*)

Alzheimer's Disease Research — Provides funding 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. The approved amount includes a Health Research Fund increase of \$1,000,000 above FY 2003.

The approved amount also includes a Disease Control Research Fund decrease of \$(1,000,000) below FY 2003 due to the elimination of one-time funding. Laws 2001, Chapter 387 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. The legislation did not provide funding from the Disease Control Research Fund for FY 2004.

Emergency Medical Services

POISON CONTROL FUND

The programs below are funded entirely through Poison Control Fund monies. The Poison Control Fund receives monies from the Telecommunication Service Excise Tax. In prior years, this tax was a 1.1% surcharge on local telephone bills, of which 0.8% was allocated to the Commission for the Deaf and the Hard of Hearing and 0.3% was allocated to the Poison Control Fund. The Public Finances ORB (Laws 2003, Chapter 263) changed these allocations in statute, providing 0.69% to the Commission, 0.18% to the Poison Control Fund, and 0.23% to the Arizona State Schools for the Deaf and the Blind. Although the allocation is lower than in previous years, the fund balance in the fund is sufficient to continue funding at current levels in FY 2004.

University of Arizona Poison Center Funding — Provides 24-hour poison education services and treatment information. The approved amount is unchanged from FY 2003.

A General Appropriation Act footnote specifies that the entire \$1,050,000 in this line item must be passed through to 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 is unchanged from FY 2003.

A General Appropriation Act footnote specifies that the \$800,000 in this line item may only be used for poison control services in counties with populations of more than 1.5 million.

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 a decrease of \$(30,000) below FY 2003 to shift funding for Attorney General Legal Services to the new Attorney General Legal Services Special Line Item (*See Administration for more information*) and a decrease of \$(27,200) below FY 2003 for technical adjustments.

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. The approved amount is unchanged from FY 2003.

Trauma Centers — 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 to reimburse Level I trauma centers within hospitals in Southern Arizona for losses associated with trauma center readiness costs. There is no funding in the department for this issue in FY 2003 and FY 2004. (*See AHCCCS Administration section for more information on funding for trauma centers.*)

Veto: General Appropriations; 2003-2004 and 2004-2005 (Chapter 262) — The Governor line item vetoed a section of a footnote requiring DHS to revert General Fund monies appropriated for Vaccines if the federal monies received for the program exceed a specified amount. This Appropriations Report has incorporated the veto without making an assessment of its legality. As of this writing, there is pending litigation concerning the legality of this particular veto. (*See Vaccines for more information on this issue.*)

Budget Reconciliation; Health and Welfare (Chapter 265) — The Governor line item vetoed the provision expanding the purposes of the Vital Records Electronic Systems Fund to allow the fund to be spent on operating costs of the department. (*See General Fund Offset from Vital Records Fund for more information on this issue.*)

[Click here to return to the Table of Contents](#)