

Department of Economic Security
Developmental Disabilities

A.R.S. § 41-1954

JLBC Analyst: Stefan Shepherd

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	338.5	334.5	327.5 ^{1/}
Personal Services	2,448,200	2,642,100	2,434,200
Employee Related Expenditures	621,200	657,600	591,400
Professional and Outside Services	360,700	171,300	171,300
Travel - In State	97,400	62,300	57,500
Other Operating Expenditures	454,300	399,800	394,600
Equipment	14,100	0	0
OPERATING SUBTOTAL	3,995,900	3,933,100	3,649,000
SPECIAL LINE ITEMS			
Case Management	3,975,600	3,803,400	3,876,000
Home and Community Based Services	23,891,800	31,240,400	31,632,100 ^{2/3/}
Institutional Services	136,400	294,900	294,900
Arizona Training Program at Coolidge	4,118,900	5,290,800	5,450,300
State-Funded Long Term Care Services	19,272,100	21,795,800	21,799,200
PROGRAM TOTAL	55,390,700	66,358,400	66,701,500^{4/5/}
FUND SOURCES			
General Fund	38,041,700	45,117,600	42,362,100
<u>Other Appropriated Funds</u>			
Long Term Care System Fund (Appropriated)	17,349,000	21,240,800	24,339,400
SUBTOTAL - Other Appropriated Funds	17,349,000	21,240,800	24,339,400
SUBTOTAL - Appropriated Funds	55,390,700	66,358,400	66,701,500
Other Non-Appropriated Funds	1,171,100	1,102,000	1,102,000
Federal Funds	10,221,900	10,353,700	10,353,700
TOTAL - ALL SOURCES	66,783,700	77,814,100	78,157,200

COST CENTER DESCRIPTION — The Developmental Disabilities (DD) program provides 100% state-funded services to individuals with mental retardation, cerebral palsy, autism or epilepsy. Clients eligible for federal Title XIX program services are funded through the Long Term Care (LTC) Program; 100% state-funded services to these LTC clients are provided in the DD program. Besides contracting for services, the program: a) operates the Arizona Training Program at Coolidge (ATP-C) and smaller state-operated group homes, and b) provides case management services to recipients.

^{1/} Includes 207.3 GF and 58 OF FTE Positions funded from Special Line Items in FY 2005.

^{2/} It is the intent of the Legislature that any available surplus monies for developmental disability programs be applied toward the waiting list, unless there are insufficient monies to annualize these costs in the subsequent year. The children's waiting list shall receive first priority. The amount appropriated for Developmental Disabilities shall be used to provide for services for non-Title XIX eligible clients. The amount shall not be used for other purposes, unless a transfer of monies is reviewed by the Joint Legislative Budget Committee. (General Appropriation Act footnote)

^{3/} The amounts above include \$6,404,300 from the state General Fund and \$12,517,200 from matching federal expenditure authority to implement a published rate system, pursuant to Laws 2002, Chapter 329, for community service providers and independent service agreement providers contracting with the Division of Developmental Disabilities. It is the intent of the Legislature that the division request the Arizona Health Care Cost Containment System approve a capitation rate increase retroactive to July 1, 2004 to make the provider rate increases effective July 1, 2004. By August 1, 2004, and prior to implementing the system, the division shall present its implementation proposal to the Joint Legislative Budget Committee for its review. (General Appropriation Act footnote)

^{4/} The Department of Economic Security shall report all new placements into a state-owned ICF-MR or the Arizona Training Program at Coolidge Campus in FY 2005 to the President of the Senate, the Speaker of the House of Representatives, the Chairmen of the Senate and House of Representatives Appropriations Committees and the Director of the Joint Legislative Budget Committee, and the reason why this placement, rather than a placement into a privately run facility for the developmentally disabled, was deemed as the most appropriate placement. The department should also report if no new placements were made. This report shall be made available by July 15, 2005. (General Appropriation Act footnote)

^{5/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

PERFORMANCE MEASURES	FY 2003	FY 2003	FY 2004	FY 2005
	Appropriation	Actual	Appropriation	Appropriation
• % of consumer satisfaction with case management services	95	95	95	95
• Cost per member year - Arizona Training Program - Coolidge (in \$)	93,700	102,700	108,500	114,000
• Average number of Arizona Training Program - Coolidge clients	175	148	152	145

Operating Budget

The budget provides \$3,649,000 from the General Fund for the operating budget in FY 2005. This amount includes:

- An increase for statewide salary and other adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*
- A General Fund decrease of \$(337,700) and (7) FTE Positions for a transfer of the Office of Licensing, Certification and Regulation to the Division of Administration *(see Administration cost center narrative for details).*

Special Line Items

Case Management

The budget provides \$3,876,000 from the General Fund for Case Management in FY 2005. This amount includes the following adjustments:

- An increase for statewide salary and other adjustments.
- Continuation of a \$600,000 General Fund FY 2004 supplemental increase.

This line item funds case management services to clients in the DD program. The line item includes 84.3 GF FTE Positions.

Home and Community Based Services

The budget provides \$31,632,100 for Home and Community Based Services in FY 2005. This amount consists of \$30,784,000 from the General Fund and \$848,100 from the Long Term Care System Fund. These amounts include the following adjustments:

- An increase for statewide salary and other adjustments.
- Continuation of a \$2,538,100 General Fund FY 2004 supplemental increase.

Provider Rate Increase

The budget includes a General Fund increase of \$350,000 for a provider rate increase. These monies will be used to further implement a published rate system for DD providers. *(Please see the Long Term Care System Fund cost center narrative for details.)*

This line item funds residential programs, day programs, and support services for clients in a broad range of

settings, from those living independently at home to those living in group homes.

The recommended amount is expected to provide a total of 4,306 member years of service, allocated as shown in *Table 1*.

Table 1

HCBS Setting	Clients
At Home with Family	4,047
Adult Developmental Foster Home	24
Group Home	113
Children Developmental Foster Home	59
Independent Living	58
State-Operated Group Home	5
TOTAL	4,306

This line item includes 48.4 GF FTE Positions. The positions represent division employees in state-operated facilities.

Institutional Services

The budget provides \$294,900 from the General Fund for Institutional Services in FY 2005. This amount is unchanged from FY 2004. This line item funds residential and day programs to clients with more severe developmental disabilities. These clients reside in Large Group Living Facilities (LGLFs) or other nursing facilities. The recommended amount is expected to provide 3 member years of service in LGLFs each year.

Arizona Training Program at Coolidge

The budget provides \$5,450,300 for the Arizona Training Program at Coolidge in FY 2005. This amount consists of \$2,995,300 from the General Fund and \$2,455,000 from the Long Term Care System Fund. These amounts include an increase for statewide salary and other adjustments.

This line item funds an entire range of services for DD clients residing at the ATP-C campus, either in LGLFs or state-operated group homes (SOGHs). The recommended amount does not include costs associated with case management, certain occupancy-related costs, other indirect administration, and Stipends and Allowances.

The budget is expected to provide a total of 39 member years of service in FY 2005, 32 in LGLFs and 7 in

SOGHs. The total population at ATP-C, including clients funded through the LTC program, is estimated to be 145 in FY 2005. The approximate blended cost per DD client at ATP-C (excluding these other costs) will be \$118,000. This line item includes 74.6 GF and 56 OF FTE Positions.

State-Funded Long Term Care Services

The budget provides \$21,799,200 for State-Funded Long Term Care Services in FY 2005. This amount consists of \$762,900 from the General Fund and \$21,036,300 from the Long Term Care System Fund. These amounts include the following adjustments:

- An increase for statewide salary and other adjustments.
- Continuation of a \$1,810,300 General Fund FY 2004 supplemental increase.
- A Long Term Care System Fund increase of \$3,000,000 and corresponding General Fund decrease of \$(3,000,000) for a one-time fund swap.

This line item funds a variety of services ineligible for Federal Fund reimbursement from AHCCCS. The most common service provided in this line item is room and board.

Table 2 below details the recommended amounts of funding and uses for the State-Funded Long Term Care Services line item in FY 2004 and FY 2005.

Table 2		
State-Funded Long Term Care Services	FY 2004	FY 2005
Sources		
<i>Long Term Care System Fund</i>		
Client Billing Revenue	\$12,000,000	\$12,000,000
Third Party Liability	298,300	298,300
Foster Care Client Trust	1,500,000	1,500,000
Mesa Land	296,300	296,300
LTCSE Interest	3,844,200	6,844,200
Preadmission Screening and Annual Resident Review (PASARR)	94,100	97,500
Total – LTCSEF	18,032,900	21,036,300
General Fund	<u>3,762,900</u>	<u>762,900</u>
TOTAL – Sources	\$21,795,800	\$21,799,200
Uses		
Non-reimbursable LTC services	\$21,262,700	\$21,262,700
Food	226,200	226,200
PASARR	94,100	97,500
Stipends and Allowances	212,800	212,800
TOTAL – Uses	\$21,795,800	\$21,799,200

This line item includes 2 OF FTE Positions.

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