

Department of Health Services
Family Health

A.R.S. § 36-103

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	89.8	89.8	89.8 ^{1/}
Personal Services	2,474,300	3,065,000	3,128,300
Employee Related Expenditures	707,000	854,400	982,200
Professional and Outside Services	263,300	172,200	172,200
Travel - In State	25,000	36,800	36,800
Travel - Out of State	200	2,600	2,600
Other Operating Expenditures	883,800	1,088,300	1,076,300
Equipment	77,400	0	0
OPERATING SUBTOTAL	4,431,000	5,219,300	5,398,400
SPECIAL LINE ITEMS			
Children's Rehabilitative Services	3,587,000	3,587,000	3,587,000 ^{2/}
AHCCCS-Children's Rehabilitative Services	38,079,300	42,872,600	53,934,900 ^{2/3/}
Medicaid Special Exemption Payments	658,300	937,200	1,176,900
Adult Cystic Fibrosis	105,200	105,200	105,200
Adult Sickle Cell Anemia	33,000	33,000	33,000
Child Fatality Review Team	85,300	100,000	100,000
County Prenatal Services Grant	793,800	1,148,500	1,148,500 ^{4/}
Health Start	0	226,600	226,600
High Risk Perinatal Services	2,625,800	3,630,600	3,630,600 ^{5/}
Newborn Screening Program	2,865,500	3,258,000	3,240,700
County Nutrition Services	183,600	330,300	330,300
Breast and Cervical Cancer Screening	0	887,000	1,091,200
Abstinence Funding	0	0	1,000,000
Folic Acid	0	0	200,000
Ch. 314 Professions and Occupations; Shortage	0	0	200,000 ^{6/}
PROGRAM TOTAL	53,447,800	62,335,300	75,403,300^{7/}
FUND SOURCES			
General Fund	21,606,900	27,070,800	32,440,100
<u>Other Appropriated Funds</u>			
Child Fatality Review Fund	85,300	100,000	100,000
Emergency Medical Services Operating Fund	252,100	450,000	450,000
Newborn Screening Program Fund	2,865,500	3,258,000	3,240,700
TTHCF Medically Needy Account			200,000
SUBTOTAL - Other Appropriated Funds	3,202,900	3,808,000	3,990,700
SUBTOTAL - Appropriated Funds	24,809,800	30,878,800	36,430,800
<u>Expenditure Authority Funds</u>			
Federal Title XIX Funds	28,638,000	31,456,500	38,972,500
SUBTOTAL - Expenditure Authority Funds	28,638,000	31,456,500	38,972,500
SUBTOTAL - Appropriated/Expenditure Authority Funds	53,447,800	62,335,300	75,403,300
Other Non-Appropriated Funds	12,482,200	15,077,500	12,693,800
Federal Funds	143,180,400	148,046,300	147,250,200
TOTAL - ALL SOURCES	209,110,400	225,459,100	235,347,300

1/ Includes 1.0 GF and 13.5 OF FTE Positions funded from Special Line Items in FY 2006.

2/ The amounts appropriated for Children's Rehabilitative Services and for AHCCCS-Children's Rehabilitative Services are intended to cover all costs in full for contracts for the provision of services to clients, unless a transfer of monies is approved by the Joint Legislative Budget Committee. (General Appropriation Act footnote)

3/ The Department of Health Services may transfer up to \$350,000 in revenues from the Indirect Cost Fund to the Arizona Health Care Cost Containment System for the purpose of meeting indirect cost state match requirements related to AHCCCS - Children's Rehabilitative Services program. (General Appropriation Act footnote)

4/ The Department of Health Services shall distribute all monies appropriated for the County Prenatal Services Grant on a pass-through basis with consideration to population, need and amount received in prior years. (General Appropriation Act footnote)

5/ Of the \$3,630,600 appropriated for High Risk Perinatal Services \$583,000 shall be distributed to counties. (General Appropriation Act footnote)

6/ This appropriation is a continuing appropriation and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.

7/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

COST CENTER DESCRIPTION — The Division of Family Health Services provides public health programs primarily targeted toward women, children and the elderly. The largest program is Children’s Rehabilitative Services (CRS), which provides treatment for seriously physically impaired children. CRS includes children with severe congenital defects, spina bifida, cleft palate, and other serious, yet correctable or improvable conditions. Non-CRS programs include prenatal programs, out-of-wedlock pregnancy prevention programs, nutrition services, and targeted care for specific diseases.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2006
	Actual	Actual	Approved
• Number of newborns screened under Newborn Screening Program	86,360	88,882	92,500

Operating Budget

The budget provides \$5,398,400 for the operating budget in FY 2006. This amount consists of \$3,404,600 from the General Fund and \$1,993,800 from Federal Title XIX expenditure authority.

The approved amount includes an increase of \$179,100 for statewide adjustments. This amount includes \$112,900 from the General Fund and \$66,200 from Federal Title XIX expenditure authority. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

In addition to the above statewide adjustments, the approved amount also includes a decrease of (1) FTE Position from the General Fund in FY 2006 to shift the authority for a vacant FTE Position from the operating budget to the Breast and Cervical Cancer Screening SLI. There are no monies associated with this position and there is a corresponding FTE Position increase in the Breast and Cervical Cancer Screening SLI for no net impact to the agency’s FTE Position authority.

Special Line Items

Children’s Rehabilitative Services

The budget provides \$3,587,000 from the General Fund for Children’s Rehabilitative Services (CRS) in FY 2006. This amount is unchanged from FY 2005. CRS offers comprehensive health care to children suffering from handicapping or potentially handicapping conditions. This line item provides funding for uninsured children in the CRS program who are not eligible for Title XIX coverage. The program serves 4,270 children.

AHCCCS-Children’s Rehabilitative Services

The budget provides \$53,934,900 for AHCCCS-CRS in FY 2006. This amount consists of \$17,745,900 from the General Fund and \$36,189,000 from Federal Title XIX expenditure authority.

Caseload and Capitation Rate Increase

The approved amount includes an increase of \$11,062,300 in FY 2006 for Title XIX caseload and capitation rate growth. This amount consists of \$3,770,500 from the

General Fund and \$7,291,800 from Federal Title XIX expenditure authority. The approved amount assumes 6.0% growth for capitation rate growth and 1.3% annual growth in client population and is expected to serve approximately 192,900 eligible children in FY 2006.

Medicaid Special Exemption Payments

The budget provides \$1,176,900 for Medicaid Special Exemption Payments in FY 2006. This amount consists of \$387,200 from the General Fund and \$789,700 from Federal Title XIX expenditure authority.

Title XIX Caseload and Capitation Rate Increase

The approved amount includes an increase of \$239,700 in FY 2006 for increased Medicaid Special Exemption Payments related to Title XIX caseload and capitation rate growth. This amount consists of \$81,700 from the General Fund and \$158,000 from Federal Title XIX expenditure authority.

This Special Line Item provides the funding necessary for insurance premium tax payments by DHS. The department is required to pay a 2% tax on the capitation payments for CRS. Therefore, any increases in capitation payments associated with caseload growth and inflation necessitate an increase in premium tax payments.

Adult Cystic Fibrosis

The budget provides \$105,200 from the General Fund for Adult Cystic Fibrosis in FY 2006. This amount is unchanged from FY 2005. This line item provides contracted care and treatment services through the CRS program for 15 adult residents of the state suffering from cystic fibrosis.

Adult Sickle Cell Anemia

The budget provides \$33,000 from the General Fund for Adult Sickle Cell Anemia in FY 2006. This amount is unchanged from FY 2005. This line item provides contracted treatment through the CRS program for 8 adults suffering from sickle cell anemia.

Child Fatality Review Team

The budget provides \$100,000 and 2 FTE Positions from the Child Fatality Review Team Fund for the Child

Fatality Review Team in FY 2006. This amount is unchanged from FY 2005.

The program provides funding to organize child fatality review teams in all 15 counties and to study data collected by the 15 teams to determine ways to reduce the state's child mortality rate. The Child Fatality Review Fund receives revenues from a \$1 surcharge on fees collected on all certified copies of death certificates. Statute limits the revenue to the Child Fatality Review Fund to \$100,000, so the appropriation for this program is limited to \$100,000.

County Prenatal Services Grant

The budget provides \$1,148,500 from the General Fund for the County Prenatal Services Grant in FY 2006. This amount is unchanged from FY 2005. This line item provides grants to counties for programs that focus on increasing prenatal care among women at high risk of not seeking or receiving prenatal care.

Monies from this grant are distributed on a pass-through basis with consideration to population, need and amount received in prior years.

Health Start

The budget provides \$226,600 from the General Fund for Health Start in FY 2006. This amount is unchanged from FY 2005.

This line item provides General Fund monies to county health departments and community organizations to create neighborhood outreach programs staffed with lay health workers who assist high risk pregnant women in obtaining prenatal care services. Funds are distributed to communities with a high incidence of inadequate prenatal care, inadequate infant health care, infants with low birth weight and inadequate childhood immunizations. Monies are awarded on a competitive basis. The program currently has 15 contracts with 9 County Health Departments, 3 Community Health Centers and 3 Community Service agencies.

High Risk Perinatal Services

The budget provides \$3,630,600 for High Risk Perinatal Services in FY 2006. This amount consists of \$3,180,600 from the General Fund and \$450,000 from the Emergency Medical Services Operating Fund. These amounts are unchanged from FY 2005. This line item provides contracted transport services for high risk expectant mothers and contracted physician follow-up services for uninsured newborns in intensive care centers.

The program provides hospital treatment for 4,649 women, maternal transport to 1,089 women and community health nursing to 2,411 women.

Newborn Screening Program

The budget provides \$3,240,700 and 11.5 FTE Positions from the Newborn Screening Program Fund for the

Newborn Screening Program in FY 2006. This amount includes a decrease of \$(17,300) for statewide adjustments.

This line item provides for the centralized testing of all newborns in the state for a standard set of metabolic disorders. In FY 2006, the program will provide screening for approximately 92,500 newborns. The program also provides for follow-up counseling for the parents of affected newborns. The State Health Laboratory currently holds the contract for testing. The program is funded entirely from the Newborn Screening Fund, which receives a fee of \$20 for every child born in Arizona. The fee is collected as part of the hospital charges when the infant is born.

County Nutrition Services

The budget provides \$330,300 from the General Fund for County Nutrition Services in FY 2006. This amount is unchanged from FY 2005. This line item provides funding to rural counties participating in the Nutritional Assessment Program, which provides screening, education, counseling and referrals to persons identified as needing nutrition services. Funding is provided to all rural counties except La Paz. Funds go directly to county health departments except Santa Cruz, where the state contracts with Mariposa Community Health Center in Nogales.

Breast and Cervical Cancer Screening

The budget provides \$1,091,200 and 1 FTE Position from the General Fund for the Breast and Cervical Cancer Screening line item in FY 2006.

The approved amount includes an increase of \$1,200 from the General Fund for statewide adjustments as well as an increase of 1 FTE Position from the General Fund in FY 2006 to shift the authority for a vacant FTE Position from the operating budget to the Breast and Cervical Cancer Screening SLI. There is a corresponding FTE Position decrease in the operating budget for no net impact to the agency's FTE Position authority.

Caseload Increase

The approved amount also includes an increase of \$203,000 from the General Fund in FY 2006 to fund caseload growth in the program. The department estimates that participants in the program will grow by 40% in FY 2006.

The Well Woman Healthcheck program contracts for cancer screening for women over age 40 that do not have health insurance and have incomes less than 250% of the Federal Poverty Level. Woman who are diagnosed with breast and cervical cancer through this program are eligible to receive treatment through AHCCCS. The program is expected to serve 1,487 women in FY 2006.

Abstinence Funding

The budget provides \$1,000,000 from the General Fund for Abstinence Funding in FY 2006. The approved

amount supplements approximately \$1,100,000 in non-appropriated funding for this program in FY 2006. Monies in this line item support community-based prevention programs to promote abstinence and decision making for healthy life choices.

Folic Acid

The budget provides \$200,000 from the Medically Needy Account of the Tobacco Tax and Health Care Fund for Folic Acid in FY 2006. The approved amount replaces non-appropriated tobacco settlement monies that were used to support the program in FY 2005 which are not available in FY 2006. The program distributes folic acid to women of child bearing age to help prevent neural tube defects (birth defects of a baby's brain and spine). Monies in this line item will be used only to purchase supplements.

Ch. 314 Professions and Occupations; Shortage

Laws 2005, Chapter 314 appropriated \$200,000 from the General Fund in FY 2006 for the construction of rural modular dental buildings to address the shortage of dental providers in rural areas.