

Department of Health Services
Public Health

A.R.S. § 36-103

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	238.5	240.5	240.5 ^{1/}
Personal Services	3,130,900	4,007,100	4,038,500
Employee Related Expenditures	972,500	1,271,600	1,328,500
Professional and Outside Services	56,500	45,700	45,700
Travel - In State	65,500	69,200	65,500
Travel - Out of State	8,100	0	0
Other Operating Expenditures	331,500	361,800	421,800
Equipment	54,300	0	0
OPERATING SUBTOTAL	4,619,300	5,755,400	5,900,000
SPECIAL LINE ITEMS			
Disease Control			
County Tuberculosis Provider Care and Control	827,000	1,010,500	1,010,500
Diabetes Prevention and Control	0	100,000	100,000
Vaccines	2,903,800	3,784,300	3,784,300 ^{2/3/}
Arizona Statewide Immunization Information System	406,700	460,900	472,400
STD Control Subventions	24,900	26,300	26,300
AIDS Reporting and Surveillance	1,111,000	1,125,000	1,125,000 ^{4/}
Laboratory Services	3,297,500	3,887,200	4,019,600
Kidney Program	50,500	50,500	50,500
Renal and Nonrenal Disease Management	403,800	468,000	468,000 ^{5/}
Hepatitis C Surveillance	321,900	360,900	370,900
Local Health			
Direct Grants	460,300	460,300	460,300 ^{6/}
Reimbursement to Counties	67,900	67,900	67,900 ^{7/}
County Public Health	200,000	200,000	200,000 ^{8/}
Primary Care			
Loan Repayment	67,700	250,000	250,000
Community Health Centers	9,938,900	10,412,300	10,426,600 ^{9/}
Telemedicine	250,200	260,000	260,000
Disease Research			
Biotechnology	0	5,500,000	5,500,000 ^{10/}
Alzheimer's Disease Research	1,000,000	1,000,000	2,000,000
Alzheimer's Research - Biotechnology	0	0	3,000,000 ^{11/}
Emergency Medical Services			
EMS Operations	2,510,000	2,970,000	2,992,900
Trauma Advisory Board	122,800	355,200	369,100
University of Arizona Poison Control Center Funding	787,500	1,275,000	1,275,000
Poison Control Center Funding	600,000	925,000	925,000
Scorpion Antivenom	0	150,000	150,000
PROGRAM TOTAL	29,971,700	40,854,700	45,204,300^{12/}
FUND SOURCES			
General Fund	24,360,700	27,734,200	28,204,700
Other Appropriated Funds			
Arizona Medical Board Fund	67,700	100,000	100,000
Emergency Medical Services Operating Fund	2,632,800	3,475,200	4,316,400
Environmental Laboratory Licensure Revolving Fund	523,000	845,300	883,200
Health Research Fund	1,000,000	6,500,000	6,500,000
Poison Control Fund	1,387,500	2,200,000	2,200,000
TTHCF Medically Needy Account	0	0	3,000,000
SUBTOTAL - Other Appropriated Funds	5,611,000	13,120,500	16,999,600
SUBTOTAL - Appropriated Funds	29,971,700	40,854,700	45,204,300
Other Non-Appropriated Funds	30,830,600	33,566,500	32,282,500
Federal Funds	37,805,900	61,208,600	58,639,600
TOTAL - ALL SOURCES	98,608,200	135,629,800	136,126,400

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 2003	FY 2004	FY 2006
	Actual	Actual	Approved
• Immunization rate among 2-year-old children	75	79	80
• % of high school youth who smoked in the last month	20.7	18.9	18
• Customer waiting time in Vital Records lobby (in minutes)	25	20	20

Comments: The immunization rate among 2-year-old children measures the increase among all children, not just the children funded through the Vaccines SLI.

Operating Budget

The budget provides \$5,900,000 operating budget in FY 2006. This amount consists of \$5,095,600 from the General Fund and \$804,400 from the Emergency Medical Services (EMS) Operating Fund.

The approved amount includes an increase of \$193,700 in FY 2006 for statewide adjustments. This amount includes \$168,500 from the General Fund and \$25,200 from the EMS Operating Fund. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

The approved amount also includes a decrease of \$(779,200) from the General Fund and a corresponding \$779,200 increase from the EMS Operating Fund in FY 2006 for a technical fund shift. Revenues to the EMS Operating Fund have annually exceeded the fund's appropriation, causing a balance to accumulate in the fund. Appropriating additional monies from the EMS Operating Fund results in savings to the state's General Fund.

Finally, the approved amount includes a decrease of \$(49,100) and (1) FTE Position from the General Fund in FY 2006 to shift funding for child welfare agency and foster home licensing to the Department of Economic Security (DES). There are additional monies shifted in the

- 1/ Includes 74 GF and 53 OF FTE Positions funded from Special Line Items in FY 2006.
- 2/ The Department of Health Services shall report to the Joint Legislative Budget Committee by February 1, 2006 on the amount of federal monies received for FY 2006 for the 317 vaccines program. (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/ 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 \$10,426,200 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, as adjusted for statewide allocations)
- 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 \$3,000,000 appropriated for Alzheimer's Research – Biotechnology shall be allocated to the Disease Control Research Commission, who shall only expend the funding for research on Alzheimer's disease conducted by a nonprofit medical research foundation in this state that specializes in biotechnology and that collaborates with universities, hospitals, biotechnology and health science research centers and other public and private biotechnology businesses in the state. The Department of Health Services and the Disease Control Research Commission shall not retain any of this funding for administration. (General Appropriation Act footnote)
- 12/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program

Administration program and there is a corresponding increase in the DES budget.

Special Line Items

Disease Control

County Tuberculosis Provider Care and Control

The budget provides \$1,010,500 from the General Fund for County Tuberculosis Provider Care and Control in FY 2006. This amount is unchanged from FY 2005. This line item 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.

Diabetes Prevention and Control

The budget provides \$100,000 from the General Fund for Diabetes Prevention and Control in FY 2006. This amount is unchanged from FY 2005. This line item provides diabetes awareness information, including information about diabetes prevention, detection, and treatment, through various sources such as newspaper, radio, and television ads. The monies will also be used for education to promote diabetes awareness and prevention, for a diabetes state resource directory, and to track state statistics related to diabetes, including the diabetes population, medical costs, illnesses, and deaths.

Vaccines

The budget provides \$3,784,300 from the General Fund for Vaccines in FY 2006. This amount is unchanged from FY 2005.

This line item provides General Fund monies for the purchase of vaccines from the federal government for the state immunization program, which serves 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 AHCCCS program. DHS purchases the vaccines and distributes them to local health agencies that are recruited to administer the shots. Providers must enter into an agreement with the Arizona Immunization Program to provide vaccines to eligible children. DHS estimates that funding for this program enables them to purchase 153,600 vaccine doses. Funding in this line item is in addition to approximately \$5,800,000 in federal monies.

A footnote in the General Appropriation Act requires that DHS screen recipients for private insurance coverage, eligibility for the federal Vaccines for Children program, and eligibility for the AHCCCS program before receiving an inoculation.

Arizona Statewide Immunization Information System (ASIIS)

The budget provides \$472,400 and 6 FTE Positions from the General Fund for ASIIS in FY 2006. The approved amount includes an increase of \$11,500 from the General Fund in FY 2006 for statewide adjustments.

This line item provides funding for ASIIS, which is a statewide immunization database that records all vaccinations provided in Arizona.

Sexually Transmitted Disease (STD) Control Subventions

The budget provides \$26,300 from the General Fund for STD Control Subventions in FY 2006. This amount is unchanged from FY 2005. This line item provides assistance to local venereal disease control programs.

AIDS Reporting and Surveillance

The budget provides \$1,125,000 from the General Fund for AIDS Reporting and Surveillance in FY 2006. This amount is unchanged from FY 2005.

The line item provides \$125,000 for a database system administered by Maricopa and Pima Counties to track the incidence of Acquired Immune Deficiency Syndrome (AIDS) and AIDS-related conditions. The program also receives \$1,000,000 to provide medications under the Arizona AIDS Drug Assistance Program, which also receives Federal Funds for the medications. The program served an average of 761 clients per month over the 12-month period of July 2003 to June 2004.

Laboratory Services

The budget provides \$4,019,600 and 67.5 FTE Positions for Laboratory Services in FY 2006. This amount consists of \$3,136,400 and 53.5 FTE Positions from the General Fund and \$883,200 and 14 FTE Positions from the Environmental Laboratory Licensure Revolving Fund.

The approved amount includes an increase of \$132,400 in FY 2006 for statewide adjustments. This amount includes \$94,500 from the General Fund and \$37,900 from the Environmental Laboratory Licensure Revolving Fund.

This line item 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. The funding included in this line item is in addition to monies in the Newborn Screening Program Special Line Item (SLI) in the Family Health Cost Center, approximately \$800,000 in the Administration Cost Center, and \$3,600,000 in non-appropriated fund sources.

Kidney Program

The budget provides \$50,500 from the General Fund for the Kidney Program in FY 2006. This amount is unchanged from FY 2005. This line item reimburses

provider hospitals and licensed dialysis centers for the transportation and medication costs of patients ineligible for other public assistance programs.

Renal and Nonrenal Disease Management

The budget provides \$468,000 from the General Fund for Renal and Nonrenal Disease Management in FY 2006. This amount is unchanged from FY 2005. This line item provides funding for medication and other transplant-related services for renal and nonrenal transplant patients who are ineligible for other public assistance programs.

Hepatitis C Surveillance

The budget provides \$370,900 and 6 FTE Positions from the General Fund for Hepatitis C Surveillance in FY 2006. The approved amount includes an increase of \$10,000 from the General Fund in FY 2006 for statewide adjustments.

This line item 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.

Local Health

Direct Grants

The budget provides \$460,300 from the General Fund for Direct Grants in FY 2006. This amount is unchanged from FY 2005. This line item provides grants to counties with populations of less than 500,000 persons for local health work and for a portion of the cost of employing 1 public health nurse and 1 sanitarian in each county.

A footnote in the General Appropriation Act requires that the appropriation for Direct Grants be divided equally among eligible counties on a non-matching basis.

Reimbursement to Counties

The budget provides \$67,900 from the General Fund for Reimbursement to Counties in FY 2006. This amount is unchanged from FY 2005. This line item provides matching funding to counties with populations of less than 500,000 for local health work.

A footnote in the General Appropriation Act requires that monies from this line item be used to provide matching monies to counties on an equal matching basis.

County Public Health

The budget provides \$200,000 from the General Fund for County Public Health in FY 2006. This amount is unchanged from FY 2005. This line item includes funding to reimburse local health departments pursuant to A.R.S. § 36-189.

A footnote in the General Appropriation Act distributes the amounts 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

The budget provides \$250,000 for Loan Repayment in FY 2006. This amount consists of \$100,000 from the Arizona Medical Board Fund (AMBF) and \$150,000 from the EMS Operating Fund. The AMBF is the operating fund of the Arizona Medical Board, which licenses physicians. The AMBF is funded from examination and licensing fees that the Arizona Medical Board collects from Arizona physicians. These amounts are unchanged from FY 2005.

These monies are used to pay physician and mid-level practitioner student loans in exchange for service in a Health Professional Shortage Areas in order to encourage providers to practice in rural areas. Participants must be U.S. citizens and have a license to practice medicine in Arizona. Currently there are 8 physicians, 3 dentists, and 5 mid-level practitioners participating in the program. Mid-level practitioners include Physician Assistants, Nurse Practitioners, and Certified Nurse Midwives.

Community Health Centers

The budget provides \$10,426,600 and 8.5 FTE Positions from the General Fund for Community Health Centers in FY 2006. The approved amount includes an increase of \$14,300 from the General Fund in FY 2006 for statewide adjustments.

This line item 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.

Telemedicine

The budget provides \$260,000 from the General Fund for Telemedicine in FY 2006. This amount is unchanged from FY 2005. This line item provides funding for contracted 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.

Disease Research

Biotechnology

The budget provides \$5,500,000 from the Health Research Fund for Biotechnology in FY 2006. This amount is unchanged from FY 2005. Laws 2002, Chapter 186 appropriated \$500,000 from the Health Research Fund annually from FY 2003 to FY 2012 for Biotechnology. Additionally, Laws 2002, Chapter 320 appropriated \$5,000,000 from the Health Research Fund annually from FY 2003 to FY 2007 for this purpose. Because these monies are authorized in prior appropriations, they are not included in the General Appropriation Act.

This line item 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. These monies are being distributed to the Translational Genomics Research Institute (TGen).

Alzheimer's Disease Research

The budget provides \$2,000,000 from the Health Research Fund for Alzheimer's Disease Research in FY 2006. The approved amount includes an increase of \$1,000,000 from the General Fund in FY 2006 in order to augment current research. This line item 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.

Alzheimer's Research – Biotechnology

The budget provides \$3,000,000 from the Medically Needy Account of the Tobacco Tax and Health Care Fund for Alzheimer's Research – Biotechnology in FY 2006. The approved amount represents one-time funding for research projects conducted by the Translational Genomics Research Institute (TGen), which is a non-profit biomedical research institute.

Emergency Medical Services

EMS Operations

The budget provides \$2,992,900 and 35 FTE Positions from the EMS Operating Fund for EMS Operations in FY 2006. The approved amount includes an increase of \$22,900 from the EMS Operating Fund in FY 2006 for statewide adjustments.

This line item 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. The line item is funded from the EMS Operating Fund, which

receives 48.8% of the Medical Services Enhancement Fund, which in turn receives monies from a 13% surcharge on fines charged for criminal offenses and traffic violations.

Trauma Advisory Board

The budget provides \$369,100 and 4 FTE Positions from the EMS Operating Fund for the Trauma Advisory Board in FY 2006. The approved amount includes an increase of \$13,900 and 1 FTE Position for statewide adjustments.

This line item provides funding for operating expenses of the Trauma Advisory Board (*see EMS Operations for more detail on the EMS Operating Fund*). 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 board also is required to develop a statewide EMS and trauma system, and to make recommendations on the designation of trauma centers, the development and implementation of a regional EMS and trauma system plan, and an EMS and trauma system quality improvement process.

University of Arizona Poison Control Center Funding

The budget provides \$1,275,000 from the Poison Control Center Fund in FY 2006. This amount is unchanged from FY 2005. (*See Poison Control Center Funding below for more information on fund source*).

This line item provides 24-hour poison education services and treatment information at the University of Arizona Poison Information Center and is funded from the Poison Control Fund. The center received an average of 193 calls per day from all counties except Maricopa in the first quarter of FY 2005. The University of Arizona Poison Control Center is primarily staffed by pharmacists.

Poison Control Center Funding

The budget provides \$925,000 from the Poison Control Center Fund in FY 2006 for Poison Control Center Funding. This amount is unchanged from FY 2005.

This line item provides funding for provision of poison control services in Maricopa County. The center is located at Good Samaritan Hospital in Phoenix. The center received an average of 262 calls per day in the first quarter of FY 2005 and is primarily staffed by nurses.

Poison control services are funded from the Telecommunications Services Excise Tax, a 1.1% surcharge on gross proceeds from land line telephone bills. The Health and Welfare Budget Reconciliation Bill (Laws 2005, Chapter 328) increased the Poison Control Center Fund's share of the revenues from the tax from 0.18% to 0.25% in FY 2006 due to decreasing revenues from the tax. Projected FY 2006 collections would not have been enough to support the agency's FY 2005 appropriation into

FY 2006. The percent of the tax received by the Arizona State Schools for the Deaf and Blind (ASDB) was reduced by 0.07% and General Fund dollars were added to ASDB to make the shift revenue neutral to both agencies. *(Please see the Arizona State Schools for the Deaf and Blind write-up for more information).*

Scorpion Antivenom

The budget provides \$150,000 from the General Fund for Scorpion Antivenom in FY 2006. This amount is unchanged from FY 2005. This line item provides funding for the distribution of a new scorpion antivenom to hospitals.