

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

JLBC: John Malloy  
 OSPB: Bob Chapko

DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	238.5	240.5	240.5
Personal Services	3,130,900	4,007,100	3,971,800
Employee Related Expenditures	972,500	1,271,600	1,201,500
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
<b>OPERATING SUBTOTAL</b>	<b>4,619,300</b>	<b>5,755,400</b>	<b>5,706,300</b>
<b>SPECIAL LINE ITEMS</b>			
<b>Disease Control</b>			
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
Arizona Statewide Immunization Information System	406,700	460,900	460,900
STD Control Subventions	24,900	26,300	26,300
AIDS Reporting and Surveillance	1,111,000	1,125,000	1,125,000
Laboratory Services	3,297,500	3,887,200	3,902,200
Kidney Program	50,500	50,500	50,500
Renal and Nonrenal Disease Management	403,800	468,000	468,000
Hepatitis C Surveillance	321,900	360,900	360,900
<b>Local Health</b>			
Direct Grants	460,300	460,300	460,300
Reimbursement to Counties	67,900	67,900	67,900
County Public Health	200,000	200,000	200,000
<b>Primary Care</b>			
Loan Repayment	67,700	250,000	250,000
Community Health Centers	9,938,900	10,412,300	10,412,300
Telemedicine	250,200	260,000	260,000
<b>Disease Research</b>			
Biotechnology	0	5,500,000	5,500,000
Alzheimer's Disease Research	1,000,000	1,000,000	1,000,000
<b>Emergency Medical Services</b>			
EMS Operations	2,510,000	2,970,000	2,924,300
Trauma Advisory Board	122,800	355,200	360,400
University of Arizona Poison Control Center Funding	787,500	1,275,000	0
Poison Control Center Funding	600,000	925,000	0
FY 2006 Poison Control	0	0	1,750,000
Scorpion Antivenom	0	150,000	150,000
<b>PROGRAM TOTAL</b>	<b>29,971,700</b>	<b>40,854,700</b>	<b>40,330,100</b>
<b>FUND SOURCES</b>			
General Fund	24,360,700	27,734,200	27,685,100
<u>Other Appropriated Funds</u>			
Arizona Medical Board Fund	67,700	100,000	100,000
Emergency Medical Services Operating Fund	2,632,800	3,475,200	3,434,700
Environmental Laboratory Licensure Revolving Fund	523,000	845,300	860,300
Health Research Fund	1,000,000	6,500,000	6,500,000
Poison Control Fund	1,387,500	2,200,000	1,750,000
SUBTOTAL - Other Appropriated Funds	5,611,000	13,120,500	12,645,000
<b>SUBTOTAL - Appropriated Funds</b>	<b>29,971,700</b>	<b>40,854,700</b>	<b>40,330,100</b>
Other Non-Appropriated Funds	30,830,600	33,566,500	32,282,500
Federal Funds	37,805,900	61,208,600	58,639,600
<b>TOTAL - ALL SOURCES</b>	<b>98,608,200</b>	<b>135,629,800</b>	<b>131,252,200</b>

**CHANGE IN FUNDING SUMMARY**

	FY 2005 to FY 2006 JLBC	
	\$ Change	% Change
General Fund	(49,100)	(0.2%)
Other Appropriated Funds	(475,500)	(3.6%)
Total Appropriated Funds	(524,600)	(1.3%)
Non Appropriated Funds	(3,853,000)	(4.1%)
Total - All Sources	(4,377,600)	(3.2%)

**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 2005	FY 2006
	Actual	Actual	Estimate	JLBC
• Number of uninsured clients receiving primary care services through the community health centers grants	48,072	NA	48,100	--
• Number of clients receiving HIV medications through the Arizona Drug Assistance Program (average per month)	750	761	750	--
• Immunization rate among 2-year-old children	75	79	75	80
• % of high school youth who smoked in the last month	20.7	18.9	20	18
• Exposure calls received at AZ Poison Control Centers	76,183	NA	78,000	--
• Customer waiting time in Vital Records lobby (in minutes)	25	20	25	20

**Comments:** The agency did not submit information for any measure labeled as “NA”. The immunization rate among 2-year-old children increased from 75% to 79%. This statistic measures the increase among all children, not just the children funded through the Vaccines SLI. The customer waiting time in the Vital Records lobby decreased by 5 minutes, or 20%.

**RECOMMENDED CHANGES FROM FY 2005**

**Operating Budget**

The JLBC recommends \$5,706,300 from the General Fund for the operating budget in FY 2006. This amount would fund the following adjustments:

**FY 2006**

**Shift Child Welfare Agency and Foster Home Licensing to DES GF \$(49,100)**  
 The JLBC recommends 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). Laws 2004, Chapter 199 shifted the responsibility for licensing child welfare agencies and foster homes to DES and required any monies and FTE Positions appropriated to DHS for this purpose be shifted to DES. This recommendation shifts the funding and positions in accordance with the legislation. There are additional monies shifted in the Administration program and there is a corresponding increase in the DES budget.

**Special Line Items**

**Disease Control**

**County Tuberculosis Provider Care and Control**  
 The JLBC recommends \$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 JLBC recommends \$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 JLBC recommends \$3,784,300 from the General Fund for Vaccines in FY 2006. This amount is unchanged from FY 2005.

The FY 2005 Health Budget Reconciliation Bill (Laws 2004, Chapter 279) allowed the department to retain \$576,600 in unspent FY 2003 General Fund monies for use in FY 2005. These were one-time monies and are not continued in FY 2006.

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 KidsCare program. The JLBC recommends continuing the footnotes related to screening potential recipients for other vaccines coverage and reporting on Federal 317 Vaccines monies.

#### ***Arizona Statewide Immunization Information System (ASIIS)***

The JLBC recommends \$460,900 and 6 FTE Positions from the General Fund for ASIIS in FY 2006. This amount is unchanged from FY 2005.

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 JLBC recommends \$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 JLBC recommends \$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 JLBC recommends \$3,902,200 and 67.5 FTE Positions for Laboratory Services in FY 2006. This amount consists of \$3,041,900 and 53.5 FTE Positions from the General Fund and \$860,300 and 14 FTE Positions from the Environmental Laboratory Licensure Revolving Fund. These amounts would fund the following adjustments:

#### **Standard Changes OF 15,000**

The JLBC recommends an increase of \$15,000 from the Environmental Laboratory Licensure Revolving Fund in FY 2006 for standard changes.

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.

#### ***Kidney Program***

The JLBC recommends \$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 JLBC recommends \$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 JLBC recommends \$360,900 and 6 FTE Positions from the General Fund for Hepatitis C Surveillance in FY 2006. This amount is unchanged from FY 2005.

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 JLBC recommends \$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.

**Reimbursement to Counties**

The JLBC recommends \$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.

**County Public Health**

The JLBC recommends \$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.

The JLBC recommends continuing a footnote in the General Appropriation Act that distributes the amounts as follows:

<b>Table 1</b>	
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 JLBC recommends \$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. These amounts are unchanged from FY 2005.

These monies are used to pay physician and mid-level practitioner student loans in order to encourage providers to practice in rural areas. 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.

**Community Health Centers**

The JLBC recommends \$10,412,300 and 8.5 FTE Positions from the General Fund for Community Health Centers in FY 2006. This amount is unchanged from FY 2005.

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 JLBC recommends \$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 JLBC recommends \$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.

**Alzheimer’s Disease Research**

The JLBC recommends \$1,000,000 from the Health Research Fund for Alzheimer’s Disease Research in FY 2006. This amount is unchanged from FY 2005. 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.

**Emergency Medical Services**

**EMS Operations**

The JLBC recommends \$2,924,300 and 35 FTE Positions from the EMS Operating Fund for EMS Operations in FY 2006. This amount would fund the following adjustments:

**Standard Changes OF (34,400)**

The JLBC recommends a decrease of \$(34,400) from the EMS Operating Fund in FY 2006 for standard changes.

**Rent Consolidations OF (11,300)**

The JLBC recommends a decrease of \$(11,300) from the EMS Operating Fund in FY 2006 to consolidate rent funding in the Administration program. In prior years, rent was funded in various individual programs. Rent funding was consolidated into the Administration program in FY 2005, but a small amount was left in the EMS Operating Special Line Item (SLI). This recommendation shifts this

remaining rent funding from the EMS Operations SLI to the Administration program to fully consolidate rent funding. There is a corresponding decrease in the Administration program for no net impact to the agency's budget.

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 JLBC recommends \$360,400 and 4 FTE Positions from the EMS Operating Fund for the Trauma Advisory Board in FY 2006. This amount would fund the following adjustments:

#### **Standard Changes OF 5,200**

The JLBC recommends an increase of \$5,200 from the EMS Operating Fund in FY 2006 for standard changes.

#### **FTE for Statewide Trauma System OF 0**

The JLBC recommends an increase of 1 FTE Position from the EMS Operating Fund for the statewide trauma system. Laws 2004, Chapter 292 appropriated monies to the Trauma Advisory Board to develop a statewide EMS and trauma system but did not include authority for any FTE Positions. The recommendation adds 1 FTE Position for this purpose.

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 JLBC recommends eliminating the use of the Arizona Poison Control Center line item in FY 2006. This amount would fund the following adjustment:

#### **Poison Control Revenue Alignment OF (1,275,000)**

The JLBC recommends a decrease of (1,275,000) from the Poison Control Fund in FY 2006 in order to account for decreased revenues to the Poison Control Fund. In combination with the Poison Control Center Funding line item, total poison control funding in FY 2005 is \$2,200,000. A new Special Line Item, FY 2006 Poison Control, has been created containing the forecasted level of FY 2006 available revenues of \$1,750,000. (*Please see the FY 2006 Poison Control narrative for more information.*)

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, which receives 0.18% of the 1.1% Telecommunication Services Excise Tax.

#### **Poison Control Center Funding**

The JLBC recommends eliminating the use of the Poison Control Center line item in FY 2006. This amount would fund the following adjustment:

#### **Poison Control Revenue Alignment OF (925,000)**

The JLBC recommends a decrease of (925,000) from the Poison Control Fund in FY 2006 in order to account for decreased revenues to the Poison Control Fund. In combination with the University of Arizona Poison Control Center Funding line item, total poison control center funding in FY 2005 is \$2,200,000. A new Special Line Item, FY 2006 Poison Control, has been created containing the forecasted level of FY 2006 available revenues of \$1,750,000. (*Please see the FY 2006 Poison Control Funding narrative for more information.*)

This line item provides funding for provision of poison control services in Maricopa County (*see University of Arizona Poison Center Funding for more detail on the Poison Control Fund*). The center is located at Good Samaritan Hospital in Phoenix.

#### **FY 2006 Poison Control**

The JLBC recommends \$1,750,000 from the Poison Control Fund for "FY 2006 Poison Control" line item in FY 2006. This amount would fund the following adjustment:

#### **Poison Control Revenue Alignment OF 1,750,000**

The JLBC recommends an increase of \$1,750,000 from the Poison Control Fund in FY 2006 in order to align revenues with expenditures. The allocation of the recommended funding level for poison control activities shall be determined by the Department of Health Services. (*Please see JLBC Recommended Footnotes below for more information.*)

Poison control services are funded from the Telecommunications Services Excise Tax, a 1.1% surcharge on gross proceeds from land line telephone bills. The Poison Control Fund receives 0.18% of this revenue.

Since FY 2003, revenue from this tax has been decreasing. This is most likely due to the increase in cellular telephone users, who do not pay the excise tax. FY 2005 gross receipts through November from the total amount of the telecommunications services excise tax are 14% lower than receipts in FY 2004 for the same period. The JLBC recommended level of funding is based on revenues to the fund decreasing 10% in FY 2005 as well as in FY 2006.

#### ***Scorpion Antivenom***

The JLBC recommends \$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.

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**JLBC RECOMMENDED FORMAT** — Operating Lump Sum with Special Line Items by Program

#### **JLBC RECOMMENDED FOOTNOTES**

##### *Standard Footnotes*

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.

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.

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.

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.

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.

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.

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.

Of the \$10,412,300 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.

##### *New Footnotes*

The Department of Health Services shall report to the Joint Legislative Budget Committee by August 15, 2005 on the allocation of Poison Control Fund monies for FY 2006. The report shall include, at a minimum, the entities receiving Poison Control Center monies as well as the amount of funding received.

##### *Deletion of Prior Year Footnotes*

The JLBC recommends deleting 2 footnotes pertaining to poison control services in Arizona. (*Please see the FY 2006 Poison Control Funding Narrative for more information.*)

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### **SUMMARY OF FUNDS - SEE AGENCY SUMMARY**

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