

**Department of Economic Security**  
**Developmental Disabilities**

A.R.S. § 41-1954

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	<b>FY 2005 Actual</b>	<b>FY 2006 Estimate</b>	<b>FY 2007 Approved</b>
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	327.5	316.5	197.9 <sup>1/</sup>
Personal Services	1,914,000	2,521,100	2,664,800
Employee Related Expenditures	596,000	720,200	772,300
Professional and Outside Services	201,500	171,300	171,300
Travel - In State	53,100	57,500	57,500
Other Operating Expenditures	251,000	326,400	347,900
Equipment	58,900	0	0
<b>OPERATING SUBTOTAL</b>	<b>3,074,500</b>	<b>3,796,500</b>	<b>4,013,800</b>
<b>SPECIAL LINE ITEMS</b>			
Case Management	3,429,200	4,115,900	4,410,700
Home and Community Based Services	25,571,100	34,067,100	35,590,500 <sup>2/3/</sup>
Institutional Services	139,500	294,900	294,900
Arizona Training Program at Coolidge	504,000	5,699,600	553,300
State-Funded Long Term Care Services	19,535,400	21,804,200	21,812,000
Dental Pilot	0	0	1,000,000 <sup>4/5/</sup>
Autism Training and Oversight	0	0	200,000 <sup>6/7/</sup>
<b>PROGRAM TOTAL</b>	<b>52,253,700</b>	<b>69,778,200</b>	<b>67,875,200<sup>8/9/</sup></b>
<b>FUND SOURCES</b>			
General Fund	33,467,500	45,344,500	45,778,000
<b>Other Appropriated Funds</b>			
Long Term Care System Fund (Non-Federal Matched)	18,786,200	24,433,700	21,897,200
TTHCF Medically Needy Account	0	0	200,000
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>18,786,200</b>	<b>24,433,700</b>	<b>22,097,200</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>52,253,700</b>	<b>69,778,200</b>	<b>67,875,200</b>
<b>Other Non-Appropriated Funds</b>			
Federal Funds	1,113,100	1,113,100	1,113,100
<b>TOTAL - ALL SOURCES</b>	<b>63,958,500</b>	<b>81,828,400</b>	<b>79,926,200</b>

<sup>1/</sup> Includes 144.7 GF and 2 OF FTE Positions funded from Special Line Items in FY 2007.

<sup>2/</sup> 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)

<sup>3/</sup> The amounts above include \$8,171,200 from the state GF and \$13,596,200 from matching Federal Expenditure Authority to raise rates of community service providers and independent service agreement providers contracting with the Division of Developmental Disabilities to the equivalent of 99.69% of FY 2006 market rates for all services on the published rate schedule. It is the intent of the Legislature that the division request the Arizona Health Care Cost Containment System (AHCCCS) to approve a capitation rate increase retroactive to July 1, 2006 to make provider rate increases effective July 1, 2006. By July 1, 2006, the division shall obtain approval for a rate increase implementation proposal from AHCCCS. By August 1, 2006, the division shall submit the implementation plan for review by the Joint Legislative Budget Committee. The adjusted rates shall be implemented beginning with provider payments due for services performed in August 2006. Payment for retroactive reimbursement due for services provided in July 2006 shall be paid to providers no later than September 15, 2006. (General Appropriation Act footnote)

<sup>4/</sup> Laws 2006, Chapter 350 appropriation of \$1,000,000.

<sup>5/</sup> This appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations, until June 30, 2008.

<sup>6/</sup> Laws 2006, Chapter 331 appropriation of \$200,000.

<sup>7/</sup> This appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations through June 30, 2008. Monies remaining unexpected and unencumbered from the appropriation revert to the Medically Needy Account of the Tobacco Tax and Health Care Fund.

<sup>8/</sup> 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 2007 to the President of the Senate, the Speaker of the House of Representatives, the Chairpersons 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, 2007. (General Appropriation Act footnote)

<sup>9/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

**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.

<b>PERFORMANCE MEASURES</b>	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2007 Approved
• % of consumer satisfaction with case management services	95	95	95	95
• % of consumers living at home who are satisfied with services and supports Comments: The performance measure surveys are conducted every 2 years, which results in the labels of “NA” for those measures. The budget provides the survey be done annually.	NA	70	NA	70
• % of families of children under 18 who are satisfied with services and supports Comments: The performance measure surveys are conducted every 2 years, which results in the labels of “NA” for those measures. The budget provides the survey be done annually.	61	NA	57	65
• % of families or individuals 18 years or older, who do not live at home with family, who are satisfied with services and supports Comments: The performance measure surveys are conducted every 2 years, which results in the labels of “NA” for those measures. The budget provides the survey be done annually.	81	NA	85	89

### **Operating Budget**

The budget provides \$4,013,800 from the General Fund for the operating budget in FY 2007. This amount includes an increase of \$217,300 from the General Fund for statewide adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

	<b>FY 2007</b>
General Fund	\$34,742,400
Long Term Care System Fund	848,100

The amount includes an increase of \$171,500 from the General Fund for statewide adjustments.

### **Provider Rate Adjustment**

The budget provides an increase of \$1,351,900 from the General Fund in FY 2007 for provider rate increases. These monies will be used to increase provider rates on the published rate schedule to 99.69% of FY 2006 market rates. *(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. It also includes funding for state-operated facilities, excluding the Arizona Training Program at Coolidge.

Of the \$35,590,500 in this line item, \$33,283,000 funds Home and Community Based Services to clients enrolled in the DD program; the other \$2,307,500 funds program staff.

The approved amount is expected to provide a total of 4,421 member years of service, allocated as shown in *Table 1*.

### **Special Line Items**

#### **Case Management**

The budget provides \$4,410,700 and 84.3 FTE Positions from the General Fund for Case Management in FY 2007. The amount includes an increase of \$294,800 from the General Fund for statewide adjustments.

This line item funds case management services to clients in the state-only DD program. As of January 2006, there are approximately 7,950 clients in the state-only program, though not all are receiving services in addition to case management.

#### **Home and Community Based Services**

The budget provides \$35,590,500 and 48.4 FTE Positions for Home and Community Based Services in FY 2007. These amounts consist of:

<b>FY 2007 Caseloads</b>	
<b>HCBS Setting</b>	<b>Clients</b>
At Home with Family	4,274
Adult Developmental Foster Home	8
Group Home	49
Children Developmental Foster Home	51
Independent Living	34
State-Operated Group Home	5
<b>Total</b>	<b>4,421</b>

**Institutional Services**

The budget provides \$294,900 from the General Fund for Institutional Services in FY 2007. This amount is unchanged from FY 2006. 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 approved amount is expected to provide 3 member years of service in LGLFs each year.

**Arizona Training Program at Coolidge**

The budget provides \$553,300 and 12 FTE Positions from the General Fund for the Arizona Training Program at Coolidge in FY 2007. These amounts include an increase of \$42,800 from the General Fund for statewide adjustments.

**Long Term Care Transfer**

The budget provides a decrease of \$(5,189,100) and (118.6) FTE Positions in FY 2007 for a transfer to the Long Term Care program. These amounts consist of:

General Fund	(2,644,800)
Long Term Care System Fund	(2,544,300)

Laws 2003, Chapter 265, Section 7 required all ATP-C clients to modify trusts to become Title XIX eligible. By October 2004, all 39 former state-only clients had become Title XIX eligible, resulting in the shift of their funding to the LTC ATP-C line item (*see Long Term Care Cost Center narrative for more details*). The Long Term Care System Fund in this line item consisted of trust fund revenues from clients during the Title XIX eligibility conversion process. As all clients are now Title XIX eligible, there will not be significant ongoing revenues from client trusts.

A total of \$553,300 General Fund is still needed in this program's ATP-C line item for 3 primary purposes: (1) clients who temporarily become Title XIX ineligible, such as after receiving inheritances, (2) temporary residents at ATP-C, and (3) the maintenance and operations of ATP-C state facilities.

The total population at ATP-C, including clients funded through the LTC program, is budgeted at 145 in FY 2007. The approximate blended cost per budgeted DD client at ATP-C (excluding these other costs) will be \$118,400.

**State-Funded Long Term Care Services**

The budget provides \$21,812,000 and 2 FTE Positions for State-Funded Long Term Care Services in FY 2007. These amounts consist of:

General Fund	762,900
Long Term Care System Fund	21,049,100

The amount includes an increase of \$7,800 from the Long Term Care System Fund for statewide adjustments.

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.

Of the \$21,812,000 in this line item, \$21,454,100 funds State-Funded Long Term Care Services to clients enrolled in the DD program; the other \$357,900 funds program staff.

Table 2 details the approved amounts of funding and uses for the State-Funded Long Term Care Services line item in FY 2006 and FY 2007.

<b>State-Funded Long Term Care Services</b>		
	<b>FY 2006</b>	<b>FY 2007</b>
<b>Sources</b>		
<i>Long Term Care System Fund</i>		
Client Billing Revenue	\$15,394,600	\$15,394,600
Foster Care Client Trust	1,600,000	1,600,000
Mesa Land	100,000	100,000
LTCSF Interest	3,844,200	3,844,200
Preadmission Screening and Annual Resident Review (PASARR)	102,500	110,300
<b>Total – LTCSF</b>	<b>21,041,300</b>	<b>21,049,100</b>
<i>General Fund</i>	762,900	762,900
<b>Total – Sources</b>	<b>\$21,804,200</b>	<b>\$21,812,000</b>
<b>Uses</b>		
Non-reimbursable LTC Services	\$21,262,700	\$21,262,700
Food	226,200	226,200
PASARR	102,500	110,300
Stipends and Allowances	212,800	212,800
<b>Total – Uses</b>	<b>\$21,804,200</b>	<b>\$21,812,000</b>

**Dental Pilot**

The State Government Budget Reconciliation Bill (BRB) (Laws 2006, Chapter 350) provides \$1,000,000 from the General Fund for a new line item, Dental Pilot, in FY 2007.

Title XIX recipients currently receive preventative and emergency dental services through age 21. After age 21 Title XIX recipients only receive emergency dental services. The one-time monies will be used to fund preventative dental services through a dental pilot program administered by a dental school in Maricopa County for adults over age 21 with developmental disabilities. Of the \$1,000,000, \$925,000 is appropriated for dental services

and \$75,000 for transportation services. The program shall serve as a payer of last resort. Eligible clients must earn less than 250% of the Federal Poverty Level and qualify for Title XIX services and DES' developmentally disabled services. Monies in this line item are exempt from lapsing through June 30, 2008.

***Autism Training and Oversight***

The Health and Welfare BRB (Laws 2006, Chapter 331) provides \$200,000 from the Tobacco Tax and Health Care Fund Medically Needy Account for a new line item, Autism Training and Oversight, in FY 2007.

The one-time monies will be used to fund a contract for training and oversight of habilitation workers utilizing intensive behavioral treatment for children with or at-risk of developing autism. DES is responsible for conducting an evaluation of the effectiveness of these services provided and submitting a report by March 1, 2007.