

Arizona Health Care Cost Containment System
Summary

A.R.S. § 36-2901

Director: Anthony D. Rodgers

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	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved
PROGRAM BUDGET			
Administration	169,576,200	205,675,600	218,032,600
Acute Care	3,712,220,700	4,090,248,200	4,232,661,900 ^{1/}
Long-Term Care	930,613,400	1,080,691,200	1,120,438,700
AGENCY TOTAL	4,812,410,300	5,376,615,000	5,571,133,200
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	3,096.8	3,159.4	3,179.0
Personal Services	34,993,700	38,971,400	40,198,900
Employee Related Expenditures	12,279,900	14,455,100	15,510,100
Professional and Outside Services	4,016,000	4,302,600	1,268,500
Travel - In State	175,300	138,000	138,000
Travel - Out of State	47,300	46,400	46,400
Other Operating Expenditures	11,088,000	12,635,000	12,653,000
Equipment	1,084,100	303,200	292,700
OPERATING SUBTOTAL	63,684,300	70,851,700	70,107,600
Special Line Items (SLI)	4,748,726,000	5,305,763,300	5,501,025,600
AGENCY TOTAL	4,812,410,300	5,376,615,000	5,571,133,200^{2/}
FUND SOURCES			
General Fund	988,884,900	1,199,768,000	1,269,136,000
<u>Other Appropriated Funds</u>			
Budget Neutrality Compliance Fund	0	2,531,900	2,683,100
Children's Health Insurance Program Fund	109,090,900	123,185,900	146,611,000
Healthcare Group Fund	3,465,800	3,811,800	8,468,700
Temporary Medical Coverage Fund	0	1,151,800	1,976,400
TPTF Emergency Health Services Account	35,143,500	29,371,200	29,264,100
TTHCF Medically Needy Account	79,128,800	83,162,500	78,306,100
SUBTOTAL - Other Appropriated Funds	226,829,000	243,215,100	267,309,400
SUBTOTAL - Appropriated Funds	1,215,713,900	1,442,983,100	1,536,445,400
<u>Expenditure Authority Funds</u>			
County Funds	281,373,800	290,060,000	295,596,500
Federal Title XIX Funds	3,138,182,900	3,495,396,000	3,585,437,400
Federal Title XXI Funds	24,627,200	0	0
Third Party Collections	0	194,700	194,700
Tobacco Settlement Fund	86,364,800	86,301,200	92,004,100
TPTF Proposition 204 Protection Account	66,147,700	61,680,000	61,455,100
SUBTOTAL - Expenditure Authority Funds	3,596,696,400	3,933,631,900	4,034,687,800
SUBTOTAL - Appropriated/Expenditure Authority Funds	4,812,410,300	5,376,615,000	5,571,133,200
Other Non-Appropriated Funds	69,315,300	120,749,300	120,749,300
Federal Funds	63,353,500	67,149,600	67,149,600
TOTAL - ALL SOURCES	4,945,079,100	5,564,513,900	5,759,032,100

^{1/} Includes 995.5 GF, 172 OF, and 952.6 EA FTE Positions funded from Special Line Items in FY 2008.

^{2/} General Appropriation Act appropriation format varies by program.

AGENCY DESCRIPTION — The Arizona Health Care Cost Containment System (AHCCCS) is Arizona’s alternative to a traditional fee-for-service Medicaid system. Started in 1982, AHCCCS operates on a health maintenance organization model in which contracted providers receive a predetermined monthly capitation payment for the medical services cost of enrolled members. AHCCCS members gain eligibility through a variety of federal and state programs. In some cases, eligibility based on federal programs is tied to the applicant also being eligible for a cash assistance program, such as Supplemental Security Income (SSI). Although another cash assistance program, Aid to Families with Dependent Children (AFDC), was replaced and its automatic link to eligibility severed, citizens who meet AFDC eligibility criteria as of July 16, 1996 remain eligible for AHCCCS. Low-income pregnant women and children can qualify under a federal “medical assistance only” category. Individuals not qualifying under one of these programs, but with incomes below 100% of the Federal Poverty Level (FPL), can qualify for health coverage under Proposition 204. In addition to an acute medical services program, AHCCCS also operates the Arizona Long-Term Care System (ALTCS), a Medicaid program that provides long-term nursing care in nursing facilities or home and community based settings.

PERFORMANCE MEASURES	FY 2004	FY 2005	FY 2006	FY 2008
	Actual	Actual	Actual	Approved
• % of people under age 65 that are uninsured	NA	24	17	17

Tobacco Tax and Health Care Fund and Tobacco Products Tax Fund ^{1/}	FY 2006	FY 2007	FY 2008
Medically Needy Account			
<u>Funds Available</u>			
Balance Forward	\$ 2,451,200	\$ 6,177,900	\$ 3,937,900
Transfer In - Tobacco Tax and Health Care Fund	76,168,500	77,307,600	70,942,500
Transfer In - Tobacco Products Tax Fund	40,876,000	41,504,300	37,043,700
Interest and Revertments	49,800	35,400	45,000
Total Funds Available	\$119,545,500	\$125,025,200	\$111,969,100
<u>AHCCCS Allocations</u>			
<u>GF Offsets</u>			
Traditional Medicaid State Match Appropriation	\$ 61,772,100	\$ 58,840,800	\$ 58,840,800
Proposition 204 State Match Appropriation	17,356,700	24,321,700	19,465,300
<u>Other AHCCCS Funding</u>			
Transplants (non-appropriated)	89,100	0	0
Department of Insurance - HCG	0	0	200,000
Total AHCCCS Allocations	\$ 79,217,900	\$ 83,162,500	\$ 78,506,100
<u>DHS Allocations</u>			
Behavioral Health GF Offset	\$ 30,371,900	\$ 30,424,800	\$ 30,424,800
DHS Health Crisis Fund	396,100	0	200,000
Alzheimer's Biotechnology	3,000,000	0	0
Licensure	196,200	0	0
Folic Acid	185,500	200,000	400,000
Autism Pilot	0	2,300,000	0
Community Health Centers	0	3,000,000	4,500,000
Trauma Services	0	2,000,000	0
Total DHS Allocations	\$ 34,149,700	\$ 37,924,800	\$ 35,524,800
Total AHCCCS/DHS Allocations	\$113,367,600	\$121,087,300	\$114,030,900
Balance Forward	\$ 6,177,900	\$ 3,937,900	\$ (2,061,800) ^{2/}
AHCCCS Proposition 204 Protection Account			
<u>Funds Available</u>			
Balance Forward	\$ 114,700	\$ 0	\$ 0
Transfer In - Tobacco Products Tax Fund	63,585,800	63,738,800	57,623,500
Transfer In - Emergency Health Services Account	2,395,000	0	0
Interest Revenue	43,200	0	0
Total Funds Available	\$ 66,138,700	\$ 63,738,800	\$ 57,623,500
<u>Allocations</u>			
AHCCCS State Match	\$ 66,147,700	\$ 63,738,800	\$ 61,455,100
Administrative Adjustments	(9,000)	0	0
Balance Forward	\$ 0	\$ 0	\$ (3,831,600) ^{3/}

Tobacco Tax and Health Care Fund and Tobacco Products Tax Fund ^{1/}	FY 2006	FY 2007	FY 2008
AHCCCS Emergency Health Services Account			
<u>Funds Available</u>			
Balance Forward	\$ 2,464,900	\$ 66,200	\$ 0
Transfer In - Tobacco Products Tax Fund	30,273,300	31,128,200	27,439,800
Interest Revenue	52,400	0	0
Total Funds Available	\$32,790,600	\$31,194,400	\$27,439,800
<u>Allocations</u>			
AHCCCS State Match Appropriation	\$30,329,400	\$31,194,400	\$29,264,100
Transfer Out - Prop 204 Protection Account ^{2/}	2,395,000	0	0
Balance Forward	\$ 66,200	\$ 0	\$ (1,824,300) ^{3/}
DHS Health Crisis Fund			
<u>Funds Available</u>			
Balance Forward	\$ 257,500	\$ 603,900	\$ 800,000
Transfer In - AHCCCS Medically Needy Account	742,500	396,100	200,000
Total Funds Available	\$ 1,000,000	\$1,000,000	\$1,000,000
<u>Allocations</u>			
Allocation	\$ 396,100	\$200,000	\$1,000,000
Balance Forward	\$ 603,900	\$ 800,000	\$ 0
DHS Health Education Account			
<u>Funds Available</u>			
Balance Forward	\$10,711,800	\$16,818,200	\$23,223,000
Transfer In - Tobacco Tax and Health Care Fund	25,115,200	25,587,700	23,300,700
Transfer In - Tobacco Products Tax Fund	3,024,200	3,084,700	2,744,000
Interest Revenue	446,800	228,400	500,000
Total Funds Available	\$39,298,000	\$45,719,000	\$49,767,700
<u>Allocations</u>			
Tobacco Education and Prevention Program	\$22,235,500	\$22,235,500	\$22,235,500
Leading Causes of Death - Prevention and Detection	244,300	260,500	260,500
Balance Forward	\$16,818,200	\$23,223,000	\$27,271,700
DHS Health Research Account			
<u>Funds Available</u>			
Balance Forward	\$ 0	\$1,033,700	\$3,174,900
Transfer In - Tobacco Tax and Health Care Fund	5,466,700	5,988,600	5,067,400
Transfer In - Tobacco Products Tax Fund	7,567,000	8,152,600	6,859,900
Total Funds Available	\$13,033,700	\$15,174,900	\$15,102,200
<u>Allocations</u>			
Arizona Biomedical Research Commission	\$ 5,500,000	\$ 5,500,000	\$ 6,313,400
Alzheimer's	1,000,000	1,000,000	1,000,000
Biotechnology (Laws 2002, Ch. 186)	500,000	500,000	500,000
Biotechnology (Laws 2002, Ch. 320) ^{4/}	5,000,000	5,000,000	0
TGen Non-Appropriated Allocation ^{4/}	0	0	5,000,000
Balance Forward	\$ 1,033,700	\$ 3,174,900	\$ 2,288,800

^{1/} Revenue based on Proposition 203 Fiscal Note from July 2006. Actual experience in FY 2007 suggests that revenue in FY 2008 may be higher than forecast.

^{2/} Any unencumbered funds in the Emergency Health Services Account are transferred to the Proposition 204 Protection Account at the end of each year.

^{3/} Actual balances in FY 2008 will not be negative

^{4/} Laws 2002, Chapter 320 appropriated \$5,000,000 annually from FY 2003 to FY 2007 to TGen. ABRC signed a contract with TGen to continue this appropriation through FY 2012 through the commission's non-appropriated grant program.