

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

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DESCRIPTION	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 JLBC
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	316.5	197.9	197.9
Personal Services	1,974,600	2,338,500	2,338,500
Employee Related Expenditures	658,700	746,000	739,700
Professional and Outside Services	253,200	285,600	285,600
Travel - In State	65,700	78,700	78,700
Other Operating Expenditures	213,000	367,600	344,800
Equipment	135,800	197,400	197,400
<b>OPERATING SUBTOTAL</b>	<b>3,301,000</b>	<b>4,013,800</b>	<b>3,984,700</b>
<b>SPECIAL LINE ITEMS</b>			
Case Management	3,406,600	4,410,700	4,366,000
Home and Community Based Services	26,686,700	35,590,500	36,647,500
Institutional Services	117,500	294,900	294,900
Arizona Training Program at Coolidge	180,100	553,300	546,900
State-Funded Long Term Care Services	19,765,800	21,812,000	21,811,600
Dental Pilot	0	1,000,000	0
Autism Training and Oversight	0	200,000	0
<b>PROGRAM TOTAL</b>	<b>53,457,700</b>	<b>67,875,200</b>	<b>67,651,600</b>

<b>FUND SOURCES</b>			
General Fund	34,436,500	45,778,000	45,754,800
<u>Other Appropriated Funds</u>			
Long Term Care System Fund (Non-Federal Matched)	19,021,200	21,897,200	21,896,800
TTHCF Medically Needy Account	0	200,000	0
SUBTOTAL - Other Appropriated Funds	19,021,200	22,097,200	21,896,800
<b>SUBTOTAL - Appropriated Funds</b>	<b>53,457,700</b>	<b>67,875,200</b>	<b>67,651,600</b>
Other Non-Appropriated Funds	1,011,700	1,011,700	1,011,700
Federal Funds	10,505,800	10,654,800	10,654,800
<b>TOTAL - ALL SOURCES</b>	<b>64,975,200</b>	<b>79,541,700</b>	<b>79,318,100</b>

CHANGE IN FUNDING SUMMARY	FY 2007 to FY 2008 JLBC	
	\$ Change	% Change
General Fund	(23,200)	(0.1%)
Other Appropriated Funds	(200,400)	(0.9%)
Total Appropriated Funds	(223,600)	(0.3%)
Non Appropriated Funds	0	0.0%
Total - All Sources	(223,600)	(0.3%)

**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.

PERFORMANCE MEASURES	FY 2004	FY 2005	FY 2006	FY 2008
	Actual	Actual	Actual	JLBC
• % of consumer satisfaction with case management services	95	95	97	97

PERFORMANCE MEASURES (Continued)	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2008 JLBC
<ul style="list-style-type: none"> <li>% 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 JLBC recommends the survey be done annually.</li> </ul>	70	NA	65	70
<ul style="list-style-type: none"> <li>% 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. DES indicates that the FY 2006 data will be available after January 1, 2007.</li> </ul>	NA	57	NA	65
<ul style="list-style-type: none"> <li>% 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. DES indicates that the FY 2006 data will be available after January 1, 2007.</li> </ul>	NA	85	NA	89

## CHANGES FROM FY 2007

### Operating Budget

The JLBC includes \$3,984,700 and 51.2 FTE Positions from the General Fund for the operating budget in FY 2008. These amounts would fund the following adjustments:

<b>Standard Changes</b>	<b>GF</b>	<b>FY 2008</b>
		<b>\$(7,600)</b>

The JLBC includes a decrease of \$(7,600) from the General Fund in FY 2008 for standard changes.

<b>One-Time AZNet</b>	<b>GF</b>	<b>(21,500)</b>
<b>Appropriation</b>		

The JLBC includes a decrease of \$(21,500) from the General Fund in FY 2008 to reflect the one-time appropriation for AZNet telecommunications charges.

### Special Line Items

#### Case Management

The JLBC includes \$4,366,000 and 84.3 FTE Positions from the General Fund for Case Management in FY 2008. These amounts would fund the following adjustments:

<b>Standard Changes</b>	<b>GF</b>	<b>(9,400)</b>
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The JLBC includes a decrease of \$(9,400) from the General Fund in FY 2008 for standard changes.

<b>One-Time AZNet</b>	<b>GF</b>	<b>(35,300)</b>
<b>Appropriation</b>		

The JLBC includes a decrease of \$(35,300) from the General Fund in FY 2008 to reflect the one-time appropriation for AZNet telecommunications charges.

This line item funds case management services to clients in the state-only DD program. 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 JLBC includes \$36,647,500 and 48.4 FTE Positions for Home and Community Based Services in FY 2008. These amounts consist of:

General Fund	35,799,400
Long Term Care System Fund	848,100

These amounts would fund the following adjustments:

<b>Standard Changes</b>	<b>GF</b>	<b>(3,600)</b>
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The JLBC includes a decrease of \$(3,600) from the General Fund in FY 2008 for standard changes.

<b>One-Time AZNet</b>	<b>GF</b>	<b>(20,300)</b>
<b>Appropriation</b>		

The JLBC includes a decrease of \$(20,300) from the General Fund in FY 2008 to reflect the one-time appropriation for AZNet telecommunications charges.

<b>Provider Rate Adjustment</b>	<b>GF</b>	<b>1,080,900</b>
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The JLBC includes an increase of \$1,080,900 from the General Fund in FY 2008 for provider rate adjustments. These monies will be used to give an inflationary increase of 3.2% to provider rates on the published rate schedule. (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 \$36,647,500 in this line item, \$34,860,500 funds Home and Community Based Services to clients enrolled in the DD program; the other \$1,787,000 funds program staff.

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



### **Autism Training and Oversight**

The JLBC includes no funding for Autism Training and Oversight in FY 2008. This amount would fund the following adjustments:

#### **Autism Pilot OF (200,000)**

The JLBC includes a decrease of \$(200,000) from the Tobacco Tax and Health Care Fund Medically Needy Account in FY 2008. This program was defined as a pilot when funding was appropriated in FY 2007 from the Tobacco Tax and Health Care Fund Medically Needy Account for a contract for training and oversight of habilitation workers utilizing intensive behavioral treatment for children with or at-risk of developing autism. These monies are non-lapsing through June 30, 2008, and the department is required to conduct an evaluation of the autism services. The report of the findings and recommendations are to be submitted to the Governor and Legislature no later than March 1, 2007. Since the first expenditures of these monies are not expected until at least January, an additional reporting date may be necessary.

DES will use these monies to pay \$275 per trainee for intensive behavioral treatment of children age 0 to 5 with autism. This amount should fund the training of approximately 725 workers.

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

### **FOOTNOTES**

#### *Standard Footnotes*

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.

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 2008 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, 2008.

#### *New Footnotes*

Prior to the implementation of any statewide provider rate increases not already specifically authorized by the Legislature, the department shall submit a report to the Joint Legislative Budget Committee for review. The report shall include at a minimum, the estimated cost of the provider rate increase and the ongoing source of funding for the increase. *(DES implemented a provider rate increase in January 2006 without notifying the Legislature. Because these increases have fiscal impacts, the Legislature should be made aware of these increases prior to implementation.)*

The amounts above include \$6,998,700 from the state General Fund and \$11,624,900 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 100% of FY 2008 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 to approve a capitation rate increase retroactive to July 1, 2007 to make provider rate increases effective July 1, 2007. By July 1, 2007, the division shall obtain approval for a rate increase implementation proposal from AHCCCS. By August 1, 2007, 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 2007. Payment for retroactive reimbursement due for services provided in July 2007 shall be paid to providers no later than September 15, 2007. *(This review footnote matches language accompanying prior provider rate footnotes.)*

#### *Deletion of Prior Year Footnotes*

The JLBC deletes the footnote detailing the use of an FY 2007 appropriation for provider rate increases.

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

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