

Department of Economic Security
Developmental Disabilities

A.R.S. § 41-1954

	FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	1,921.9	1,907.9	1,889.9 ^{1/}
Personal Services	11,235,200	9,480,100	9,378,600
Employee Related Expenditures	4,565,600	3,420,200	3,595,600
Professional and Outside Services	450,900	468,000	468,000
Travel - In State	294,000	300,000	300,000
Other Operating Expenditures	20,716,400	28,413,100	28,495,500
Equipment	398,600	396,000	396,000
OPERATING SUBTOTAL	37,660,700	42,477,400	42,633,700
SPECIAL LINE ITEMS			
Title XIX Long Term Care			
Case Management - Title XIX	35,652,800	40,094,300	40,811,700
Home and Community Based Services - Title XIX	584,432,200	624,010,200	670,294,400 ^{2/3/}
Institutional Services - Title XIX	17,085,600	15,747,100	16,604,700
Medical Services	109,294,400	137,509,000	147,328,500
Arizona Training Program at Coolidge - Title XIX	17,133,100	16,473,900	16,964,900
Medicare Clawback Payments	2,206,600	1,612,000	1,766,300
State-Funded Services			
Case Management - State Only	3,290,300	3,855,000	3,973,500
Home and Community Based Services - State Only	27,111,900	14,164,000	12,384,500
Institutional Services - State Only	139,400	144,900	0
Arizona Training Program at Coolidge - State Only	61,700	69,300	0
State-Funded Long Term Care Services	24,976,600	26,384,200	26,530,200
Autism Training and Oversight	0	200,000	0
Children's Autism Intensive Behavioral Treatment Services	1,350,100	0	0
Children's Autism Intensive Early Intervention Services for Toddlers	500,000	0	0
Arizona Early Intervention Program	1,843,700	1,843,700	1,843,700
Means Testing and Fee Increases	0	0	0
PROGRAM TOTAL	862,739,100	924,585,000	981,136,100^{4/5/6/7/8/}
FUND SOURCES			
General Fund	268,599,600	240,482,100	255,118,000
<u>Other Appropriated Funds</u>			
Long Term Care System Fund (Non-Federal Matched)	24,141,500	27,043,400	30,520,500
TTHCF Health Research Account	0	200,000	0
SUBTOTAL - Other Appropriated Funds	24,141,500	27,243,400	30,520,500
SUBTOTAL - Appropriated Funds	292,741,100	267,725,500	285,638,500
<u>Expenditure Authority Funds</u>			
Long Term Care System Fund (Federal Match)	569,998,000	656,859,500	695,497,600 ^{9/}
SUBTOTAL - Expenditure Authority Funds	569,998,000	656,859,500	695,497,600
SUBTOTAL - Appropriated/Expenditure Authority Funds	862,739,100	924,585,000	981,136,100
Other Non-Appropriated Funds	959,200	1,192,200	1,192,200
Federal Funds	19,283,700	39,402,100	37,745,800
TOTAL - ALL SOURCES	882,982,000	965,179,300	1,020,074,100

COST CENTER DESCRIPTION — The Division of Developmental Disabilities (DD) program provides services to individuals with cognitive disabilities, cerebral palsy, autism, or epilepsy. Clients eligible for federal Title XIX program services are funded through the Long Term Care (LTC) program. Title XIX is an entitlement program in which any individual meeting the financial and functional requirements must receive assistance. To qualify for federal funding, an individual must have an income below 300% of the Supplemental Security Income (SSI) eligibility limit, which is approximately 222% of the Federal Poverty Limit, and have certain functional needs. The division also provides 100% state-funded services for clients who are not eligible for Title XIX Program services. 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.

Overview

As of May 2010, the Division of Developmental Disabilities serves 30,657 clients, which includes 22,522 clients in the LTC program and 8,135 clients in the state-only portion. The primary disabilities of these clients are shown in *Table 1* and they fall into the age groups seen in *Table 2*.

<u>Disability</u>	<u>Number</u>	<u>Percentage</u>
Cognitive Disability	13,547	44%
At Risk	8,757	29%
Autism	4,169	14%
Cerebral Palsy	2,874	9%
Epilepsy	1,205	4%
Not Indicated	105	0%

<u>Age</u>	<u>Number</u>	<u>Percentage</u>
Under 21	18,247	59%
21 to 55	11,012	36%
Over 55	1,398	5%

The LTC program is funded from 2 sources: the General Fund (GF) and federal Title XIX capitation revenues received from the Arizona Health Care Cost Containment System (AHCCCS). The LTC appropriation includes the appropriation of GF monies and federal expenditure authority. The state is normally required to contribute about one-third of the cost of the LTC program.

As the AHCCCS-authorized provider of DD services, the Department of Economic Security (DES) receives federal monies through prepaid monthly capitation payments based on rates for types of clients. The included amount makes the following assumptions:

- Caseload growth: Growth is estimated at 6.5% from June 2010 to June 2011. This caseload growth will result in an average monthly FY 2011 caseload of 23,830 clients.
- Capitation rate: The budget includes no increases for provider rate or medical inflation. In FY 2009 and FY 2010, the overall capitation rate declined because, in addition to a freeze on provider rates included in the budget, DES implemented a 10% reduction in provider rates as part of its implementation of its FY 2009 midyear agencywide lump sum reduction. The reduction has been continued into FY 2010 and is

1/ Includes 577 GF and 2 OF and 1,020.2 EA FTE Positions funded from Special Line Items in FY 2011.
 2/ For FY 2011, the Department of Economic Security shall not increase reimbursement rates for community service providers and independent service agreement providers contracting with the Division of Developmental Disabilities. (General Appropriation Act footnote)
 3/ These amounts include monies originally appropriated in Laws 2009, Chapter 12 to make FY 2010 payments in FY 2011. Laws 2010, 7th Special Session, Chapter 1 also appropriates \$16,900,000 in FY 2012 to reflect the deferral of FY 2011 payments.
 4/ 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 2011 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 shall also report if no new placements were made. This report shall be made available by July 15, 2011. (General Appropriation Act footnote)
 5/ The department shall report to the Joint Legislative Budget Committee by March 1 of each year on preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum shall be not more than 2%. Before implementation of any changes in capitation rates for the Long-Term Care program, the Department of Economic Security shall report for review the expenditure plan to the Joint Legislative Budget Committee. Before the department implements any changes in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the department shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal analysis demonstrates that these changes will result in additional state costs of \$500,000 or greater for a given fiscal year, the department shall submit the policy changes for review by the Joint Legislative Budget Committee. (General Appropriation Act footnote)
 6/ Prior to the implementation of any developmentally disabled or long-term care statewide provider rate adjustments not already specifically authorized by the Legislature, court mandates or changes to federal law, the department shall submit a report for review by the Joint Legislative Budget Committee. The report shall include, at a minimum, the estimated cost of the provider rate adjustment and the ongoing source of funding for the adjustment, if applicable. (General Appropriation Act footnote)
 7/ See agency summary for agencywide lump sum reductions.
 8/ General Appropriation Act funds are appropriated as an Agencywide Operating Lump Sum with Special Line Items by Program.
 9/ All monies in the Long-Term Care System Fund unexpended and unencumbered at the end of FY 2011 revert to the state General Fund, subject to approval by the Arizona Health Care Cost Containment System administration. (General Appropriation Act footnote)

assumed to continue into FY 2011. The budget assumes that the administrative component remains flat at the FY 2006 rate.

- Federal Medical Assistance Percentage (FMAP): This rate is 75.93% in Federal Fiscal Year (FFY) 2010 and FFY 2011. This amount includes adjustments to the Medicaid matching rate under the American Recovery and Reinvestment Act (ARRA) of 2009. (Please see agency summary for more information.)

Table 3 summarizes the average monthly caseload estimates for the Special Line Items (SLI). Please note that all clients are eligible for Medical Services and Case Management as necessary, but not all clients access other services in any particular month.

<u>Special Line Item</u>	<u>Clients</u>
Home and Community Based Services	20,146
Institutional Services	205
Arizona Training Program at Coolidge	124 ^{1/}
Subtotal	20,475
Case Management/Medical Services only	3,355
Total	23,830

^{1/} Represents the budgeted client caseload. See Table 6 for actual client caseload.

Table 4 summarizes member years, capitation rates, and the state and federal share of funding for the LTC program.

Operating Budget

The budget includes \$42,633,700 and 290.7 FTE Positions for the operating budget in FY 2011. These amounts consist of:

<u>Capitation Category</u>	<u>Member Years</u>	<u>Monthly Capitation Rate</u>	<u>Title XIX Share</u>	<u>State GF Match</u>	<u>Total</u>
Enrolled and Ventilator Dependent	23,830	\$3,284.07	\$702,162,000	\$236,951,100	\$939,113,100
Administration			(6,648,100)	(2,107,500)	(8,755,600) ^{1/}
FFS/Reinsurance			3,259,800	1,033,400	4,293,200 ^{2/}
Cost Sharing			(3,276,100)	(1,038,500)	(4,314,600) ^{3/}
Clawback Payments			0	1,766,300	1,766,300 ^{2/}
Dual Eligible Part D Copay Subsidy			0	55,600	55,600 ^{2/4/}
FY 2011 LTC Total			\$695,497,600	\$236,660,400	\$932,158,000 ^{5/}

^{1/} Monies transferred to the Administration cost center for indirect costs associated with the Long Term Care cost program.
^{2/} Separate costs not included in the capitation rate.
^{3/} Reflects legislation passed in 2003 to impose cost sharing on families earning at or above 400% of the Federal Poverty Level (\$88,200 for a family of 4 in 2010).
^{4/} Monies included in the Home and Community Based Services Special Line Item.
^{5/} Monies are distributed amongst the program's operating budget and 7 Special Line Items.

	<u>FY 2011</u>
General Fund	\$13,921,400
Long Term Care System Fund	28,712,300

These amounts fund the following adjustments:

Statewide Adjustments

The budget includes an increase of \$156,300 in FY 2011 for statewide adjustments. This amount consists of:

General Fund	100,100
Long Term Care System Fund	56,200

(Please see the General Provisions section.)

Background – Of the total \$13,921,400 General Fund for the Division of Developmental Disabilities operating budget, \$9,675,200 is for the Title XIX Long Term Care program and the remaining \$4,246,200 is for state-funded services.

Title XIX Long Term Care

Case Management – Title XIX

The budget includes \$40,811,700 and 821.5 FTE Positions for Case Management in FY 2011. These amounts consist of:

General Fund	10,532,200
Long Term Care System Fund	30,279,500

These amounts fund the following adjustments:

Statewide Adjustments

The budget includes an increase of \$717,400 in FY 2011 for statewide adjustments. This amount consists of:

General Fund	375,100
Long Term Care System Fund	342,300

Background – In addition to providing case management services to an estimated 20,146 clients receiving direct services, this line item also provides case management services only to another 3,355 clients.

Home and Community Based Services - Title XIX

The budget includes \$670,294,400 and 99.2 FTE Positions for Home and Community Based Services (HCBS) in FY 2011. These amounts consist of:

General Fund	168,928,000
Long Term Care System Fund	501,366,400

These amounts fund the following adjustments:

Statewide Adjustments

The budget includes an increase of \$21,100 in FY 2011 for statewide adjustments. This amount consists of:

General Fund	19,500
Long Term Care System Fund	1,600

Caseload Growth

The budget includes an increase of \$46,263,100 in FY 2011 for Caseload Growth. This amount consists of:

General Fund	15,352,700
Long Term Care System Fund	30,910,400

This adjustment reflects 6.5% growth in the client population from June 2010 to June 2011 and no increase for the capitation rate or provider rates.

Background – Monies in this line item fund 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. Monies also fund staff in state-operated group homes, excluding the Arizona Training Program at Coolidge (ATP-C).

The FY 2011 budget continues a total of \$42,000,000 in payment deferrals enacted in previous years. There are no savings associated with the deferrals in FY 2011. Of the total \$42,000,000 in deferred payments, \$16,900,000 is deferred from the Home and Community Based Services - Title XIX SLI. (Please see the Payment Deferral section in the DES Summary for additional information.)

Of the \$670,294,400 in this line item, \$658,571,900 funds HCBS services to clients enrolled in the LTC program; the other \$11,722,500 funds program staff.

Table 5 indicates how estimated caseloads are expected to be allocated among HCBS settings.

Table 5

FY 2011 Caseloads

<u>HCBS Setting</u>	<u>Clients</u>
At Home With Family	16,640
Adult Developmental Foster Home	679
Group Home	2,154
Child Developmental Foster Home	240
Independent Living	373
State-Operated Group Home	60
Total	20,146

Institutional Services - Title XIX

The budget includes \$16,604,700 and 77.7 FTE Positions for Institutional Services in FY 2011. These amounts consist of:

General Fund	4,189,000
Long Term Care System Fund	12,415,700

These amounts fund the following adjustments:

Statewide Adjustments

The budget includes an increase of \$29,800 in FY 2011 for statewide adjustments. This amount consists of:

General Fund	18,500
Long Term Care System Fund	11,300

Caseload Growth

The budget includes an increase of \$827,800 in FY 2011 for Caseload Growth. This amount consists of:

General Fund	272,500
Long Term Care System Fund	555,300

This adjustment reflects 6.5% growth in the client population from June 2010 to June 2011 and no increase for medical inflation.

Background – Monies in this line item fund residential and day programs to clients with more severe developmental disabilities. These clients reside in Intermediate Care Facilities for the Mentally Retarded (ICF/MRs) or other nursing facilities, both privately and state-operated, excluding the ATP-C. The amount is estimated to serve 249 clients.

Of the \$16,604,700 in this line item, \$11,229,300 funds Institutional Services to clients enrolled in the LTC program; the other \$5,375,400 funds program staff.

Medical Services

The budget includes \$147,328,500 and 36.7 FTE Positions for Medical Services in FY 2011. These amounts consist of:

General Fund	36,935,300
Long Term Care System Fund	110,393,200

These amounts fund the following adjustments:

Statewide Adjustments

The budget includes an increase of \$4,700 in FY 2011 for statewide adjustments. This amount consists of:

General Fund	5,000
Long Term Care System Fund	(300)

Caseload Growth

The budget includes an increase of \$9,814,800 in FY 2011 for Caseload Growth. This amount consists of:

General Fund	3,260,800
Long Term Care System Fund	6,554,000

This adjustment reflects 6.5% growth in the client population from June 2010 to June 2011 and no increase for medical inflation.

Background – Of the \$147,328,500 in this line item, \$143,022,700 funds Acute Care services to clients enrolled in the LTC program; the other \$4,305,800 funds the staff of the division's Managed Care unit.

Arizona Training Program at Coolidge - Title XIX

The budget includes \$16,964,900 and 429.4 FTE Positions for ATP-C in FY 2011. These amounts consist of:

General Fund	4,634,400
Long Term Care System Fund	12,330,500

Statewide Adjustments

The budget includes an increase of \$421,700 in FY 2011 for statewide adjustments. This amount consists of:

General Fund	214,400
Long Term Care System Fund	207,300

Shift Funding from ATP-C State-Only

The budget includes an increase of \$69,300 and 12 FTE Positions from the General Fund in FY 2011 to shift the funding from the Arizona Training Program at Coolidge - State-Only SLI to the Arizona Training Program at Coolidge - Title XIX SLI to consolidate the line items in the division's budget to give the agency more flexibility in allocating available funding.

Background – Monies in this line item fund an entire range of services for DD clients residing at the ATP-C campus, either in ICF/MRs or state-operated group homes (SOGHs). The amount does not include costs associated with case management, certain occupancy-related costs, other indirect administration, and Stipends and Allowances.

The \$16,964,900 for the ATP-C is budgeted to provide a total of 145 member years of service in FY 2011, 116 in ICF/MRs and 29 in SOGHs. The approximate blended cost per DD budgeted client at ATP-C (excluding these other costs) will be \$117,000 in FY 2011. The actual ATP-C population has been below budgeted levels, as shown in *Table 6*. At an estimated FY 2011 caseload of 120, spending per client would be \$141,400.

Table 6

ATP-C Client Population

FY 2007	134
FY 2008	129
FY 2009	126
FY 2010 (est.)*	122
FY 2011 (est.)*	120

* For the last 6 years, average annual population decline has been 4.

Medicare Clawback Payments

The budget includes \$1,766,300 from the General Fund for Medicare Clawback Payments in FY 2011. These amounts fund the following adjustments:

Formula Growth

The budget includes an increase of \$67,000 from the General Fund in FY 2011 for formula growth associated with Medicare Clawback Payments.

Savings Reduction

The budget includes an increase of \$87,300 from the General Fund in FY 2011 for reduced savings in FY 2011. In February 2010, the federal government announced that it would apply the ARRA enhanced matching rate against the Medicare Clawback payments, thereby reducing the amounts made for Clawback payments. It is estimated that this will reduce developmental disabilities payments by \$(844,100) in FY 2010 and \$(756,800) in FY 2011. The savings in FY 2010 are greater than in FY 2011 due to the timing of these savings.

Background – As part of the Medicare Modernization Act (MMA) effective January 1, 2006, DES is not required to pay for prescription drug costs for members who are also eligible for Medicare. Instead, DES is required to make "Clawback" payments to Medicare based on 83% of the estimated prescription drug cost of this population in FY 2011. The state's share of 83% declines annually by

1.7% and the Clawback cost per member is annually increased based on national health trend information.

State-Funded Services

Case Management – State-Only

The budget includes \$3,973,500 and 84.3 FTE Positions from the General Fund for Case Management in FY 2011. These amounts fund the following adjustments:

Statewide Adjustments

The budget includes an increase of \$118,500 from the General Fund in FY 2011 for statewide adjustments.

Background – This line item funds case management services to clients in the state-only DD program. As of May 2010, there are approximately 8,135 clients in the state-only program.

Home and Community Based Services – State-Only

The budget includes \$12,384,500 and 48.4 FTE Positions for Home and Community Based Services in FY 2011. These amounts consist of:

General Fund	11,536,400
Long Term Care System Fund	848,100

These amounts fund the following adjustments:

Statewide Adjustments

The budget includes an increase of \$70,500 from the General Fund in FY 2011 for statewide adjustments.

State-Only DD Services Reduction

The budget includes a decrease of \$(1,850,000) from the General Fund in FY 2011 for a decrease to state-only DD services. The budget also continues an FY 2010 supplemental decrease of \$(1,850,000) from the General Fund in FY 2011 for a total General Fund decrease of \$(3,700,000).

Fiscal Stabilization Fund

The budget continues a decrease of \$(15,000,000) from the General Fund in FY 2011. In FY 2010, an equivalent amount of federal state fiscal stabilization funds was used to offset this decrease; however, in FY 2011, it is unknown if this offset will continue. The American Recovery and Reinvestment Act (ARRA) provided Arizona with more than \$1,000,000,000, including \$185,000,000 that can be expended for any state expenses. Of the \$185,000,000, approximately \$105,000,000 was expended in FY 2010, including \$15,000,000 for State-Only Home and Community Based Services.

Background – 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 ATP-C.

Of the \$12,384,500 in this line item, \$10,693,000 funds Home and Community Based Services to clients enrolled in the DD program; the other \$1,691,500 funds program staff. The total amount is expected to provide a total of 8,449 member years of service, allocated as shown in *Table 7*.

Table 7

FY 2011 Caseloads

<u>HCBS Setting</u>	<u>Clients</u>
At Home with Family	7,940
Adult Developmental Foster Home	27
Group Home	51
Children Developmental Foster Home	73
Independent Living	42
State-Operated Group Home	<u>2</u>
Total	8,135

Institutional Services – State-Only

The budget includes no funding for the Institutional Services - State-Only program in FY 2011. These amounts fund the following adjustments:

Shift Funding to State-Funded Long Term Care Services

The budget includes a decrease of \$(144,900) from the General Fund in FY 2011 to shift funding for this program to the State-Funded Long Term Care Services SLI to consolidate the line items in the division’s budget to give the agency more flexibility in allocating available funding.

This line item funded residential and day programs to clients with more severe developmental disabilities. These clients are in Large Group Living Facilities (LGLFs) or other nursing facilities.

Arizona Training Program at Coolidge - State-Only

The budget includes no funding for the Arizona Training Program at Coolidge - State-Only SLI in FY 2011. These amounts fund the following adjustments:

Shift Funding to ATP-C Title XIX

The budget includes a decrease of \$(69,300) and (12) FTE Positions from the General Fund in FY 2011 to shift this funding to the Arizona Training Program at Coolidge - Title XIX SLI to consolidate the line items in the division’s budget to give the agency more flexibility in allocating available funding. (*See Arizona Training Program at Coolidge – Title XIX for more details.*)

State-Funded Long Term Care Services

The budget includes \$26,530,200 and 2 FTE Positions for State-Funded Long Term Care Services in FY 2011. These amounts consist of:

General Fund	907,800
Long Term Care System Fund	25,622,400

These amounts fund the following adjustments:

Statewide Adjustments

The budget includes an increase of \$1,100 from the Long Term Care System Fund in FY 2011 for statewide adjustments.

Shift Funding from Institutional Services – State-Only

The budget includes an increase of \$144,900 from the General Fund in FY 2011 to shift funding for the Institutional Services - State-Only program to the State-Funded Long Term Care Services SLI to consolidate the line items in the division’s budget to give the agency more flexibility in allocating available funding.

Background – 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. The program also funds residential and day programs to clients with more severe developmental disabilities. These clients reside in LGLFs or other nursing facilities.

Of the \$26,530,200 in this line item, \$25,652,100 funds State-Funded Long Term Care Services to clients enrolled in the DD program; the other \$878,100 funds program staff.

	<u>FY 2010</u>	<u>FY 2011</u>
Sources		
<i>Long Term Care System Fund</i>		
Client Billing Revenue	\$18,000,000	\$18,000,000
Foster Care Client Trust	1,500,000	1,500,000
Estates, Trust and Annuities	600,000	600,000
Mesa Land	100	100
LTCSF Interest	1,000,000	1,000,000
Preadmission Screening and Annual Resident Review (PASARR)	62,000	62,000
Total – LTCSF	21,162,100	21,162,100
<i>General Fund</i>	<u>762,900</u>	<u>762,900</u>
Total - Sources	\$21,925,000	\$21,925,000
Uses		
Non-reimbursable LTC Services	\$25,968,400	\$25,968,400
Food	226,200	226,200
PASARR	62,000	62,000
Stipends and Allowances	212,800	212,800
Total - Uses	\$26,469,400	\$26,469,400

Table 8 details the amounts of funding and uses for the State-Funded Long Term Care Services line item in FY 2010 and FY 2011.

Autism Training and Oversight

The budget includes no funding for the Autism Training and Oversight program in FY 2011. These amounts fund the following adjustments:

Eliminate Program Funding

The budget includes a decrease of \$(200,000) from the Tobacco Tax and Health Care Fund - Health Research Fund in FY 2011 to eliminate the funding for the program. The Biomedical Research Commission has not distributed the funding from the Health Research Account in the 3 years that this appropriation has been included in DES’ budget, arguing that this appropriation would violate the statutory purpose of the account.

DES was to have used these monies to train approximately 725 workers at \$275 per trainee for intensive behavioral treatment of children age 0 to 5 with autism.

Children’s Autism Intensive Behavioral Treatment Services

The budget includes no funding from the General Fund for the Children’s Autism Intensive Behavioral Treatment Services Special Line Item in FY 2011. These amounts fund the following adjustments:

Fiscal Stabilization Fund

The budget continues a decrease of \$(1,800,000) from the General Fund that began in FY 2010. ARRA provided Arizona with more than \$1,000,000,000 in fiscal stabilization funds, including \$185,000,000 that can be expended for any state expenses. Of the \$185,000,000, approximately \$105,000,000 will be expended in FY 2010, including \$1,800,000 for Children’s Autism Intensive Behavioral Treatment Services. When General Fund money was originally appropriated for this program in FY 2008, it was intended to be a 3-year program. FY 2010 was the third year of the program.

This line item provides funding for autism services that utilize techniques of discrete trial and natural environment intensive behavioral treatment through applied behavioral analysis. This program provided services for 16 children in FY 2009.

Children’s Autism Intensive Early Intervention Services for Toddlers

The budget includes no funding from the General Fund for the Children’s Autism Intensive Early Intervention Services for Toddlers Special Line Item in FY 2011. These amounts fund the following adjustments:

Fiscal Stabilization Fund

The budget continues a decrease of \$(500,000) from the General Fund that began in FY 2010. ARRA provided Arizona with more than \$1,000,000,000 in fiscal stabilization funds, including \$185,000,000 that can be expended for any state expenses. Of the \$185,000,000, approximately \$105,000,000 will be expended in FY 2010, including \$500,000 for Children's Autism Intensive Early Intervention Services for Toddlers. When General Fund money was originally appropriated for this program in FY 2008, it was intended to be a 3-year program. FY 2010 was the third year of the program.

This line item provides funding for intensive early intervention efforts for autistic toddlers and preschoolers in a school-based setting. This program provided services for 200 children in FY 2009.

Arizona Early Intervention Program

The budget includes \$1,843,700 from the General Fund for the Arizona Early Intervention Program SLI in FY 2011. This amount is unchanged from FY 2010.

Funding in this line item is used for children from birth to age 3 who have disabilities or developmental delays. This program is implemented through a partnership with the Arizona State Schools for the Deaf and the Blind, Arizona Department of Education, Arizona Department of Health Services, and AHCCCS.

Means Testing and Fee Increases

The budget includes a decrease of \$(4,050,000) from the General Fund and \$4,050,000 from the Long Term Care System Fund in FY 2011 for Means Testing and Fee Increases.

Means testing and fee increases are statutory changes made in the FY 2011 Welfare Budget Reconciliation Bill (Laws 2010, 7th Special Session, Chapter 11). The changes allow DES to increase the percentage of a client's Supplemental Security Income monthly benefit the department collects to pay for a portion of the cost of support and care from 70% to 88%. The department will allocate the General Fund savings and the additional Long Term Care System Fund spending to the appropriate SLIs.

5th Special Session Reduction

Please see the agency summary for agencywide lump sum reductions.

Fund Transfers

The budget includes transfers from this agency's funds to the General Fund. *(Please see the Fund Transfers section at the back of this report for more details.)*