AZ HEALTH CARE COST CONTAINMENT SYSTEM - ADMINISTRATION

A.R.S. § 36-2901

General Fund, Federal Funds and Other Funds		FY 1999 Actual	FY 2000 Estimate	FY 2001 Approved
FTE Positions	(SM)	1,126.2	1,191.1	1,196.4 [1/2/]
	(TF)	2,329.7	2,407.5	2,425.0 [1/2/]
Personal Services	(SM)	14,019,600	14,618,800	14,995,600
	(TF)	30,498,200	31,989,200	32,798,000
Employee Related Expenditures	(SM)	3,291,900	3,407,100	3,539,800
	(TF)	6,996,700	7,234,200	7,515,500
Professional and Outside Services	(SM)	2,268,900	2,222,600	2,222,600
	(TF)	4,206,400	4,572,700	4,572,700
Travel - In State	(SM)	126,200	123,800	123,800
	(TF)	264,800	253,300	253,300
Travel - Out of State	(SM)	29,500	25,000	25,000
	(TF)	40,300	46,900	46,900
Other Operating Expenditures	(SM)	7,006,500	6,852,200	6,852,400
	(TF)	12,125,200	12,302,200	12,065,100
Equipment	(SM)	1,087,900	1,067,000	1,067,000
	(TF)	4,702,700	2,416,500	2,416,500
Operating Subtotal	**(GF)**	**27,830,500**	**28,316,500**	**28,826,200**
	(TF)	**58,834,300**	**58,815,000**	**59,668,000**
ADOA Data Center Charges	(SM)	1,514,000	1,742,500	1,742,500 [3/]
	(TF)	4,177,900	4,978,600	4,978,600 [3/]
Indian Advisory Council	(SM)	103,600	108,200	110,200
	(TF)	204,600	213,100	216,700
DES Eligibility	(SM)	18,737,900	21,150,400	21,506,000 [4/]
	(TF)	37,574,800	42,197,400	42,909,800 [4/]
DES Disability Determination	(SM)	64,700	0	0
	(TF)	128,400	0	0
DES PASARR	(SM)	20,600	0	0
	(TF)	79,600	0	0
DES Title XIX Pass-Through	(SM)	0	126,100	127,800 [4/]
	(TF)	0	292,300	296,500 [4/]
DHS Licensure	(SM)	478,000	0	0
	(TF)	791,900	0	0
DHS PASARR	(SM)	25,900	0	0
	(TF)	102,200	0	0
DHS Indirect Cost-Licensure	(SM)	139,000	0	0
	(TF)	228,500	0	0
DHS Title XIX Pass-Through	(SM)	0	717,700	814,400 [1/5/]
	(TF)	0	1,378,100	1,421,500 [1/5/]
Health Care Group Administration	(SM)	8,918,800	9,270,100	9,285,800 [6/]
	(TF)	8,918,800	9,270,100	9,285,800 [6/]
Office of Administrative Hearings	(SM)	0	0	0
	(TF)	0	159,000	160,300
CHIP - Administration	(SM)	1,030,000	1,405,700	1,880,000
	(TF)	4,119,900	5,623,700	7,523,900
CHIP - Services	(SM)	1,491,000	13,730,200	18,040,700
	(TF)	5,963,900	54,921,000	72,163,000
Navajo and Apache County Claims	(SM)	628,000 [7/]	0	0
	(TF)	628,000	0	0
Total	**(SM)**	**60,982,000**	**76,567,400**	**82,333,600**
	(TF)	**121,752,800**	**177,848,300**	**198,624,100**

Additional Appropriations -				
AHCCCS; Finger Imaging Ch. 378	(SM)	0	0	200,000
	(TF)	0	0	200,000
Total Appropriations	**(SM)**	**60,982,000**	**76,567,400**	**82,533,600**
	(TF)	**121,752,800**	**177,848,300**	**198,824,100** 8/9/
Fund Summary				
General Fund		49,542,200	52,175,200	53,256,100 10/
Donations Fund		918,800	1,256,300	1,272,000 10/
Tobacco Tax Funds		8,000,000	8,000,000	0
Tobacco Settlement Fund		0	0	8,000,000 10/
Children's Health Insurance Program Fund		10,083,800	60,544,700	79,686,900 10/
Federal Funds		53,208,000	55,872,100	56,586,400
State Funding Set-Aside		0	0	84,800 1/
Total Fund Set-Aside		0	0	22,700 1/
Total Appropriations		**121,752,800**	**177,848,300**	**198,824,100**

SM = State Match, and consists of the state General Fund, Tobacco Tax, Third Party Collections, County Funds, and the Donations Fund.
TF = Total Funds, and represents the sum of the State Match and Federal Funds.

Program Description — *Administration responsibilities related to health plan contracting include rate negotiations, health plan auditing and financial oversight, and assisting with the formulation of new health plans. Other major Administration responsibilities include the development and maintenance of the management information system, policy development and research, and agency finance and accounting. Additionally, the Administration performs eligibility determinations for the Arizona Long-Term Care System and for SSI Medical Assistance only (MAO) Eligibility. Eligibility for the Acute Care program is conducted by the Department of Economic Security (DES), counties, and the federal Social Security Administration. The appropriation for DHS – AHCCCS represents an allocation of costs incurred by the Department of Health Services (DHS) in its role of performing licensing and inspections of Title XIX-certified nursing care facilities. This function is a federal Medicaid requirement and is conducted in accordance with an intergovernmental agreement between AHCCCS and DHS.*

1/ The State Funding Set-Aside and Total Funds Set-Aside includes $84,800 SF and $22,700 TF for the DHS Title XIX Pass-Through Special Line Item. In addition, there is an associated increase of 1.3 SF and 0.5 TF FTE Positions. The set-aside is not formally appropriated to the budget but reflects the current estimate of a potential FY 2001 supplemental.
2/ Includes 723.2 SM and 1,351.4 TF FTE Positions funded from Special Line Items in FY 2001 (as adjusted for the set-aside).
3/ It is the intent of the Legislature that the appropriation for the Department of Administration Data Center charges be used only for the payment of charges incurred by the department for the use of computing services provided by the Department of Administration Data Center. (General Appropriation Act footnote)
4/ The amounts appropriated for the Department of Economic Security Special Line Items shall be used for intergovernmental agreements with the Department of Economic Security for the purpose of eligibility determination and other functions. The General Fund share may be used for eligibility determination for other programs administered by the Division of Benefits and Medical Eligibility based on the results of the Arizona Random Moment Sampling Survey. (General Appropriation Act footnote)
5/ The amounts appropriated for the Department of Health Services Special Line Item shall be used for intergovernmental agreements with the Department of Health Services for the purpose of Medicaid-related licensure, certification and registration, and other functions. (General Appropriation Act footnote)
6/ Includes $8,000,000 appropriated by Laws 1999, Chapter 313 in Tobacco Settlement monies.
7/ Represents FY 1999 expenditures from the non-lapsing General Fund appropriation provided by Laws 1997, Chapter 7, 1st Special Session.
8/ General Appropriation Act funds appropriated as an Operating Lump Sum with Special Line Items for the Program.
9/ Of the $177,848,300 expenditure authority for Administration in FY 2000, $52,175,200 is appropriated from the state General Fund, $1,256,300 is appropriated from the Donations Fund, and $60,544,700 is appropriated from the Children's Health Insurance Program Fund. Of the $198,801,400 expenditure authority for Administration in FY 2001, $53,256,100 is appropriated from the state General Fund, $1,272,000 is appropriated from the Donations Fund, and $79,686,900 is appropriated from the Children's Health Insurance Fund. (General Appropriation Act footnote, as adjusted for state employee pay increases, as amended by Laws 1999, Chapter 313 and Laws 2000, Chapter 378)
10/ These amounts represent direct appropriations. All other expenditures are part of total expenditure authority.

Technical Adjustments — The technical adjustments are not formally added to the department's budget, but reflect the current estimate of a potential FY 2001 supplemental. There are 2 possible technical adjustments. First, in the FY 2001 appropriation, the DHS Title XIX Pass-Through Special Line Item included an appropriation for a 0.8 FTE Position and $62,100 in Total Funds (TF) to meet the increased demand for inspection of Title XIX nursing facilities. This issue should have been funded by State Funds (SF) to allow the agency to draw down federal matching monies.

The second technical change involves an increase of a 0.5 FTE Position and $22,700 SF in the DHS Title XIX Pass-Through Special Line Item. An equivalent decrease would need to be made in the Assurance and Licensure Special Line Item in the DHS budget. This change is required to provide the correct state match for the Federal Title XIX monies that pass through AHCCCS to the DHS Assurance and Licensure Division.

Additional Appropriations: AHCCCS; Finger Imaging (Chapter 378) — Appropriates $200,000 from the General Fund (GF) to AHCCCS in FY 2001 to implement a finger imaging process for selected AHCCCS populations. The legislation also includes a termination date of July 1, 2005 and creates a study committee to review the implementation of the pharmaceutical point of service finger imaging program.

Additional Legislation: Counties; Hospital Costs; Appropriation; Extension (Chapter 68) — This legislation allows the appropriation originally established by Laws 1997, Chapter 7, 1st Special Session to continue through FY 2002, instead of reverting at the close of FY 2001. This appropriation is used by AHCCCS to pay outstanding Navajo and Apache County medical claims relating to the provision of health care services to Native Americans who reside on reservation, but who receive health care services off-reservation. The JLBC Staff estimates that of the total original appropriation of $3,274,000 GF, the balance at the beginning of FY 2001 will be approximately $1,100,000 GF.

Click here for more information from the initial biennial appropriations report (June 1999)