

**DEPARTMENT OF ECONOMIC SECURITY -
DEVELOPMENTAL DISABILITIES**

A.R.S. § 41-1951

General Fund and Long Term Care System Fund	FY 1998 Actual	FY 1999 Estimate	FY 2000 Approved	FY 2001 Approved
FTE Positions	349.6	347.1	339.0 ^{1/}	339.0 ^{1/}
Personal Services	2,801,000	2,822,800	2,756,400	2,811,600
Employee Related Expenditures	619,700	646,900	621,800	650,700
Professional and Outside Services	264,000	131,900	125,400	125,400
Travel - In State	88,900	78,100	94,600	94,600
Other Operating Expenditures	309,800	322,800	327,800	327,800
Equipment	26,500	0	0	0
Operating Subtotal	4,109,900	4,002,500	3,926,000	4,010,100
Case Management	3,021,300	1,639,400	1,898,900	1,947,600
Home and Community Based Services	21,735,800	28,654,800	29,516,800 ^{2/3/}	29,979,800 ^{2/3/}
Institutional Services	215,500	229,500	294,900	294,900
Arizona Training Program at Coolidge	5,018,400	5,581,100	5,047,700	5,164,900
State-Funded Long Term Care Services	0	15,099,600	15,235,800	16,423,300
Total Appropriations	34,100,900	55,206,900	55,920,100^{4/5/6/}	57,820,600^{4/5/6/}
Fund Summary				
General Fund	34,100,900	43,206,900	43,665,900	44,856,300
Long Term Care System Fund	0	12,000,000	12,254,200	12,964,300
Total Appropriations	34,100,900	55,206,900	55,920,100	57,820,600

Program 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.*

FY 1999 Supplemental — The supplemental bill for FY 1999 included an increase of \$2,479,600 GF to address a shortfall in the State-Funded Long Term Care Services line item. *(Please see the **State-Funded Long Term Care Services** discussion for further details on the line item.)*

Base Realignment — The approved FY 2000 and FY 2001 amounts include a realignment of operating costs between the operating budget and Special Line Items, with no net change in the overall budget, starting in FY 2000. The base realignment also includes an increase of 7.9 FTE Positions transferred from the Long Term Care (LTC) cost center.

^{1/} Includes 243.8 FTE Positions funded from Special Line Items in FY 2000 and FY 2001.

^{2/} It is the intent of the Legislature that monies appropriated for services relating to adult day services in the Division of Developmental Disabilities budget be transferred to the Division of Employment and Rehabilitation Services, Rehabilitation Services Administration to accommodate individuals who are determined by the Division of Developmental Disabilities to need vocational independence in a supported work environment. These monies may be transferred back to the Division of Developmental Disabilities if a supported work environment is no longer the most appropriate day placement for a client. (General Appropriation Act footnote)

^{3/} Of the dollar amounts appropriated for Home and Community Based Services, \$800,000 in each fiscal year shall be allocated to fund the waiting list for services for children through 21 years of age. (General Appropriation Act footnote)

^{4/} 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)

^{5/} 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 2000 and FY 2001 to the President of the Senate, the Speaker of the House of Representatives, the Chairmen 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, 2000 and July 15, 2001. (General Appropriation Act footnote)

^{6/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items for the Program.

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Member Year Estimates — The approved FY 2000 and FY 2001 amounts are based upon member-year caseload estimates in the Developmental Disabilities (DD) program. The table below summarizes the caseload estimates for the Special Line Items.

Special Line Item	FY 2000	FY 2001
Home and Community Based Services	4,017	4,037
Institutional Services	3	3
Arizona Training Program at Coolidge	56	56
TOTAL	4,076	4,096

Case Management — Monies in this line item are used to provide case management services to clients in the DD program. In addition to the approved FY 2000 amount of \$1,898,900 GF and the approved FY 2001 amount of \$1,947,600 GF, it is assumed the department will receive \$2,210,900 in monies each year from the Arizona Health Care Cost Containment System (AHCCCS) for implementing targeted case management. The targeted case management program provides services to AHCCCS Acute Care recipients who do not qualify for LTC services. This line item includes 54.1 GF FTE Positions.

Home and Community Based Services — Monies in this line item are used to provide residential programs, day programs, and support services to clients in a broad range of settings, from those living independently at home to those living in group homes. The approved FY 2000 amount, \$29,516,800 GF, includes an increase of \$862,000 GF from FY 1999. This increase, continued in FY 2001, includes the following major increases:

- \$800,000 GF to fund services to an estimated 323 clients under 21 years of age on the waiting list
- \$232,700 GF to fund 6 months of day programs and support services to 30 clients who will reach 22 years of age in FY 2000 who no longer receive a public education

The approved FY 2001 amount, \$29,979,800 GF, is an increase of \$463,000 GF from FY 2000, and includes the following major increases:

- \$238,900 to annualize the “aging out” increases funded in FY 2000
- \$158,700 to fund 6 months of day programs and support services to 20 clients who will reach 22 years of age in FY 2001 who no longer receive a public education

The FY 2001 “aging out” increases will require annualization at a cost of \$171,100 in FY 2002.

The approved amount is expected to provide a total of 4,017 member years of service in FY 2000 and 4,037 member years of service in FY 2001, allocated as follows:

Setting	FY 2000	FY 2001
At Home with Family	3,459	3,478
Adult Developmental Foster Home	62	62
Group Home	400	401
Children Developmental Foster Home	43	43
Independent Living	42	42
State-Operated Group Home	11	11
TOTAL	4,017	4,037

This line item includes 47.2 GF FTE Positions.

Institutional Services — Monies in this line item are used to provide 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 FY 2000 and FY 2001 amounts of \$294,900 GF is expected to provide 3 member years of service in LGLFs each year.

Arizona Training Program at Coolidge (ATP-C) — Monies in this line item fund an entire range of services for developmentally disabled clients residing at the ATP-C campus, either in LGLFs or state-operated group homes (SOGHs).

The approved amounts of \$5,047,700 GF for FY 2000 and \$5,164,900 GF for FY 2001 include a decrease of \$(607,000) GF and (18) GF FTE Positions associated with a shift of ATP-C clients from the DD program to the LTC program beginning in FY 2000. The shift has no net campus-wide ATP-C increase or decrease in funding. The approved amounts also include a decrease of \$(7,400) GF reflecting the transfer of funding for Stipends and Allowances to the State-Funded Long Term Care Services line item starting in FY 2000. (*Please see the **State-Funded Long Term Care Services** discussion for further details.*)

The approved amount does not include costs associated with case management, certain occupancy-related costs, other indirect administration, and Stipends and Allowances. The approximate blended cost per DD client at ATP-C (excluding these other costs) will be \$90,138 in FY 2000 and \$92,230 in FY 2001.

The approved amounts are expected to provide a total of 56 member years of service in FY 2000 and FY 2001, allocated as follows:

Setting	FY 2000	FY 2001
Large Group Living Facility	44	44
State-Operated Group Home	12	12
TOTAL	56	56

The total population at ATP-C, including clients funded through the LTC program, is estimated to be 175 in FY 2000 and FY 2001.

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This line item includes 140.5 GF FTE Positions.

State-Funded Long Term Care Services — Monies in this line item fund a variety of services ineligible for capitation-rate reimbursement from AHCCCS. The approved FY 2000 amount, \$15,235,800, includes an increase of \$2,361,600 GF and \$254,200 OF above the original FY 1999 appropriation. The increase, continued in FY 2001, is primarily associated with the following issues:

- \$2,567,600 GF and \$171,700 OF associated with increased expenditures not reimbursable by AHCCCS and lower-than-expected increases in Long Term Care System Fund (LTCSF) revenue
- \$212,800 GF for Stipends and Allowances paid weekly to an estimated 128 clients at the ATP-C in both the state-funded DD cost center and the LTC cost center
- \$126,200 GF for food
- \$82,200 OF and 2 OF FTE Positions for the Pre-Admission Screening and Resident Review (PASARR) program, which is funded as a pass-through from AHCCCS. The PASARR program reviews the medical eligibility of clients applying for the LTC program
- \$(620,000) GF associated with excess funding provided for the \$0.43 per hour increase in compensation to direct care staff by Laws 1998, Chapter 227. These monies were mistakenly allocated to this line item because services in this line item are not eligible for the direct care staff increase monies specifically discussed in Chapter 227

The approved FY 2001 amount, \$16,423,300, includes a further increase of \$477,400 GF and \$710,100 OF associated primarily with further increases in non-reimbursable services and somewhat slower LTCSF revenue growth.

The table below details the approved amounts of funding and uses for the State-Funded Long Term Care Services line item in FY 2000 and FY 2001:

<u>State-Funded Long Term Care Services</u>	<u>FY 2000</u>	<u>FY 2001</u>
Sources		
<i>Long Term Care System Fund</i>		
Client Billing Revenue	\$ 9,625,000	\$10,200,000
Third Party Liability	800,000	850,000
Foster Care Client Trust	1,296,700	1,355,000
Mesa Land	325,000	350,000
LTCSF Interest	100,000	100,000
Reinsurance	25,000	25,000
PASARR	82,500	84,300
Total -- LTCSF	12,254,200	12,964,300
General Fund	2,981,600	3,459,000
TOTAL -- Sources	\$15,235,800	\$16,423,300
Uses		
Non-reimbursable LTC services	\$14,814,300	\$16,000,000
Food	126,200	126,200
PASARR	82,500	84,300
Stipends and Allowances	212,800	212,800
TOTAL -- Uses	\$15,235,800	\$16,423,300

This line item includes 2 OF FTE Positions.

Capital Outlay Appropriations: Chapter 2, f^t Special Session — Appropriates \$238,300 GF in FY 2000 and \$700,000 GF in FY 2001 to DES for renovation of 5 group homes at the ATP-C campus that are out of compliance with fire and life safety codes and install interactive fire panels in 14 buildings. The renovations will address electrical; heating, ventilation, and air conditioning (HVAC); plumbing; fire system; and accessibility problems.