

DEPARTMENT OF HEALTH SERVICES - FAMILY HEALTH

A.R.S. § 36-103

General Fund and Other Appropriated Funds	FY 1998 Actual	FY 1999 Estimate	FY 2000 Approved	FY 2001 Approved
FTE Positions	68.6	77.1	85.0 ^{1/}	85.0 ^{1/}
Personal Services	1,944,000	2,050,200	2,395,800	2,443,800
Employee Related Expenditures	432,200	450,300	509,200	528,000
Professional and Outside Services	90,700	144,200	44,200	44,200
Travel - In State	54,500	70,900	70,900	70,900
Travel - Out of State	3,200	2,400	1,200	1,200
Other Operating Expenditures	378,400	376,000	404,900	404,900
Equipment	13,900	0	0	0
Operating Subtotal	2,916,900	3,094,000	3,426,200	3,493,000
Children's Rehabilitative Services	5,321,000	5,111,800	3,544,900 ^{23/}	3,093,800 ^{23/}
AHCCCS-Children's Rehabilitative Services	(SA) 8,489,100	8,551,400	10,017,000 ^{2/}	10,017,000 ^{2/}
	(TF) 24,803,300	25,065,900	29,352,500 ^{2/}	29,352,500 ^{2/}
Adult Cystic Fibrosis	223,600	223,600	223,600	223,600
Adult Sickle Cell Anemia	70,100	70,100	70,100	70,100
High Risk Perinatal Services	2,511,100	4,016,500	3,829,000	3,829,000
Nutrition Services	299,500	390,100	390,100	390,100
County Prenatal Services Grant	1,281,100	1,281,100	1,281,100 ^{4/}	1,281,100 ^{4/}
Teenage Pregnancy Prevention Task Force	72,900	250,000	250,000	250,000
Health Start	1,327,200	0	0	0
Child Fatality Review Team	96,600	100,000	100,000	100,000
Newborn Screening Program	0	2,606,200	2,275,700	2,297,200
Out of Wedlock Pregnancy Prevention	0	2,000,000	2,000,400	2,002,000
Total	(SA) 22,609,100	27,694,800	27,408,100	27,046,900
	(TF) 38,923,300	44,209,300	46,743,600	46,382,400
Additional Appropriations -				
Children; Health Start, Ch. 241	0	0	700,000	1,200,000
Assistance Services Programs; Appropriation, Ch. 328	0	0	250,000	250,000
Total Appropriations	(SA) 14,120,000	19,143,400	28,358,100 ^{5/}	28,496,900 ^{5/}
	(TF) 38,923,300	44,209,300	47,693,600	47,832,400
<u>Fund Summary</u>				
General Fund	22,429,200	22,731,600	23,282,000 ^{6/}	23,397,700 ^{6/}
Child Fatality Review Team Fund	96,600	100,000	100,000 ^{6/}	100,000 ^{6/}
Emergency Medical Services Operating Fund	83,300	257,000	450,000 ^{6/}	450,000 ^{6/}
Newborn Screening Fund	0	2,606,200	2,275,700 ^{6/}	2,297,200 ^{6/}
Temporary Assistance for Needy Families Block Grant	0	2,000,000	2,250,400 ^{6/}	2,252,000 ^{6/}
Federal Title XIX Funds	16,314,200	16,514,500	19,335,500	19,335,500
Total Appropriations	38,923,300	44,209,300	47,693,600	47,832,400

SA = State Appropriations, and consists of General Fund and monies from other appropriated state funds.

TF = Total Funds, and represents the sum of State Appropriations and Federal Funds.

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Program Description — *The Division of Family Health Services provides public health programs primarily targeted toward women, children and the elderly. The largest program is Children's Rehabilitative Services (CRS) which provides treatment for seriously physically impaired children that would benefit from a team surgical approach. CRS includes children with severe congenital defects, spina bifida, cleft palate, and other serious, yet correctable or improvable conditions. Non-CRS programs include prenatal programs, out-of-wedlock pregnancy prevention programs, nutrition services, and targeted care for specific diseases.*

Dental Sealant Program — The approved FY 2000 amount includes a decrease of \$(100,000) to eliminate General Fund support for the Dental Sealant program in the Office of Oral Health. The 1998 Oral Health Performance Authorization Review (PAR) found that the program provided about 2,400 preventive sealants to school children annually at a cost of \$48 per sealant. The PAR also found that some of the children treated in the sealant program also had AHCCCS dental coverage. The program can continue to receive funding from the non-appropriated Federal Maternal and Child Health Block Grant, as in past years, at the Department of Health Service's (DHS) discretion.

handicaps. The program also serves children suffering from non-preventable handicaps.

The CRS program has claims presented for payment following the end of each fiscal year. This extension of bills into the next year is commonly referred to as the "tail." It is the intent of the Legislature that the department properly allocate funding to pay for this "tail" and all other program requirements. In other words, the department must manage the program within the appropriation, including the payment of the "tail." The Legislature expressed this intent in a General Appropriation Act footnote (*see below*). The following table depicts funding for this program:

		<u>FY 2000</u>	<u>FY 2001</u>
CRS (Non-Title XIX)	GF	\$ 3,544,900	\$ 3,093,800
	FF	1,280,100 ^{1/}	1,680,100
AHCCCS CRS - State Match	GF	10,017,000	10,017,000
AHCCCS CRS - Federal Funds	FF	<u>19,335,500</u>	<u>19,335,500</u>
Total	GF	<u>\$13,561,900</u>	<u>\$13,110,800</u>
	TF	<u>\$34,177,500</u>	<u>\$34,126,400</u>

^{1/} Funding provided by the non-appropriated Maternal and Child Health Block Grant.

50% Out-of-State Travel Reduction — The approved FY 2000 amount includes a decrease of \$(1,200) in Travel - Out of State. This amount is continued in FY 2001.

Children's Rehabilitative Services (CRS)

CRS provides comprehensive health care to children suffering from handicapping or potentially handicapping conditions. The goal of the program is to provide early diagnosis and treatment including surgical intervention to prevent or substantially ameliorate medical conditions which, if left untreated, would lead to permanent

Children's Rehabilitative Services — Provides funding for uninsured children in the CRS program who are not eligible for Title XIX coverage. The approved FY 2000 amount includes a decrease of \$(766,800) to reflect the transfer of clients from Non-Title XIX to the new Children's Health Insurance Program (CHIP), enacted by Laws 1998, Chapter 4, 4th Special Session. CHIP is funded from 25% Tobacco Tax Medically Needy Account monies and 75% Federal Funds. Pursuant to Laws 1999, Chapter 313, eligibility is set at 200% of the Federal Poverty Level in FY 2000. It is estimated that 15% of the

- ^{1/} Includes 13.5 FTE Positions funded from Special Line Items in FY 2000 and FY 2001.
- ^{2/} The amounts appropriated for Children's Rehabilitative Services, for AHCCCS-Children's Rehabilitative Services and for federal expenditure authority are intended to cover all indirect, fixed contract, fee-for-services costs and all other costs of the Children's Rehabilitative Services program in full, unless a transfer of monies is approved by the Joint Legislative Budget Committee. (General Appropriation Act footnote)
- ^{3/} Before expending \$640,100 appropriated in FY 2001 for Children's Rehabilitative Services, the Department of Health Services shall report to the Joint Legislative Budget Committee on the number of undocumented children served in FY 2000. ~~Based on this information, in FY 2001, the department shall revert the amount expected to be expended on services to undocumented children in the non-Title XIX program on review of the Joint Legislative Budget Committee.~~ (General Appropriation Act footnote) The stricken language reflects language vetoed by the Governor.
- ^{4/} The Department of Health Services shall distribute all monies appropriated for the County Prenatal Services Grant on a pass-through basis to counties to provide prenatal programs with consideration to population, need and amount received in prior years. (General Appropriation Act footnote)
- ^{5/} General Appropriation Act funds are appropriated as a Modified Lump Sum for the Program.
- ^{6/} These amounts represent direct appropriations. All other expenditures are part of total expenditure authority.

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current Non-Title XIX population will convert to CHIP. The approved FY 2001 amount includes a further decrease of \$(51,100).

The Health Omnibus Reconciliation Bill (ORB), Chapter 176 eliminates Non-Title XIX services to children who are undocumented and are in the United States illegally beginning in FY 2001. However, the ORB also includes a "grandfather clause" which allows undocumented children who are receiving services as of the effective date of the act to remain in the program beyond FY 2001. A footnote added in the General Appropriation Act requires DHS to submit a report to the Joint Legislative Budget Committee on the number of children served in the Non-Title XIX program that are undocumented and are in the United States illegally during FY 2000. In the version passed by the Legislature, the footnote went on to require DHS to revert in FY 2001 any monies expected to be expended on services to undocumented children upon review of the Joint Legislative Budget Committee. The Governor line item vetoed this provision.

The approved amount for FY 2000 includes a decrease of \$(800,100) to reflect a shift in funding from the General Fund to the non-appropriated Federal Title V Maternal and Child Health Block Grant. The approved amount for FY 2001 includes a further decrease of \$(400,000) General Fund, which will also be shifted to the MCH Block Grant.

AHCCCS-Children's Rehabilitative Services — Provides the General Fund share of the cost of providing CRS services to Title XIX eligible children. State monies provide a 34% match to the federal monies received. The total program cost (General Fund and Federal Funds) is shown in the Total Funds (TF) line.

The approved FY 2000 amount includes an increase of \$1,465,500 General Fund and \$4,286,600 Total Funds for increased costs in the Title XIX program. The Federal Health Care Financing Administration requires Title XIX program contractors to be reimbursed according to actuarially sound rates. The increased funding was appropriated to address cost increases demonstrated by recent data from the program contractors. This amount is continued in FY 2001

Adult Cystic Fibrosis — Provides contracted care and treatment services for adult residents of the state suffering from cystic fibrosis through the CRS program. This program is funded from the General Fund.

Adult Sickle Cell Anemia — Provides contracted treatment for adults suffering from sickle cell anemia through the CRS program. This program is funded from the General Fund.

High Risk Perinatal Services — Provides contracted transport services for high risk expectant mothers and contracted physician follow-up services for uninsured newborns in intensive care centers. Of the approved amount, \$3,379,000 is funded from the General Fund and \$450,000, for the emergency transport function, is supported by the Emergency Medical Services (EMS) Operating Fund. This reflects an increase of \$193,000 above the FY 1999 EMS Fund appropriation. The General Fund portion of the program was decreased by \$(193,000). This fund shift is due to an increase in the proportion of program expenditures allocated to emergency transport services rather than other General Fund supported services. This amount is continued in FY 2001. *See the Public Health section for further description of the EMS Operating Fund.*

The approved FY 2000 amount also includes a decrease of \$(187,500) to reflect the transfer of clients to the CHIP, as discussed in the CRS Non-Title XIX section. It is estimated that 10% of the current High Risk Perinatal Services population will convert to CHIP. This amount is continued in FY 2001.

Nutrition Services — Provides support to rural counties participating in the Nutritional Assessment Program, which provides screening, education, counseling and referrals to persons identified as needing nutrition services. This program is funded from the General Fund.

County Prenatal Services Grant — Provides General Fund block grants to counties for programs that focus on increasing prenatal care among women at high risk of not seeking or receiving prenatal care. Block granting the monies allows counties greater flexibility in planning and coordinating prenatal programs which directly target the needs in their regions. A General Appropriation Act footnote requires the formula for distributing the funds to be based on population, need, and the amount received in prior years.

Teenage Pregnancy Prevention Task Force — Provides \$140,000 from the General Fund to implement a statewide media campaign to reduce the incidence of teenage pregnancy, and \$110,000 to contract with local communities to develop teenage pregnancy prevention programs and strategies. *See the Out-of-Wedlock Pregnancy Prevention Special Line Item for more discussion of pregnancy prevention activities.*

Health Start — Laws 1996, Chapter 247 appropriated \$1,400,000 from the General Fund for FY 1998 to continue the Health Start pilot program begun in February 1995. The program provided funding to county health departments and community organizations to create neighborhood outreach programs staffed with lay health workers who assist high risk (low-income, minority and

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teen) pregnant women obtain prenatal care services. The program did not receive an appropriation in FY 1999.

Laws 1999, Chapter 241 appropriates \$700,000 from the General Fund in FY 2000 and \$1,200,000 from the General Fund in FY 2001 to continue the program. Chapter 241 also converts the program from a pilot program to a permanent program in statute. *See the Additional Appropriations section for further detail.*

CHILD FATALITY REVIEW FUND

The program below is funded entirely from the Child Fatality Review Fund. The Child Fatality Review Fund receives revenues from a \$1 surcharge on fees collected on all certified copies of death certificates.

Child Fatality Review Team — The program provides funding to organize child fatality review teams in all 15 counties and to study data collected by the 15 teams to determine ways to reduce the state's child mortality rate. The approved amount includes 4 FTE Positions and \$100,000, the maximum level of expenditure statute allows for this program.

NEWBORN SCREENING FUND

The program below is funded entirely from the Newborn Screening Fund. The fund receives a fee of \$20 for every child born in Arizona. The fee is collected as part of the hospital charges when the infant is born. Laws 1997, Chapter 210 transferred the fund to appropriated status beginning in FY 1999.

Newborn Screening Program — Provides for the centralized testing of all newborns in the state for a standard set of metabolic disorders. If these disorders are detected and treated at birth, serious disabilities can be avoided. The program also provides for follow-up counseling for the parents of affected newborns. The department is required to contract for the laboratory-testing portion of the program at least once every 4 years. Currently, the State Health Laboratory holds the contract. The approved amount includes operating costs for 8.5 FTE Positions.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT

The program below is funded entirely from the Temporary Assistance for Needy Families (TANF) Block Grant. The TANF Block Grant was created in 1996 by the Federal Welfare Reform legislation and funds welfare-related activities within the Department of Economic Security (DES).

Out-of-Wedlock Pregnancy Prevention — Provides funding for abstinence-only education programs intended to prevent out-of-wedlock pregnancy. DHS also receives funding from the Maternal and Child Health (MCH) Block Grant for out-of-wedlock pregnancy prevention. The approved amount includes funding for 3 FTE Positions.

Additional Appropriations: Children: Health Start (Chapter 241) — Appropriates \$700,000 in FY 2000 and \$1,200,000 in FY 2001 from the General Fund to DHS for the Health Start program. As discussed above, funding for this pilot program was not approved in FY 1999. The bill changes the program from a pilot to a permanent program and specifies that the operation of the program is subject to the availability of monies.

Assistance Services Programs: Appropriation (Chapter 328) — Appropriates \$250,000 in both FY 2000 and FY 2001 from the TANF Block Grant to DHS to establish a pilot program for single women under the age of 30 who are eligible for TANF or Arizona Works. The program provides nursing, other home visitation and transportation services relating to pregnancy, childbirth, child injuries and child neglect. The program also provides assistance after childbirth including proper child care, education completion, and other services.

Prior Year Reversions: Obstetrical Premium Payments — Laws 1999, Chapter 6, 1st Special Session reverted \$140,000 of the remaining unused General Fund appropriation for Obstetrical Premium Payments. These monies were left over from a non-reverting appropriation made prior to FY 1995 to the Medical Malpractice/Obstetrical Services Special Line Item. This program was eliminated in FY 1997, so the monies would not have been spent.

Rural Obstetrical Services — Laws 1999, Chapter 6, 1st Special Session reverted \$20,500 of the remaining unused General Fund appropriation for Rural Obstetrical Services. These monies were left over from a non-reverting appropriation made prior to FY 1995 to the Medical Malpractice/Obstetrical Services Special Line Item. This program was eliminated in FY 1997, so the monies would not have been spent.