

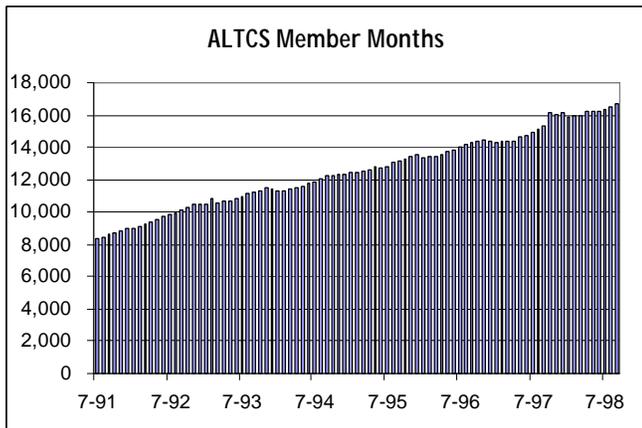
Joint Legislative Budget Committee - Fiscal Year 2000 and 2001 Budget - Analysis and Recommendations

more under the new ALTCS redistribution plan than they would have under the old statutory percentages.

The JLBC recommendation for the ALTCS program is based on 18,092 average annual member years and 6.5% population growth for FY 2000, 19,223 average annual member years and 6.25% population growth for FY 2001. The recommendation also includes 3.5% for medical inflation in each year for an average per member per month cost of \$2,382 for FY 2000 and an average per member per month cost of \$2,462 in FY 2001. These costs include the cost of Capitation, Fee-for-Service, Reinsurance, Medicare Premiums and Nurse-Aid Training Costs. The chart below summarizes this information.

	FY 2000		FY 2001	
	<u>Estimate</u>	<u>%</u>	<u>Estimate</u>	<u>%</u>
Member Years	18,092	6.5%	19,223	6.3%
Average Cost per Member	\$2,382	3.5%	\$2,462	3.5%

The following graph displays the growth in ALTCS enrollment since 1991.



Medical inflation, or cost per client, has fluctuated over the life of the program due to increased utilization of home-and-community-based services (HCBS). The cap on placements into HCBS is set at 45% of program enrollment by the federal Health Care Financing Administration. Statewide, actual HCBS enrollment was 41% as of September 1, 1998.

For FY 2000, the JLBC recommendation would require a General Fund ALTCS contribution of \$20,397,800, which is an increase of \$7,638,300 above the FY 1999 appropriation. The JLBC recommendation would require a county contribution of \$154,588,000 for long-term care, which is a decrease of \$(157,100) from the FY 1999 estimated contribution. For FY 2001, the JLBC recommendation would require a General Fund appropriation of \$35,014,600, which is an increase of \$14,616,800 above the FY 2000 level. The JLBC

recommendation would require a county contribution of \$157,415,200 for FY 2001, which is an increase of \$2,827,200 above the FY 2000 estimated contribution. The estimated contribution for each county and the percent increase from the prior year is shown in the table below.

	FY 2000		FY 2001	
	<u>Estimate</u>	<u>%</u>	<u>Estimate</u>	<u>%</u>
Apache	\$ 356,400	2.4%	\$ 375,600	5.4%
Cochise	4,116,800	4.5	4,172,200	1.4
Coconino	1,069,200	2.4	1,126,700	5.4
Gila	2,544,800	(1.5)	2,413,900	(5.2)
Graham	710,900	(0.8)	747,300	5.1
Greenlee	347,500	(7.1)	279,300	(19.6)
La Paz	545,800	2.1	558,500	2.3
Maricopa	93,056,600	0.3	96,130,000	3.3
Mohave	4,295,900	0.1	4,364,000	1.6
Navajo	1,474,200	2.4	1,553,500	5.4
Pima	30,166,300	(1.7)	29,791,100	(1.2)
Pinal	5,237,300	(4.5)	5,021,100	(4.1)
Santa Cruz	1,395,000	(2.6)	1,316,000	(5.7)
Yavapai	5,054,300	(2.4)	5,326,400	5.4
Yuma	4,217,100	2.1	4,239,500	0.5
TOTAL	<u>\$154,588,000</u>	<u>(0.1)%</u>	<u>\$157,415,200</u>	<u>1.8%</u>

In accordance with Laws 1997, Chapter 2, 2nd Special Session, both the state and the county ALTCS contribution shall be specified in the General Appropriation Act. The county amount will be collected through the withholding of sales tax distributions by the formula set forth in A.R.S. § 11-292 as amended by Chapter 2.

It is important to note that the amounts appropriated in the AHCCCS budget for ALTCS do not include expenditures for the Developmental Disabilities (DD) program as the DD portion of the ALTCS program is administered by the Department of Economic Security. Since the inception of the program, the state General Fund has provided the entire state share of matching funds necessary for the ALTCS DD program.

The Executive recommends an increase of \$8,305,100 GF in FY 2000 and a further increase of \$14,482,800 GF in FY 2001.

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JLBC Recommended Format — Operating Lump Sum with Special Line Items for the Program

JLBC Recommended Footnotes

Continued Footnotes

Any Federal Funds that AHCCCS passes through to the Department of Economic Security for use in Long-Term Care for the developmentally disabled shall not count against the Long-Term Care expenditure authority above.

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Pursuant to A.R.S. § 11-292B, the FY 1999 non-federal portion of the costs of providing Long-Term Care System services is \$174,985,800 in FY 2000 and \$192,429,800 in FY 2001. The state contribution is \$22,220,000 in FY 2000 and \$33,759,000 in FY 2001. The county contribution is \$152,765,800 in FY 2000 and \$158,670,800 in FY 2001.

Performance Measures	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Actual	Estimate	Estimate
Influenza immunization rates among nursing facility residents	86.8%	90.0%	91.0%	92.0%
Members whose sacral/coccygeal pressure ulcer improves	66.05	70.0%	72.0%	74.0%
Members utilizing Home and Community Based Services	N/A	41.0%	41.0%	41.0%

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