

**Department of Health Services**  
**Public Health**

JLBC: Beth Kohler  
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DESCRIPTION	FY 2003	FY 2004	FY 2005	
	ACTUAL	ESTIMATE	OSPB	JLBC
<b>OPERATING BUDGET</b>				
<i>Full Time Equivalent Positions</i>	218.0	238.5		240.5
Personal Services	3,839,400	3,050,500		3,023,800
Employee Related Expenditures	1,015,700	975,600		967,100
Professional and Outside Services	109,600	75,000		75,000
Travel - In State	82,500	82,800		82,800
Travel - Out of State	6,400	800		800
Other Operating Expenditures	603,800	1,682,800		1,351,700
Equipment	30,400	70,400		70,400
<b>OPERATING SUBTOTAL</b>	<b>5,687,800</b>	<b>5,937,900</b>		<b>5,571,600</b>
<b>SPECIAL LINE ITEMS</b>				
<b>Disease Control</b>				
County Tuberculosis Provider Care and Control	818,300	1,010,500		1,010,500
Vaccines	2,127,300	2,904,700		2,904,700
Arizona Statewide Immunization Information System	443,900	451,400		451,400
STD Control Subventions	26,200	26,300		26,300
AIDS Reporting and Surveillance	1,113,300	1,125,000		1,125,000
Laboratory Services	3,361,900	3,778,900		3,778,900
Kidney Program	50,500	50,500		50,500
Renal and Nonrenal Disease Management	0	468,000		468,000
Hepatitis C Surveillance	237,300	350,000		350,000
<b>Local Health</b>				
Direct Grants	460,300	460,300		460,300
Reimbursement to Counties	67,900	67,900		67,900
County Public Health	200,000	200,000		200,000
<b>Primary Care</b>				
Loan Repayment	84,000	100,000		100,000
Community Health Centers	0	10,400,000		10,400,000
Telemedicine	0	260,000		260,000
<b>Disease Research</b>				
Biotechnology	5,500,000	5,500,000		5,500,000
Alzheimer's Disease Research	1,000,000	1,000,000		1,000,000
<b>Emergency Medical Services</b>				
EMS Operations	2,770,400	3,051,100		2,910,200
Trauma Advisory Board	127,800	250,000		250,000
University of Arizona Poison Control Center Funding	787,500	1,050,000		1,050,000
Poison Control Center Funding	600,000	800,000		800,000
<b>PROGRAM TOTAL</b>	<b>25,464,400</b>	<b>39,242,500</b>		<b>38,735,300</b>
<b>FUND SOURCES</b>				
General Fund	12,289,600	25,268,600		24,902,300
<u>Other Appropriated Funds</u>				
Arizona Medical Board Fund	0	100,000		100,000
Disease Control Research Fund	1,000,000	0		0
Emergency Medical Services Operating Fund	2,898,200	3,301,100		3,160,200
Environmental Laboratory Licensure Revolving Fund	507,900	822,800		822,800
Health Research Fund	3,000,000	6,500,000		6,500,000
Poison Control Fund	1,387,500	1,850,000		1,850,000
TTHCF Health Education Account	2,500,000	0		0
TTHCF Medically Needy Account	1,881,200	0		0
Vital Records Electronic Systems Fund	0	1,400,000		1,400,000
SUBTOTAL - Other Appropriated Funds	13,174,800	13,973,900		13,833,000
<b>SUBTOTAL - Appropriated Funds</b>	<b>25,464,400</b>	<b>39,242,500</b>		<b>38,735,300</b>
Other Non-Appropriated Funds	43,205,200	37,306,800		33,887,400
Federal Funds	30,590,700	46,665,800		46,274,300
<b>TOTAL - ALL SOURCES</b>	<b>99,260,300</b>	<b>123,215,100</b>		<b>118,897,000</b>

**CHANGE IN FUNDING SUMMARY**

FY 2004 to FY 2005 JLBC

	\$ Change	% Change
General Fund	(366,300)	(1.4%)
Other Appropriated Funds	(140,900)	(1.0%)
Total Appropriated Funds	(507,200)	(1.3%)
Non Appropriated Funds	(3,810,900)	(4.5%)
Total - All Sources	(4,318,100)	(3.5%)

**COST CENTER DESCRIPTION** — The Public Health program provides funding for both state and local emergency medical services programs and poison control centers. In addition, the program provides funding for some county health programs, epidemiology and disease control, and treatment of a number of specific illnesses, as well as maintaining vital records services for birth and death certificates. The program also includes the State Health Laboratory, which provides laboratory testing for other state agencies, water testing, contagious disease testing and other public health related testing.

PERFORMANCE MEASURES	FY 2003	FY 2003	FY 2004	FY 2005
	Appropriation	Actual	Appropriation	Recommend.
• Number of uninsured clients receiving primary care services through the Tobacco Tax COMMUNITY HEALTH CENTERS grants	65,000	48,072	32,500	48,100
• Number of clients receiving HIV medications through the Arizona Drug Assistance Program (average per month)	800	750	400	750
• Immunization rate among 2-year-old children	84	75	85	75
• % of high school youth who smoked in the last month	24.9	20.7	24.0	20
• Exposure calls received at AZ Poison Control Centers	82,000	76,183	82,000	78,000
• Customer waiting time in Vital Records lobby (in minutes) (NEW)	20	25	--	25

**Comments:** Beginning in FY 2004, the Community Health Centers grants are no longer funded from the Tobacco Tax, but from the General Fund. Therefore, the JLBC recommends clarifying the performance measure related to number of uninsured clients receiving primary care services to reflect this funding change. There is no FY 2004 estimate for customer waiting time in Vital Records lobby. The JLBC recommends restoring this measure. The immunization rates for FY 2004 and FY 2005 will be adversely affected by the vaccine shortages in prior years.

**RECOMMENDED CHANGES FROM FY 2004**

**Operating Budget**

The JLBC recommends \$5,571,600 for the operating budget in FY 2005. This includes \$4,171,600 from the General Fund and \$1,400,000 from the Vital Records Electronic Systems Fund. These amounts would fund the following adjustments:

**Shift Blood Alcohol**

**Regulations to DPS** **GF (35,200)**

The JLBC recommends a decrease of \$(35,200) and (1) FTE Position from the General Fund to shift the requirements for Blood Alcohol Regulations to the Department of Public Safety (DPS). Laws 2003, Chapter 213 transferred to DPS the authority for regulating blood alcohol breath testing, including approval of breath testing devices, establishing rules and approving permits for test operators, and maintaining testing records. There is a corresponding increase in the DPS budget for no net General Fund impact.

**PLTO/State-owned**

**Rent Consolidation** **GF (331,100)**

The JLBC recommends a decrease of \$(169,100) from the General Fund to shift the rent costs associated with the new PLTO building to the Administration program and a decrease of \$(162,000) to consolidate the rent costs for state-owned buildings into the Administration program. There is a corresponding increase in the Administration program. (See Administration program for more details.)

**Vital Records Electronic**

**Systems Fund** **OF 0**

The JLBC recommends continuing the \$1,400,000 Vital Records Electronic Systems Fund appropriation for FY 2005, and includes it as a funding source for the operating budget.

In FY 2004, \$1,400,000 was appropriated in the General Appropriation Act from the Vital Records Electronic Systems Fund for Public Health operating costs. The Governor vetoed the ORB provision permitting the use of these monies for operating costs. The appropriation, however, remains in the department's budget.

## **Special Line Items**

### **Disease Control**

#### ***County Tuberculosis Provider Care and Control***

The JLBC recommends \$1,010,500 from the General Fund for County Tuberculosis Provider Care and Control in FY 2005. This amount is unchanged from FY 2004.

This line item provides General Fund reimbursement to hospitals and physicians for the care of hospitalized tuberculosis patients and for assistance to all county health departments for local tuberculosis control programs. The program also provides directly-observed therapy to tuberculosis patients deemed at-risk not to complete treatment, and therefore, possibly to develop drug-resistant tuberculosis.

#### ***Vaccines***

The JLBC recommends \$2,904,700 from the General Fund for Vaccines in FY 2005. This amount is unchanged from FY 2004.

This line item provides General Fund monies for the purchase of vaccines from the federal government for the state immunization program. Of the total line item, \$2,328,100 is to purchase vaccines for underinsured children who do not have private insurance coverage for vaccines and who are not eligible for the federal Vaccines for Children program or the KidsCare program. The remaining \$576,600 in the line item was added in prior years to fill in a potential shortfall in the funding for the Federal 317 Vaccines program, which also is used for vaccines purchase.

#### ***Arizona Statewide Immunization Information System (ASIIS)***

The JLBC recommends \$451,400 from the General Fund for ASIIS in FY 2005. This amount is unchanged from FY 2004. This line item provides funding for ASIIS, which is a statewide immunization database that records all vaccinations provided in Arizona. The line item includes 6 FTE Positions funded from the General Fund.

#### ***Sexually Transmitted Disease Control Subventions***

The JLBC recommends \$26,300 from the General Fund for STD Control Subventions in FY 2005. This amount is unchanged from FY 2004. This line item provides assistance to local venereal disease control programs.

#### ***AIDS Reporting and Surveillance***

The JLBC recommends \$1,125,000 from the General Fund for AIDS Reporting and Surveillance in FY 2005. This amount is unchanged from FY 2004.

The line item provides \$125,000 for a database system to track the incidence of Acquired Immune Deficiency Syndrome (AIDS) and AIDS-related conditions. The program also receives \$1,000,000 to provide medications

under the Arizona AIDS Drug Assistance Program, which also receives Federal Funds for the medications.

#### ***Laboratory Services***

The JLBC recommends \$3,788,900 for Laboratory Services in FY 2005. This amount includes \$2,956,100 from the General Fund and \$822,800 from the Environmental Laboratory Licensure Revolving Fund. These amounts are unchanged from FY 2004.

This line item provides laboratory testing for other state agencies, water testing, contagious disease testing, and other public health related testing. The laboratory also monitors and evaluates the quality of private laboratory testing statewide. This line item includes 53.5 FTE Positions funded from the General Fund and 14 FTE Positions funded from the Environmental Laboratory Licensure Revolving Fund.

#### ***Kidney Program***

The JLBC recommends \$50,500 from the General Fund for the Kidney Program in FY 2005. This amount is unchanged from FY 2004. This line item reimburses provider hospitals and licensed dialysis centers for the transportation and medication costs of patients ineligible for other public assistance programs.

#### ***Renal and Nonrenal Disease Management***

The JLBC recommends \$468,000 from the General Fund for Renal and Nonrenal Disease Management in FY 2005. This amount is unchanged from FY 2004. This line item provides funding for medication and other transplant-related services for renal and nonrenal transplant patients who are ineligible for other public assistance programs.

#### ***Hepatitis C Surveillance***

The JLBC recommends \$350,000 from the General Fund for Hepatitis C Surveillance in FY 2005. This amount is unchanged from FY 2004. This line item provides funding for surveillance and control efforts of Hepatitis C, which is the most common blood borne infection in the United States. Activities include maintaining a registry of Hepatitis C cases and improving healthcare provider reporting of cases. The line item includes 6 FTE Positions funded from the General Fund.

### **Local Health**

#### ***Direct Grants***

The JLBC recommends \$460,300 from the General Fund for Direct Grants in FY 2005. This amount is unchanged from FY 2004. This line item provides grants to counties with populations of less than 500,000 persons for local health work.

#### ***Reimbursement to Counties***

The JLBC recommends \$67,900 from the General Fund for Reimbursement to Counties in FY 2005. This amount is unchanged from FY 2004. This line item provides

matching funding to counties with populations of less than 500,000 for local health work.

**County Public Health**

The JLBC recommends \$200,000 from the General Fund for County Public Health in FY 2005. This amount is unchanged from FY 2004. This line item includes funding to reimburse local health departments pursuant to A.R.S. § 36-189.

The JLBC recommends continuing the General Appropriation Act footnote that would distribute the amounts as follows:

Coconino County	\$36,220
Gila County	\$5,440
Mohave County	\$30,780
Yavapai County	\$25,820
Yuma County	\$101,740

**Primary Care**

**Loan Repayment**

The JLBC recommends \$100,000 from the Arizona Medical Board Fund (AMBF) for Loan Repayment in FY 2005. This amount is unchanged from FY 2004. These monies are used to pay physician and mid-level practitioner student loans in order to encourage providers to practice in rural areas. The AMBF is the operating fund of the Arizona Medical Board, which licenses physicians. The AMBF is funded from examination and licensing fees that the Arizona Medical Board collects from Arizona physicians.

**Community Health Centers**

The JLBC recommends \$10,400,000 from the General Fund for Community Health Centers in FY 2005. This amount is unchanged from FY 2004.

This line item provides grants to community health centers to expand primary care services to Arizona’s uninsured population. The department may authorize grants to both federally qualified health centers (which meet certain guidelines required to receive federal monies such as serving a medically underserved area or population) and non-federally qualified health centers. The line item includes 8.5 FTE Positions funded from the General Fund.

**Telemedicine**

The JLBC recommends \$260,000 from the General Fund for Telemedicine in FY 2005. This amount is unchanged from FY 2004. This line item provides funding for Telemedicine programs to facilitate the provision of health care in medically underserved areas of the state. Telemedicine is the use of computers, video imaging, broad-band channels, and telecommunications for

diagnosis and treatment of persons in rural communities and secure state institutions.

**Disease Research**

**Biotechnology**

The JLBC recommends \$5,500,000 from the Health Research Fund for Biotechnology in FY 2005. This amount is unchanged from FY 2004. Laws 2002, Chapter 186 appropriated \$500,000 from the Health Research Fund annually from FY 2003 to FY 2012 for Biotechnology. Additionally, Laws 2002, Chapter 320 appropriated \$5,000,000 from the Health Research Fund annually from FY 2003 to FY 2007 for this purpose. Because these monies are authorized in prior appropriations, they are not included in the General Appropriation Act.

This line item provides funding to the Disease Control Research Commission (DCRC) for allocation to a nonprofit medical research foundation that specializes in biotechnology and that collaborates with universities, hospitals, and other public and private biotechnology businesses and research centers.

**Alzheimer’s Disease Research**

The JLBC recommends \$1,000,000 from the Health Research Fund for Alzheimer’s Disease Research in FY 2005. This amount is unchanged from FY 2004. This line item provides funding for grants to universities, hospitals, and research centers in Arizona for dollar-for-dollar matching grants for research on the causes of Alzheimer’s Disease.

**Emergency Medical Services**

**EMS Operations**

The JLBC recommends \$2,910,200 from the EMS Operating Fund for EMS Operations in FY 2005. This amount would fund the following adjustments:

**Attorney General Cost Realignment OF (20,000)**

The JLBC recommends a decrease of \$(20,000) from the EMS Operating Fund to shift funding for legal services to the Attorney General Legal Services SLI (see *Attorney General Legal Services line item Administration for more information*).

**PLTO/State-owned Rent Consolidation OF (120,900)**

(See *Administration program for more details*.)

This line item provides funding for the operating costs of programs that relate to emergency medical services. The functions of these programs include, but are not limited to, the regulation of ambulance services and providers, assistance to rural EMS providers through equipment grants and technical assistance, and the coordination and planning for the provision of local EMS programs. The line item includes 35 FTE Positions and is funded from the EMS Operating Fund, which receives 48.8% of the

Medical Services Enhancement Fund, which in turn receives monies from a 13% surcharge on fines charged for criminal offenses and traffic violations.

**Trauma Advisory Board**

The JLBC recommends \$250,000 from the EMS Operating Fund for the Trauma Advisory Board in FY 2005. This amount would fund the following adjustments:

**FTE Alignment OF 0**

The JLBC recommends an increase of 3 FTE Positions to reflect the actual number of positions in the program. The appropriation already includes funding for these positions.

This line item provides funding for operating expenses of the Trauma Advisory Board, is funded from the EMS Operating Fund and includes 3 FTE Positions (*see EMS Operations for more detail on the EMS Operating Fund*). The Trauma Advisory Board (A.R.S. § 36-2222) recommends standards for a statewide trauma system, for maintaining the confidentiality of information throughout the quality assurance process, and for uniform data collection for a statewide trauma registry.

**University of Arizona Poison Control Center Funding**

The JLBC recommends \$1,050,000 from the Poison Control Fund for the University of Arizona Poison Center in FY 2005. This amount is unchanged from FY 2004. This line item provides 24-hour poison education services and treatment information at the University of Arizona Poison Information Center and is funded from the Poison Control Fund, which receives 0.69% of the 1.1% Telecommunication Services Excise Tax.

**Poison Control Center Funding**

The JLBC recommends \$800,000 from the Poison Control Fund for the Poison Control Center in FY 2005. This amount is unchanged from FY 2004. This line item provides funding for provision of poison control services in Maricopa County and is funded from the Poison Control Fund (*see University of Arizona Poison Center Funding for more detail on the Poison Control Fund*). The existing center is located at Good Samaritan Hospital in Phoenix.

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**JLBC RECOMMENDED FORMAT** — Operating Lump Sum with Special Line Items by Program

**JLBC RECOMMENDED FOOTNOTES**

*Standard Footnotes*

The Department of Health Services shall report to the Joint Legislative Budget Committee by February 1, 2005 on the amount of federal monies received for FY 2005 for the 317 vaccines program.

The Department of Health Services shall require the screening of potential recipients of vaccines for private insurance coverage, eligibility for the federal Vaccines for Children program and eligibility for the state Children's

Health Insurance Program. This requirement applies to vaccines purchased with state monies appropriated for the Vaccines Special Line Item for both the Federal 317 program and the state-only immunization program.

No monies appropriated for AIDS reporting and surveillance and renal and nonrenal disease management may be spent for services for persons who are not residents of this state.

The Department of Health Services may use up to 4% of the amounts appropriated for renal and nonrenal disease management, community health centers and telemedicine for the administrative costs to implement each program.

The appropriation for Direct Grants is to provide for local health work and a portion of the cost of employing 1 public health nurse and 1 sanitarian in counties with populations of less than 500,000 persons. The monies are to be divided equally among eligible counties on a nonmatching basis. All monies that are received by a county under this appropriation and that are not used for the prescribed purposes revert to the state General Fund.

The \$67,900 appropriated for Reimbursement to Counties is to provide matching monies to counties with populations of less than 500,000 persons for local health work on an equal matching basis and shall be distributed based on the proportion of funding each county received in FY 2003.

The \$200,000 appropriated for County Public Health shall be distributed as follows to the following counties to reimburse local health departments pursuant to A.R.S. § 36-189: Coconino, \$36,220; Gila, \$5,440; Mohave, \$30,780; Yavapai, \$25,820; Yuma, \$101,740.

Of the \$10,400,000 appropriated for community health centers, \$744,000 shall be distributed as follows for county primary care programs: Pinal County, \$180,000; Yavapai County, \$564,000.

The \$1,050,000 appropriated in FY 2005 for the University of Arizona Poison Control Center shall not be used to support any poison control center other than the one at the University of Arizona. The Department of Health Services shall transmit all of the appropriated amount to the University of Arizona for this purpose.

The \$800,000 appropriated in FY 2005 for Poison Control Center funding shall only be expended for poison control services in counties with a population of more than 1,500,000 persons.

**JLBC RECOMMENDED STATUTORY CHANGES**

The JLBC recommends suspending the deposits into and the expenditures from the Health Crisis Fund in FY 2005. The FY 2004 Health ORB (Laws 2003, Chapter 265) as originally passed included this same provision, which was vetoed by the Governor. Pursuant to A.R.S. § 36-797, the

Health Crisis Fund receives up to \$1,000,000 annually from the Medically Needy Account of the Tobacco Tax and Health Care Fund and the Governor may authorize the expenditure of these monies.

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**SUMMARY OF FUNDS - SEE AGENCY SUMMARY**

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