

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
147 Special Olympics	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0
193 State Operations	18,895,320	0	20,229,418	0	28,702,341	0	27,311,513	0	27,311,513	0	27,311,513	0	27,066,913	0	27,066,913	0	27,066,913	0
196 Community Mental Health Centers	8,160,556	0	7,005,603	0	8,780,603	0	8,780,603	0	8,780,603	0	8,780,603	0	8,780,603	0	8,780,603	0	8,780,603	0
1DE Various Building Construction	2,195,402	0	7,172,900	0	7,648,900	0	9,877,613	0	9,877,613	0	9,877,613	0	9,877,613	0	9,877,613	0	9,877,613	0
1DK Cty-Shelter Plus Care Program	1,486,268	0	1,908,598	0	1,908,598	0	2,004,028	0	2,004,028	0	2,004,028	0	2,008,800	0	2,008,800	0	2,008,800	0
1EN Community Alcohol Safety	2,747,753	1	2,963,795	1	4,094,047	1	4,094,167	1	4,094,167	1	4,094,167	1	4,094,167	1	4,094,167	1	4,094,167	1
1ET Alcohol & Drug Abuse Prevention	16,751,626	0	18,726,884	0	21,775,777	0	21,775,000	0	21,775,000	0	21,775,000	0	21,775,000	0	21,775,000	0	21,775,000	0
2MN Mental Health Grants	5,271,263	0	5,927,065	0	6,551,312	0	9,427,065	0	9,427,065	0	9,789,616	0	9,427,065	0	9,427,065	0	9,789,616	0
2QZ Community Based Sanctions	2,469,818	0	2,550,000	0	2,550,000	0	2,550,000	0	2,550,000	0	2,550,000	0	2,550,000	0	2,550,000	0	2,550,000	0
2RA Juvenile Account Incentive Block Grant	123,976	0	781,730	0	1,671,520	0	1,671,520	0	1,671,520	0	1,671,520	0	1,671,520	0	1,671,520	0	1,671,520	0
2RB Community Services	15,814,914	0	16,150,017	0	21,427,312	0	20,150,017	0	20,150,017	0	20,150,017	0	20,150,017	0	20,150,017	0	20,150,017	0
2RC Federal Child & Youth Service Grants	4,022,299	0	5,262,546	0	5,746,475	0	6,262,546	0	6,262,546	0	6,262,546	0	6,262,546	0	6,262,546	0	6,262,546	0
2YH Residential Services	26,941,432	0	27,291,690	0	26,579,874	0	29,291,690	0	29,291,690	0	29,291,690	0	29,291,690	0	29,291,690	0	29,291,690	0
320 Child Care Development-Discretionary	25,678,650	0	25,469,372	0	25,469,372	0	28,469,372	0	28,469,372	0	28,469,372	0	28,469,372	0	28,469,372	0	28,469,372	0
35M Ms. Senior Pageant	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0
396 Cty-Aid To Aged, Blind, Disabled	0	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0
397 Children's Medical Services	1,715,625	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0
408 Children's Medical Services-Federal	390,343	0	1,144,083	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0
410 Cty-Emergency Food Program	738,339	0	692,917	0	819,219	0	727,563	0	727,563	0	727,563	0	729,295	0	729,295	0	729,295	0
411 Cty-Low Income Energy Assistance Prgm	20,701,241	0	28,000,000	0	29,480,110	0	29,400,000	0	29,400,000	0	29,400,000	0	29,470,000	0	29,470,000	0	29,470,000	0
412 Cty-Refugee Resettlement Program	11,259	0	12,000	0	12,000	0	24,000	0	24,000	0	24,000	0	24,000	0	24,000	0	24,000	0
414 Consolidated Cost	709,188	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0
418 Meals on Wheels	2,400,000	0	2,400,000	0	2,700,000	0	2,400,000	0	2,400,000	0	2,400,000	0	2,400,000	0	2,400,000	0	2,400,000	0
426 Cty-Homeless Assistance Grant	2,400,301	0	2,506,500	0	2,846,487	0	2,631,825	0	2,631,825	0	2,631,825	0	2,638,091	0	2,638,091	0	2,638,091	0
4KS Nursing Home Quality	100,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
59H Hunger Coalition	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0
59J Autism Treat/Coord	0	0	273,974	0	1,492,500	0	273,974	0	273,974	0	273,974	0	273,974	0	273,974	0	273,974	0
642 Medicaid Expansion-Medical Svcs	86,374	2	112,834	2	121,604	2	113,521	2	113,521	2	113,521	2	113,521	2	113,521	2	113,521	2
642 Medicaid Expansion-Medical Svcs	2,135,078	51	2,861,716	60	2,872,788	60	2,884,501	60	2,884,501	60	2,884,501	60	2,885,980	60	2,885,980	60	2,885,980	60
648 Medicaid Exp-Prescription Drugs	3,719,446	0	3,496,000	0	5,728,242	0	4,197,034	0	4,197,034	0	4,197,034	0	4,553,782	0	4,553,782	0	4,553,782	0
648 Medicaid Exp-Hospital & Medical Services	55,298,500	0	74,812,000	0	92,024,933	0	62,510,440	0	62,510,440	0	62,510,440	0	62,510,440	0	62,510,440	0	62,510,440	0
653 DDS-State Operations	5,798,581	0	5,354,325	0	7,219,242	0	7,119,242	0	7,119,242	0	7,119,242	0	7,119,242	0	7,119,242	0	7,119,242	0
655 Acute Mental Health Services-Per Capita	5,309,387	0	503,188	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0	5,633,293	0

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657 Community Programs	33,651	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
658 Grants to Community Providers	15,734,421	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0
876 Nursing Home Closure Costs	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
878 Long Term Care Facility Receivership	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
882 State Residential Treatment	923,888	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0
883 Foster Care	27,586,252	0	30,179,183	0	30,315,859	0	31,179,183	0	31,179,183	0	31,179,183	0	31,579,183	0	31,579,183	0	31,579,183	0
890 Food Program	78,939,552	0	64,291,250	0	64,291,250	0	94,291,250	0	94,291,250	0	94,291,250	0	94,291,250	0	94,291,250	0	94,291,250	0
896 Director's Office	969,922	7	1,148,180	7	1,178,090	7	1,155,982	7	1,155,982	7	1,155,982	7	1,156,548	7	1,156,548	7	1,156,548	7
896 Office of Chief Counsel	11,846,878	180	12,285,298	183	12,594,769	183	12,489,763	183	12,489,763	183	12,489,763	183	12,494,854	183	12,494,854	183	12,494,854	183
896 Division of Aging & Adult Services	14,039,173	196	14,994,820	205	16,899,415	213	16,466,703	213	16,466,703	213	16,466,703	212	16,475,946	213	16,475,946	213	16,475,946	212
896 Division of Children & Family Services	66,724,384	1,027	73,248,205	956	82,181,981	1,129	81,214,159	1,126	81,214,159	1,126	81,214,159	1,126	81,249,535	1,126	81,249,535	1,126	81,249,535	1,126
896 Division of Child Care/Early Childhood	17,569,210	197	23,686,421	203	23,389,321	194	23,841,398	203	23,841,398	203	23,841,398	203	23,850,642	203	23,850,642	203	23,850,642	203
896 Division of Behavioral Health Services	91,567,706	1,130	96,062,885	1,069	104,682,447	1,167	103,053,097	1,167	103,053,097	1,167	103,267,338	1,168	103,089,763	1,167	103,089,763	1,167	103,304,004	1,168
896 Division of Medical Services	24,185,460	317	25,801,157	312	26,955,488	327	30,197,725	324	30,197,725	324	30,197,725	324	31,519,767	324	31,519,767	324	31,519,767	324
896 Division of County Operations	116,116,047	1,871	123,503,656	1,876	125,233,442	1,876	126,853,802	1,871	126,853,802	1,871	126,853,802	1,871	126,257,222	1,871	126,257,222	1,871	126,257,222	1,871
896 Division of Administrative Services	28,314,889	301	29,516,481	285	33,342,898	315	31,756,301	315	31,756,301	315	31,756,301	315	31,767,768	315	31,767,768	315	31,767,768	315
896 Division of Developmental Disabilities Svcs	134,541,661	2,648	144,579,400	2,482	157,854,290	2,709	156,887,627	2,713	156,887,627	2,713	156,887,627	2,713	156,892,986	2,713	156,892,986	2,713	156,892,986	2,713
896 Division of Services for the Blind	4,687,082	75	6,429,757	76	6,629,807	76	6,706,020	76	6,706,020	76	6,706,020	76	6,707,870	76	6,707,870	76	6,707,870	76
896 Community Svcs/Non-Profit Support	1,338,143	23	1,357,594	24	1,483,036	24	1,469,154	24	1,370,454	24	1,370,454	24	1,469,278	24	1,370,578	24	1,370,578	24
896 Division of Youth Services	6,727,924	88	8,376,421	88	10,847,695	88	10,580,680	88	10,580,680	88	10,580,680	90	10,583,142	88	10,583,142	88	10,583,142	90
897 DHS-Grants Paying Account	13,535,934	0	14,637,000	0	21,818,070	0	18,277,650	0	18,277,650	0	18,277,650	0	18,277,650	0	18,277,650	0	18,277,650	0
897 ARKIDS B Program	94,799,368	0	103,515,000	0	148,436,682	0	147,222,020	0	147,222,020	0	147,222,020	0	157,323,782	0	157,323,782	0	157,323,782	0
897 Hospital & Medical Services	3,782,334,535	0	4,920,975,348	0	5,066,397,953	0	6,480,004,382	0	6,480,004,382	0	6,480,004,382	0	6,729,382,816	0	6,729,382,816	0	6,729,382,816	0
897 Prescription Drugs	348,768,244	0	360,723,246	0	385,783,553	0	433,889,916	0	433,889,916	0	433,889,916	0	467,370,558	0	467,370,558	0	467,370,558	0
897 Private Nursing Home Care	623,905,366	0	644,952,670	0	716,865,047	0	692,112,888	0	692,112,888	0	692,112,888	0	726,218,533	0	726,218,533	0	726,218,533	0
898 DHS-Grants Paying Account	111,789,076	0	125,078,428	0	133,761,951	0	144,030,104	0	144,030,104	0	144,030,104	0	146,353,188	0	146,353,188	0	146,353,188	0
898 Child & Family Life Inst	0	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
898 Infant Infirmary	24,512,824	0	25,947,910	0	27,555,873	0	31,283,630	0	31,283,630	0	31,283,630	0	32,098,423	0	32,098,423	0	32,098,423	0
898 Public Nursing Home Care	188,911,010	0	198,636,754	0	223,528,121	0	255,112,018	0	255,112,018	0	255,112,018	0	264,136,947	0	264,136,947	0	264,136,947	0
929 Child Care-Treasury Paying	0	0	120,863	0	187,537	0	120,863	0	120,863	0	120,863	0	120,863	0	120,863	0	120,863	0
930 Cty-Commodity Distrib & Salvage Container	18,387	0	291,300	0	175,000	0	291,300	0	291,300	0	291,300	0	291,300	0	291,300	0	291,300	0
935 Community Srv/Non-Profit Support - Cash in Tr	10,613	0	6,439	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0	12,000	0
937 Canteen - Cash in Treasury	161,027	0	174,048	0	174,048	0	349,048	0	349,048	0	349,048	0	349,048	0	349,048	0	349,048	0

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	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
938 Patient Benefits-Cash in Treasury	24,817	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
978 Senior Olympics	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0
982 Inter-Divisional Programs	86,746	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0
C99 Client Specific Emergency Services-Cash	0	0	111,600	0	120,000	0	111,600	0	111,600	0	111,600	0	111,600	0	111,600	0	111,600	0
F71 DBH Juv. Drug Courts	0	0	0	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
M75 Volunteer & Leadership Development Grant	0	0	100,000	0	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	6,064,041,010	8,114	7,339,134,818	7,829	7,763,392,726	8,371	9,247,281,344	8,373	9,247,182,644	8,373	9,247,759,436	8,375	9,587,949,940	8,373	9,587,851,240	8,373	9,588,428,032	8,375

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	886,910,070	17.2	903,201,290	14.2	1,046,346,154	14.4	981,097,040	13.5	981,097,040	13.5	1,173,065,456	15.4	1,182,999,688	15.5	1,182,999,688	15.5	
Federal Revenue	4000020	3,721,752,128	72.3	4,842,626,423	76.1	5,749,090,552	78.9	5,749,090,552	79.3	5,749,090,552	79.3	5,965,702,212	78.2	5,965,702,212	78.0	5,965,702,212	78.0	
Trust Fund	4000050	99,261,232	1.9	58,963,165	0.9	46,443,185	0.6	46,443,185	0.6	46,443,185	0.6	46,443,185	0.6	46,443,185	0.6	46,443,185	0.6	
Drug Rebates	4000200	32,171,968	0.6	39,424,279	0.6	54,249,094	0.7	54,249,094	0.7	54,249,094	0.7	54,249,094	0.7	54,249,094	0.7	54,249,094	0.7	
General Improvement Fund	4000265	29,278,262	0.6	69,999,970	1.1	0	0.0	30,000,000	0.4	30,000,000	0.4	0	0.0	10,000,000	0.1	10,000,000	0.1	
Rainy Day Fund	4000267	0	0.0	18,891,428	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Hospital Assessment Fee	4000281	60,016,833	1.2	61,458,300	1.0	61,458,300	0.8	61,458,300	0.8	61,458,300	0.8	61,458,300	0.8	61,458,300	0.8	61,458,300	0.8	
ICF/MR Provider Fee	4000282	12,494,282	0.2	11,689,155	0.2	11,682,065	0.2	11,682,065	0.2	11,682,065	0.2	11,682,065	0.2	11,682,065	0.2	11,682,065	0.2	
Inter-agency Fund Transfer	4000316	(1,124,591)	0.0	(1,124,591)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Miscellaneous Transfers	4000355	14,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0	
Quality Assurance Fee	4000395	77,585,027	1.5	76,711,057	1.2	75,604,018	1.0	75,604,018	1.0	75,604,018	1.0	75,604,017	1.0	75,604,017	1.0	75,604,017	1.0	
Reimbursement	4000425	0	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	
Tobacco Settlement	4000495	64,443,477	1.3	60,413,266	0.9	17,913,070	0.2	17,913,070	0.2	17,913,070	0.2	17,930,323	0.2	17,930,323	0.2	17,930,323	0.2	
Transfer from Medicaid Match	4000550	14,792,781	0.3	12,868,843	0.2	12,868,843	0.2	12,868,843	0.2	12,868,843	0.2	12,868,843	0.2	12,868,843	0.2	12,868,843	0.2	
Various Program Support	4000730	149,025,658	2.9	207,385,334	3.3	210,717,091	2.9	210,717,091	2.9	210,717,091	2.9	205,953,872	2.7	205,953,872	2.7	205,953,872	2.7	
Total Funds		5,146,621,127	100.0	6,362,722,919	100.0	7,286,587,372	100.0	7,251,338,258	100.0	7,251,338,258	100.0	7,625,172,367	100.0	7,645,106,599	100.0	7,645,106,599	100.0	
Excess Appropriation/(Funding)		917,419,883		976,411,899		1,960,693,972		1,995,844,386		1,996,421,178		1,962,777,573		1,942,744,641		1,943,321,433		
Grand Total		6,064,041,010		7,339,134,818		9,247,281,344		9,247,182,644		9,247,759,436		9,587,949,940		9,587,851,240		9,588,428,032		

WITH TAX DELAY

Analysis of Budget Request

Appropriation: 4KS - Nursing Home Quality

Funding Sources: TLT - Long Term Care Trust Fund

The Nursing Home Quality of Life appropriation provides for two (2) new approaches to nursing home care. These approaches are as follows:

- Eden Alternative approach
- Greenhouse Project approach

Both the Eden Alternative and the Greenhouse Project are attempts to create a new model for long-term care facilities that emphasizes a more home style environment over traditional institutional settings. Evidence indicates that residents of facilities operated under either approach perform significantly better than residents of traditional long-term care facilities.

The Eden Alternative approach allows residents choices in their everyday living that are traditionally dictated to the resident by the facility. These choices include, among others, the choice of meals (what is served and when) and the care routine. It also utilizes permanent assignments of caregivers to create familiarity and trust.

The Greenhouse Project approach utilizes Eden Alternative principles, but with a strikingly different physical plant. Greenhouse Project facilities are constructed on the premise that the elders will thrive in a nursing home if it's built to resemble living in one's own house. This means that facilities are built in small, separate units with each unit housing its own kitchen and laundry, and with no more than ten (10) beds - all of which are private rooms. This gives residents more privacy and more control over their lives. Additionally, Greenhouse Project facilities stress resident participation. This is performed in a number of ways. For example:

- Residents are encouraged to participate in meal planning and preparation. The facility is constructed so that residents can both gather around the kitchen and observe or participate in meal preparation. This gives them meaningful experiences and allows a time for interaction between the elders and the staff.
- Residents are encouraged to use their skills and interests for the benefit of other residents. An emphasis is placed on what residents can do rather than just their physical ailments and disabilities.
- The use of "universal" workers. Under this concept, each unit or house is staffed by the same CNAs and nurses who not only perform traditional care, but also perform laundry and meal preparation. This aids in worker retention by varying the duties of the workers. It also allows the workers to better learn the desires and abilities of residents, and to encourage their participation in various aspects of their own care, as if they were home. The staffs are assigned only to one particular unit or house allowing the elders to become better acquainted with their caregivers.

Facilities that adopt the Eden Alternative/Greenhouse Project model are operated at the same cost as traditional facilities. Once a facility has adopted the model, there is no additional cost, making the on going project cost-neutral. The cost of building a facility to meet Greenhouse Project requirements are approximately the same as for a traditional facility.

There are, however, one-time or initial startup costs for training and physical plant changes for existing facilities. In order to encourage the adoption of the Eden Alternative/Greenhouse Project model, the U. S. Department of Health and Human Services' proposed that the Arkansas Department of Human Services utilize some of the funding collected that is associated with the imposition of civil penalties levied on long-term care facilities in the Long-Term Care Trust Fund.

As the licensing and regulatory agency, the Office of Long Term Care believes that encouraging the adoption of these models benefits the State of Arkansas in a number of ways. First, the models provide a higher level of care for residents, at little or no cost to the State. Second, the adoption of these models results in an inarguable increase in the quality of life for residents. Third, adoption of this proposal places Arkansas in a leadership role in remaking the long-term care model, and demonstrates the State's commitment to seeking improvement in long-term care.

Funding for this program is derived from other revenues which are indicated as the Long-Term Care Trust Fund. This fund consists of all moneys and interest received from the imposition of civil penalties levied by the state on long-term care facilities found to be out of compliance with the requirements of federal or state law or regulations. Under this appropriation, funds are targeted for Eden Alternative/Greenhouse Project related grants to facilities. The funding would be provided by grants for:

- Eden Alternative Associate Training to providers; and
- Greenhouse Project development for new construction of facilities.

The Agency Base Level and total request for this appropriation is \$1,500,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 4KS - Nursing Home Quality

Funding Sources: TLT - Long Term Care Trust Fund

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	100,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total	100,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000

Funding Sources									
Trust Fund 4000050	100,000	1,500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total Funding	100,000	1,500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	100,000	1,500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000

Analysis of Budget Request

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

The Medicaid Expansion Program provides appropriation for the administration component of the Medicaid Expansion Program established by Initiated Act 1 of 2000 for the Division of Medical Services. The expanded Medicaid programs are as follows:

1. Expansion of Medicaid coverage and benefits to pregnant women with incomes up to 200 percent of the Federal Poverty Level (approved for implementation November 1, 2001);
2. Expansion of inpatient and outpatient hospital reimbursements and benefits to adults age 19 to 64 to reduce coinsurance payment from 22 percent to 10 percent of the cost of the first Medicaid covered day of each admission and cover additional medically necessary days in the hospital from 20 days up to 24 allowed days per State Fiscal Year (approved for implementation November 1, 2001);
3. Expansion of non-institutional coverage and benefits to adults aged 65 and over. Referred to as ARSeniors, this program extends full Medicaid benefits to adults age 65 and over who have been identified as Qualified Medicare Beneficiaries (QMB) and meet specific income limits (approved for implementation October 1, 2002).

Funding for this appropriation is derived from tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Base Level and total request for this appropriation is \$113,521 each year of the biennium with 2 budgeted Base Level positions.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,485,412	1,871,056	1,887,461	1,884,065	1,884,065	1,884,065	1,885,265	1,885,265	1,885,265
#Positions		53	62	62	62	62	62	62	62	62
Personal Services Matching	5010003	650,892	739,881	743,318	750,344	750,344	750,344	750,623	750,623	750,623
Operating Expenses	5020002	84,940	311,613	311,613	311,613	311,613	311,613	311,613	311,613	311,613
Conference & Travel Expenses	5050009	208	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Data Processing Services	5900044	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		2,221,452	2,974,550	2,994,392	2,998,022	2,998,022	2,998,022	2,999,501	2,999,501	2,999,501
Funding Sources										
Federal Revenue	4000020	43,187	56,417		56,761	56,761	56,761	56,761	56,761	56,761
Tobacco Settlement	4000495	43,187	56,417		56,760	56,760	56,760	56,760	56,760	56,760
Total Funding		86,374	112,834		113,521	113,521	113,521	113,521	113,521	113,521
Excess Appropriation/(Funding)		2,135,078	2,861,716		2,884,501	2,884,501	2,884,501	2,885,980	2,885,980	2,885,980
Grand Total		2,221,452	2,974,550		2,998,022	2,998,022	2,998,022	2,999,501	2,999,501	2,999,501

Analysis of Budget Request

Appropriation: 648 - Tobacco-Delay Draw-Paying

Funding Sources: PTD - Medicaid Expansion Program Account

Medicaid Expansion Program - Prescription Drugs referenced on page 1219

The Medicaid Expansion Program - Prescription Drugs provides appropriation for the prescription drugs component of the Medicaid Expansion Program established by Initiated Act 1 of 2000. This appropriation is funded through tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Base Level request for this appropriation is \$3,496,000 each year of the biennium.

The Agency Change Level request for this appropriation is \$701,034 in FY2016 and \$1,057,782 in FY2017 with new general revenue request of \$230,151 in FY2016 and \$336,079 in FY2017. This request is to meet demands due to program growth.

The Executive Recommendation provides for the Agency Request in appropriation only.

The Legislative Recommendation concurs with the Executive Recommendation.

Medicaid Expansion Program - Hospital and Medical Services referenced on page 1220

The Medicaid Expansion Program - Hospital and Medical Services provides appropriation for the Hospital/Medical component of the Medicaid Expansion Program established by Initiated Act 1 of 2000. This appropriation is funded through tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Base Level request for this appropriation is \$74,812,000 each year of the biennium.

The Agency Change Level request for this appropriation is a reduction of (\$12,301,560) each year of the biennium which includes adjustments for the FMAP reduction. The following delineates the agency request:

- (\$17,301,560) each year of the biennium due to the HIFA program being eliminated. This program is now covered under the Private Option.
- \$5,000,000 each year of the biennium in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying/Medicaid Expansion Program - Prescription Drugs

Funding Sources: PTD - Medicaid Expansion Program Account

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Medicaid Exp-Prescrip Drugs	5100004	3,719,446	3,496,000	5,728,242	4,197,034	4,197,034	4,197,034	4,553,782	4,553,782	4,553,782
Total		3,719,446	3,496,000	5,728,242	4,197,034	4,197,034	4,197,034	4,553,782	4,553,782	4,553,782

Funding Sources										
General Revenue	4000010	0	0		230,151	0	0	336,079	0	0
Federal Revenue	4000020	116,157	125,121		2,966,883	2,966,883	2,966,883	3,217,703	3,217,703	3,217,703
Tobacco Settlement	4000495	3,603,289	3,370,879		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funding		3,719,446	3,496,000		4,197,034	3,966,883	3,966,883	4,553,782	4,217,703	4,217,703
Excess Appropriation/(Funding)		0	0		0	230,151	230,151	0	336,079	336,079
Grand Total		3,719,446	3,496,000		4,197,034	4,197,034	4,197,034	4,553,782	4,553,782	4,553,782

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying/Medicaid Expansion Program - Hospital and Medical Services

Funding Sources: PTD - Medicaid Expansion Program Account

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Medicaid Exp-Hosp/Med Svcs 5100004	55,298,500	74,812,000	92,024,933	62,510,440	62,510,440	62,510,440	62,510,440	62,510,440	62,510,440
Total	55,298,500	74,812,000	92,024,933	62,510,440	62,510,440	62,510,440	62,510,440	62,510,440	62,510,440

Funding Sources									
Federal Revenue 4000020	37,269,625	52,884,603		40,654,130	40,654,130	40,654,130	40,636,877	40,636,877	40,636,877
Tobacco Settlement 4000495	18,028,875	21,927,397		16,856,310	16,856,310	16,856,310	16,873,563	16,873,563	16,873,563
Total Funding	55,298,500	74,812,000		57,510,440	57,510,440	57,510,440	57,510,440	57,510,440	57,510,440
Excess Appropriation/(Funding)	0	0		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Grand Total	55,298,500	74,812,000		62,510,440	62,510,440	62,510,440	62,510,440	62,510,440	62,510,440

Analysis of Budget Request

Appropriation: 876 - Nursing Home Closure Costs

Funding Sources: TLT - Long Term Care Trust Fund

Nursing Home Closure Costs appropriation is available in the event the Division of Medical Services finds it necessary to take over the operation of a nursing home in an emergency situation. The purpose of any take-over would be for the protection of the health or property of residents of long-term care facilities, including, but not limited to, the payment for the costs of relocation of residents to other facilities, maintenance and operation of a facility pending correction of deficiencies or closure, and reimbursement of residents for personal funds lost.

Funding for this appropriation is derived from other revenues which are indicated as the Long-Term Care Trust Fund. This fund consists of all moneys and interest received from the imposition of civil penalties levied by the state on long-term care facilities found to be out of compliance with the requirements of federal or state law or regulations.

The Agency Base Level and total request for this appropriation is \$50,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 876 - Nursing Home Closure Costs

Funding Sources: TLT - Long Term Care Trust Fund

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Expenses 5900046	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

Funding Sources									
Trust Fund 4000050	0	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding	0	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	50,000		50,000	50,000	50,000	50,000	50,000	50,000

Analysis of Budget Request

Appropriation: 878 - Long Term Care Facility Receivership

Funding Sources: DLT - Long Term Care Facility Receivership Fund

As authorized by Arkansas Code Annotated §20-10-901 et seq., the Long Term Care Facility Receivership appropriation is used to pay the expenses of receivers appointed, if a nursing home is placed in receivership. Payment may not be made from this account until a court of law has found that a nursing home has insufficient funds to pay a receiver after all other operating expenses of the facility have been paid. The funding for this appropriation is from reimbursement at the beginning of a biennium from the general revenue fund account of the state apportionment fund prior to the distribution of revenue stabilization law with a maximum amount of one hundred thousand dollars (\$100,000).

The Agency Base Level and total request for this appropriation is \$100,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 878 - Long Term Care Facility Receivership

Funding Sources: DLT - Long Term Care Facility Receivership Fund

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Expenses 5900046	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000

Funding Sources									
Reimbursement 4000425	0	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding	0	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	100,000		100,000	100,000	100,000	100,000	100,000	100,000

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

Act 348 of 1985 authorized the reorganization of the Department of Human Services. As part of this reorganization, the Division of Social Services became the Division of Economic and Medical Services. Act 164 of 1995 eliminated the Division of Economic and Medical Services, creating the Division of Medical Services, while functions at the county level were assigned to the Division of County Operations (formerly the Division of Program Operations). The Division of Medical Services' primary responsibility is management of the Arkansas Medicaid program, which was created by the passage of Title XIX of the Social Security Act of 1965, with Arkansas implementing the program on January 1, 1970.

Medicaid enables states to furnish:

- Medical assistance to those who have insufficient income and resources to meet the costs of necessary medical services.
- Rehabilitation and other services to help these families and individuals become or remain independent and able to care for themselves.

Each state has some sort of Medicaid program to meet the federal mandates and requirements as laid out in Title XIX. Arkansas, however, established a medical care program 26 years before passage of the federal laws requiring health care for the needy: Section 7 of Act 280 of 1939 and Act 416 of 1977 authorized the State of Arkansas to establish and maintain a medical care program for the indigent and vested responsibility for regulating and administering the program in the Arkansas Department of Human Services. This program receives federal grants under Title XIX. Thus Arkansas Medicaid is a joint federal and state program that provides necessary medical services to eligible persons who are not able to pay for such services. Individuals are certified as eligible for Medicaid services through the state's county Human Services Offices or District Social Security Offices. The Social Security Administration automatically sends SSI recipient information to DHS.

The Arkansas Medicaid Program is divided into three (3) forms of services:

1. Services Mandated by the Federal Government
2. Optional Services Chosen by Arkansas
3. Waivers Approved by the Centers for Medicare and Medicaid Services (CMS)

These services are as follows:

Services Mandated by the Federal Government:

- Child Health Services - Early and Periodic Screening, Diagnosis and Treatment (EPSDT) (Under Age 21)
- Family Planning Services and Supplies (All Ages)
- Federally Qualified Health Center (FQHC) (All Ages)
- Home Health Services (All Ages)

- Hospital Services - Inpatient and Outpatient (All Ages)
- Laboratory and X-Ray (All Ages)
- Certified Nurse-Midwife Services (All Ages)
- Medical and Surgical Services of a Dentist (All Ages)
- Nurse Practitioner (Pediatric, Family, Obstetric-Gynecologic and Gerontological) (All Ages)
- Nursing Facility Services (Age 21 and Older)
- Physician Services (All Ages)
- Rural Health Clinic (RHC) (All Ages)
- Transportation (to and from medical providers when medically necessary) (All Ages)

Optional Services Chosen by Arkansas:

- Ambulatory Surgical Center Services (All Ages)
- Audiological Services (Under Age 21)
- Certified Registered Nurse Anesthetist (CRNA) Services (All Ages)
- Child Health Management Services (CHMS) (Under Age 21)
- Chiropractic Services (All Ages)
- Dental Services (All Ages)
- Developmental Day Treatment Clinic Services (DDTCS) (Preschool and Age 18 and Older)
- Developmental Rehabilitation Services (Under Age 3)
- Domiciliary Care Services (All Ages)
- Durable Medical Equipment (DME) (All Ages)
- End-Stage Renal Disease (ESRD) Facility Services (All Ages)
- Hearing Aid Services (Under Age 21)
- Hospice Services (All Ages)
- Hyperalimentation Services (All Ages)
- Independent Choices (Age 18 and Older)
- Inpatient Psychiatric Services (Under Age 21)
- Intermediate Care Facility (ICF) Services (All Ages)
- Licensed Mental Health Practitioner Services (Under Age 21)
- Medical Supplies (All Ages)
- Medicare Crossovers (All Ages)
- Nursing Facility Services (Under Age 21)
- Occupational, Physical, Speech Therapy Services (Under Age 21)
- Orthotic Appliances (All Ages)
- PACE (Program of All-Inclusive Care for the Elderly) (Age 55 and Older)
- Personal Care Services (All Ages)

Podiatrist Services (All Ages)

- Portable X-Ray (All Ages)
- Prescription Drugs (All Ages)
- Private Duty Nursing Services (All Ages)
- Prosthetic Devices (All Ages)
- Rehabilitative Hospital Services (All Ages)
- Rehabilitative Services for:
 - Persons with Mental Illness (RSPMI) (All Ages)
 - Persons with Physical Disabilities (RSPD) and Youth and Children (Under Age 21)
- Respiratory Care Services (Under Age 21)
- School-Based Mental Health Services (Under Age 21)
- Targeted Case Management:
 - Children's Services (Title V), SSI, TEFRA, EPSDT, Division of Children and Family Services and Division of Youth Services (Under Age 21)
 - Beneficiaries with a Developmental Disability (All Ages)
 - Adults (Age 60 and Older)
 - Pregnant Women (All Ages)
- Tuberculosis Services (All Ages)
- Ventilator Equipment (All Ages)
- Visual Care Services (All Ages)

Waivers Approved by the Centers for Medicare and Medicaid Services (CMS):

- Alternatives for Adults with Physical Disabilities (Age 21-64)
- ARKids B (Age 18 and Under)
- Autism (Age 18 months-6 years)
- Developmental Disabilities Services (DDS- Alternative Community Services) (All Ages)
- ElderChoices (Age 65 and Older)
- Living Choices (Assisted Living) (Age 21 and Older)
- Non-Emergency Transportation (All Ages)
- Tax Equity Fiscal Responsibility Act of 1982 (TEFRA) (Under Age 21)
- Women's Health (Family Planning) (All Ages)

The Arkansas Medicaid Program does have limitations on the services that are provided. The major benefit limitations on services for adults (age 21 and older) are as follows:

- Twelve visits to hospital outpatient departments allowed per state fiscal year.
- A total of twelve office visits allowed per state fiscal year for any combination of the following: certified nurse midwife, nurse practitioner,

- physician, medical services provided by a dentist, medical services furnished by an optometrist, and Rural Health Clinics.
- One basic family planning visit and three (3) periodic family planning visits per state fiscal year. Family planning visits are not counted toward other service limitations.
 - Lab and x-ray services limited to total benefit payment of \$500 per state fiscal year, except for EPSDT beneficiaries.
 - Three pharmaceutical prescriptions are allowed per month (family planning and tobacco cessation prescriptions are not counted against benefit limit; unlimited prescriptions for nursing facility beneficiaries and EPSDT beneficiaries under age 21). Extensions will be considered up to a maximum of six (6) prescriptions per month for beneficiaries at risk of institutionalization. Beneficiaries receiving services through the Assisted Living waiver may receive up to nine (9) medically necessary prescriptions per month. Medicare-Medicaid beneficiaries (dual eligibles) receive their drugs through the Medicare Part D program as of January 1, 2006.
 - Inpatient hospital days limited to 24 per state fiscal year, except for EPSDT beneficiaries and certain organ transplant patients.
 - Co-insurance: Some beneficiaries must pay 10% of first Medicaid covered day of hospital stay.
 - Beneficiaries in the Working Disabled aid category must pay 25% of the charges for the first Medicaid covered day of inpatient hospital services and must also pay co-insurance for some additional services.
 - Some beneficiaries must pay \$.50 - \$3 of every prescription, and \$2 on the dispensing fee for prescription services for eyeglasses. Beneficiaries in the Working Disabled aid category must pay a higher co-payment for these services and also must pay co-payments for some additional services.

Additional Information for limitations relating to children:

- The families of some children are responsible for co-insurance, co-payments, or premiums.
- Co-insurance: ARKids B beneficiaries must pay 10% of the charges for the first Medicaid covered day of inpatient hospital services and must also pay co-insurance for some outpatient and DME services.
- Co-Pay: ARKids B beneficiaries must pay a co-payment for most services; for example \$10.00 for most office visits and \$5.00 for most prescription drugs (and must use generic drugs and manufacturer rebates, if available). ARKids B beneficiaries annual cost-sharing is capped at 5% of the family's gross annual income.
- Premiums: Based on family income certain TEFRA beneficiaries must pay a premium. TEFRA families whose income is at or below 150% of the Federal Poverty level cannot be assessed a premium.

Any and all exceptions to benefit limits are based on medical necessity.

The Division consists of the Director's Office and eight (8) distinct organizational units:

Program and Provider Management: The Office of Program and Provider Management includes the following operations: Provider & Member Relations, Dental, Visual and EPSDT, Behavioral Health and Utilization Review. The Provider and Member Relations, Dental, Visual and EPSDT section administers the Dental, Visual and Child Health Services (EPSDT) Medicaid programs and oversees the non-emergency transportation program, Medicaid Managed Care Systems and ConnectCare programs. This section also assists providers and beneficiaries in resolving matters related to billing and coverage. The Utilization Review section develops healthcare policies based on recognized standards of care, current healthcare initiatives and participation from community stakeholders to ensure adequate coverage benefits for Medicaid

beneficiaries. Utilization review monitors the quality and medical necessity of services delivered by Medicaid health care providers. In addition this section is responsible for the prior authorization of medically necessary services such as transplants, extension of benefits, prosthetics, hearing aids, hyperalimentation services and out of state transportation.

Medicaid Information Management: The Office of Medicaid Information Management is responsible for administering the Medicaid Management Information System (MMIS) which processes all Medicaid claims. The MMIS Systems and Support Unit procures and administers the contracted fiscal agent that operates the MMIS. This Unit also monitors the fiscal agent's contract compliance, performs quality assurance reviews on how the MMIS operates, manages requests for modifications to the MMIS, develops enhancements to the MMIS, and develops and produces reports from the Medicaid data warehouse.

Long Term Care: The Office of Long Term Care (OLTC) is the unit of state government responsible for the regulation of long term care facilities in Arkansas. These facilities include Nursing Homes, Intermediate Care Facilities for the Mentally Retarded (ICF/MR), Residential Care Facilities (RCF), Adult Day Care, Adult Day Health Care, Post-Acute Head Injury Facilities, Assisted Living Facilities (ALF) and Psychiatric Residential Treatment Facilities (PRTF). This regulation of facilities includes conducting on-site inspections of facilities, investigations of complaints against facilities, medical need determinations for placement into facilities, and licensure of facilities and facility administrators. In addition, the Office of Long Term Care administers a criminal record background check on the employees and applicants and of facilities the Office regulates, and the Office is responsible for the administration of the training and certification of Certified Nursing Assistance (CNAs), who are long-term care facility caregivers that are employed in long term care facilities and hospital-based facilities. The Office of Long Term Care includes the following operations: Quality Assurance & Support, Survey & Certification, Special Programs, Abuse & Neglect, and State Regulated Facilities.

Program and Administrative Support: The Office of Program and Administrative Support includes the following operations: Financial Activities, Provider Reimbursement and Third Party Liability. The Financial Activities unit performs such functions as program and operational budgeting, expenditure monitoring and evaluation, federal and state reporting, and administrative support such as personnel management, contract issuance and management, requests for proposals, and the preparation of interagency agreements. The Provider Reimbursement unit is responsible for maintaining rate files, establishing and administering methodologies for provider reimbursements, including cost reports and cost settlements, and financial aspects of the Office of Long Term Care such as budgeting, reimbursement, and audits of provider cost reports. The Third Party Liability area is responsible for implementing cost-avoidance procedures to prevent the payment of Medicaid monies when other (third) parties such as private insurance companies should pay the claim. In addition, in those instances where cost-avoidance is not successful, the Third Party Liability unit is responsible for pursuing recoupment of Medicaid monies.

Pharmacy: The Pharmacy Office is responsible for assuring that medically necessary pharmaceutical therapy is provided to Arkansas Medicaid recipients. It seeks to deliver these services cost effectively while complying with all state and federal requirements. The OBRA 90 statute requires states to cover all outpatient drugs by a manufacturer who signs a rebate agreement with the Centers for Medicare / Medicaid (CMS) as well as to establish a Drug Utilization Review (DUR) Board which is under the direction of the Pharmacy Office. The Office researches clinical data, develops the clinical criteria and edits for various drugs and drug classes, then works directly with the state's fiscal agent to apply the criteria and edits within the software, is the project manager for the stated evidenced-based prescription drug program, researches and reviews claims information to assist providers, beneficiaries and interested parties and researches exception criteria to assist

physicians.

Policy, Program and Contract Oversight: The Policy, Program and Contract Oversight consists of three units. The Program Planning and Development (PPD) unit develops and maintains the Medicaid State Plan and the State's Child Health Insurance Program Plan, both required by CMS. This Unit develops and maintains fifty-seven (57) different Medicaid provider policy manuals, which include information on covered services, benefit limits, prior approvals, and billing procedures. The Waiver Quality Assurance unit is responsible for monitoring operation of the Medicaid waiver programs. The Waiver QA unit assures compliance with CMS requirements for operating the waivers through case reviews, data analysis, technical assistance to operating agencies, communication and coordination with CMS, developing new waivers and amendments to existing waivers, and developing QA strategies and interagency agreements for the waivers. The Contract Oversight unit is responsible for assisting program and contract staff in developing performance indicators for contracts and monitoring the performance of all Division of Medical Services contractors.

Healthcare Innovation: The Health Care Innovation Unit is responsible for directing the operations and activities to redesign the Medicaid payment and service delivery systems by working with multi-payers, staff, and contractors to design and deliver episodes of care for acute conditions; implement new models of population based health for chronic conditions; develop and coordinate infrastructure requirements; and facilitate stakeholder, provider and patient engagement. Arkansas Medicaid is creating a patient-centered health care system that embraces the triple aim: (1) improving the health of the population; (2) enhancing the patient experience of care, including quality, access, and reliability; and (3) reducing, or at least controlling, the cost of health care. This will be accomplished by transforming the vast majority of care and payment from a fee for service models to models that reward and support providers for delivering improved outcomes and high quality, cost effective care.

Coordination of Coverage: The Coordination of Coverage Unit is responsible for coordinating any DMS efforts in the implementation of the Affordable Care Act, identifying potential improvement in the Medicaid consumer experience, and ongoing coordination of coverage for Medicaid recipients as they move in and out of Medicaid and other health insurance plans through the upcoming health insurance exchange. In addition, this new team will participate in other Medicaid changes, and will coordinate with all areas within DMS, several other DHS Divisions, and other State agencies.

The Agency is funded through general revenue (DEM - Medical Services Fund Account), federal and other revenues. Federal revenue is provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as various program support are derived from Third Party Liability Recovery, Nurse Aide Training and Long-Term Care Licensure Fees.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Agency Base Level request for this appropriation is \$25,869,970 in FY2016 and \$25,885,544 in FY2017 with general revenue of \$3,969,700 each year and 312 budgeted base level positions.

The Agency Change Level request for this appropriation is \$4,327,755 in FY2016 and \$5,634,223 in FY2017 with new general revenue request of \$3,235,561 in FY2016 and \$3,892,824 in FY2017. The following delineates the agency request:

- Regular Salaries and Personal Services Matching of \$505,668 each year for the restoration of twelve (12) positions that are authorized but not budgeted to assist in meeting staffing needs throughout the Division. This request is for unfunded appropriation.
- Operating Expenses of \$3,822,087 in FY2016 and \$5,128,555 in FY2017 with \$521,553 in FY2016 and \$1,828,021 in FY2017 in new general revenue funding for the oversight, management and implementation of many new contracts for programs and systems development due to the health care law changes and innovations across DHS.
- New general revenue of \$2,714,008 in FY2016 and \$2,064,803 in FY2017 to offset a reduction in other funding.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 896 - DHS-Admin Paying Account

Funding Sources: PWP - Administration Paying

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	263,007,727	266,119,407	288,633,758	283,593,223	283,593,223	283,722,223	283,819,823	283,819,823	283,948,823
#Positions		8,060	7,766	8,308	8,310	8,310	8,312	8,310	8,310	8,312
Extra Help	5010001	7,790,846	9,248,223	10,224,777	9,679,705	9,679,705	9,679,705	9,679,705	9,679,705	9,679,705
#Extra Help		583	770	770	770	770	770	770	770	770
Personal Services Matching	5010003	102,195,733	102,291,180	110,607,624	110,121,764	110,121,764	110,167,267	110,180,276	110,180,276	110,225,779
Overtime	5010006	4,541,603	6,350,946	6,596,287	6,576,010	6,576,010	6,576,010	6,576,010	6,576,010	6,576,010
Extra Salaries	5010008	0	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
Operating Expenses	5020002	88,275,962	105,607,814	108,493,779	112,972,500	112,879,800	112,911,186	113,489,008	113,396,308	113,427,694
Conference & Travel Expenses	5050009	562,270	979,953	1,006,434	1,018,803	1,016,803	1,025,155	1,018,803	1,016,803	1,025,155
Professional Fees	5060010	38,681,261	51,367,202	53,810,553	53,565,344	53,564,344	53,564,344	53,671,634	53,670,634	53,670,634
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	0	0	0	0	0	0	0
Grants/Patient Services	5100004	22,032,681	22,617,170	32,955,010	31,464,182	31,464,182	31,464,182	31,219,582	31,219,582	31,219,582
Capital Outlay	5120011	764,692	1,061,088	3,771,088	4,033,000	4,033,000	4,033,000	3,953,000	3,953,000	3,953,000
Foster Grandparent Stipends	5900038	295,776	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Data Processing Services	5900044	8,151,239	10,857,583	10,907,583	11,964,183	11,961,183	11,961,183	11,979,183	11,976,183	11,976,183
Mental Hlth Center Transfer	5900046	2,306,179	2,599,382	2,599,382	2,599,382	2,599,382	2,599,382	2,599,382	2,599,382	2,599,382
Vocational Trainees	5900046	130,140	198,000	239,000	239,000	239,000	239,000	239,000	239,000	239,000
DDS-State Operations	5900047	59,265	67,191	67,191	67,191	67,191	67,191	67,191	67,191	67,191
Purchase of Services	5900047	4,487,006	6,881,879	6,954,796	6,881,879	6,881,879	6,881,879	6,881,879	6,881,879	6,881,879
Statewide Prevention/Inervention Y	5900048	40,000	0	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total		543,322,380	586,574,018	639,194,262	637,103,166	637,004,466	637,218,707	637,701,476	637,602,776	637,817,017

Funding Sources										
General Revenue	4000010	5,092,024	5,094,291		7,205,261	7,205,261	7,205,261	7,862,524	7,862,524	7,862,524
Federal Revenue	4000020	14,501,872	16,037,006		13,186,262	13,186,262	13,186,262	13,851,041	13,851,041	13,851,041
Inter-agency Fund Transfer	4000316	(1,124,591)	(1,124,591)		0	0	0	0	0	0
Various Program Support	4000730	5,716,155	5,794,451		6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Total Funding		24,185,460	25,801,157		26,391,523	26,391,523	26,391,523	27,713,565	27,713,565	27,713,565
Excess Appropriation/(Funding)		519,136,920	560,772,861		610,711,643	610,612,943	610,827,184	609,987,911	609,889,211	610,103,452
Grand Total		543,322,380	586,574,018		637,103,166	637,004,466	637,218,707	637,701,476	637,602,776	637,817,017

Analysis of Budget Request

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Private Nursing Home Care Appropriation referenced on page 1238

The Private Nursing Home Care appropriation pays expenses for individuals who reside in nursing homes and are eligible to receive Medicaid Benefits. The residents in nursing home facilities have chronic medical needs. The referring physician must certify medical need with documented evidence of why services are needed in order for a person to be admitted and remain in a nursing home. Each Medicaid certified nursing facility evaluates each nursing home applicant's need for nursing home services. A thorough and complete evaluation must be conducted to ensure that individuals who do not require nursing home services are not admitted to nursing facilities. For Medicaid eligible recipients, the Office of Long Term Care cannot guarantee Medicaid reimbursement for any applicant admitted prior to approval by the Office of Long Term Care Medical Needs Determination section. No applicant with diagnoses or other indicators of mental illness, mental retardation, or developmental disabilities may be admitted to nursing home care prior to evaluation and approval by the Office of Long Term Care.

In general, nursing homes provide total care for their residents--meeting needs from social to dietary to medical. They are staffed by licensed nurses and certified nursing assistants. Nursing homes accept a variety of payment methods, such as private pay (which includes insurance), Medicaid, and Medicare. No age requirement applies to nursing home placements.

In addition to the provider payments noted above, Act 689 of 1987 created the Long-Term Care Aide Training program. Under this Act, the Office of Long Term Care was required to establish a training program to be completed by all aides in long term care facilities who provide personal care to residents. This program consists of 75 hours of training and is payable from the Private Nursing Home Care appropriation.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as quality assurance fee per Act 635 of 2001, various program support which can include nursing home administration fees and Medicaid match, miscellaneous transfers derived from Arkansas Code Annotated §17-24-305(b)(1)(A), and the Medicaid Trust Fund. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$644,952,670 each year of the biennium with general revenue of \$113,206,942.

The Agency Change Level request for this appropriation is \$47,160,218 in FY2016 and \$81,265,863 in FY2017 with general revenue request of \$11,001,327 in FY2016 and \$21,212,558 in FY2017. The following delineates the agency request:

- \$37,160,218 in FY2016 and \$71,265,863 in FY2017 for growth.

\$10,000,000 each year of the biennium in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Prescription Drugs Appropriation referenced on page 1239

The Prescription Drugs appropriation is an optional Medicaid service chosen by Arkansas. The program allows eligible recipients to obtain prescription medication through participating pharmacies in Arkansas. Reimbursement for the program is based on the drug cost and the fee for dispensing pharmaceuticals. The Omnibus Budget Reconciliation Act of 1990 authorized rebates from pharmaceutical manufacturers. The federal share is returned and the amount retained by the state is calculated based upon the state matching rate for Medicaid.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as drug rebates, the Medicaid Trust Fund, and various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$360,723,246 each year of the biennium with general revenue of \$90,537,765.

The Agency Change Level request for this appropriation is \$73,166,670 in FY2016 and \$106,647,312 in FY2017 with general revenue reduction request of (\$29,512,910) in FY2016 and (\$19,571,522) in FY2017. The following delineates the agency request:

- \$33,166,670 in FY2016 and \$66,647,312 in FY2017 for growth.
- \$40,000,000 each year of the biennium in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Hospital and Medical Services Appropriation referenced on page 1240

The Hospital and Medical Services appropriation is one of several federally supported and state administered assistance programs within the Medicaid program and consists of many services including inpatient and outpatient hospital, community mental health centers, community health centers, rural health clinics, home health, private duty nursing, personal care, hospice, practitioners such as physicians, dentists, audiologist, psychologist, speech, occupational and physical therapists, maternity clinics, family planning, laboratory and x-ray services, case management, transportation and Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for children under 21 years of age which is

the Child Health Services Program. Waiver services are also included in this appropriation. Waiver services are those that the Centers for Medicare and Medicaid Services have waived traditional provisions of the Medicaid regulations and allow deviations in how and where the services are provided and include programs such as Elderchoices, DDS-Non-institutional Waiver and Adults with Physical Disabilities. Payments are made directly to providers for services for individuals who are eligible for Medicaid services. The State establishes reimbursement rates and the methodology for rate setting. However, the Centers for Medicare and Medicaid Services must approve the state's policy(ies) and regulations in order for the State to be in compliance with guidelines established in federal law.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as Medicaid Trust Fund, intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, hospital assessment fee per Act 562 of 2009 (as amended per Act 19 of 2011), and as various program support which can include matching funds from UAMS (from general revenue), Department of Education (from cash funds), Arkansas Children's Hospital, DHS Divisions (from general revenue) for services such as Therapies, Transportation, Waiver services, UPL-Upper Payment Limit match, DSH-Disproportionate Share Hospital payments, etc. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$4,920,975,348 each year of the biennium with general revenue of \$662,223,536.

The Agency Change Level request for this appropriation is \$1,559,029,034 in FY2016 and \$1,808,407,468 in FY2017 with general revenue request of \$131,153,785 in FY2016 and \$239,500,884 in FY2017. The following delineates the agency request:

- \$834,029,034 in FY2016 and \$1,083,407,468 in FY2017 for growth.
- \$725,000,000 each year in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation contemplates a two-year delay in pending tax cuts for reduction of the sales and use tax on natural gas and electricity used by manufacturers (Act 1411 of 2013) and reduction in the income tax on capital gains and an increased standard deduction (Act 1488 of 2013). Arkansas Code § 19-4-201(b)(1) provides that should the Governor propose revenue measures to finance all proposed programs, two sets of budgets must be submitted to the Legislative Council and General Assembly, one set based on the resources available from the then-existing laws and another showing the additional expenditures proposed to be financed from the recommended revenue measures. Pursuant to the provisions of law, the Executive Recommendation provides for the following alternative budget:

The Executive Recommendation provides for Agency Request for appropriation and \$66,134,822 in FY2016 and \$249,771,195 in FY2017 in new general revenue funding. These increases are necessary in order to: accommodate the net change in the Federal Medical Assistance Percentage (FMAP) as a result of increases in per capita household income from FY2009 to FY2016; to transition from one-time funds to continuing funding for ongoing obligations; and to fund normally expected inflationary program growth for existing levels of service delivery. General improvement funds are also being recommended in the amount of \$30,000,000 in FY2016 and \$10,000,000 in FY2017 to fully

subsidize these required funding levels.

The Legislative Recommendation concurs with the Executive Recommendation with Tax Delays.

ARKIDS B Program Appropriation referenced on page 1241

The ArKids B program appropriation provides medical services for children who are without medical insurance coverage. Many of the parents of these children are employed but are unable to afford the necessary coverage for their children. The parents earn sufficient salaries that make them ineligible for coverage by Medicaid, thereby leaving the children without medical care.

ArKids B Program is an optional Medicaid service chosen by Arkansas and is authorized through a federal waiver to the Medicaid program that expands coverage to children in families with income at or below 200 percent of the federal poverty level. Services are available only to children through 18 years of age and are otherwise ineligible to receive Medicaid benefits. Each child must have a Primary Care Physician who will either provide the needed services or make the appropriate referral for medically necessary treatment. A patient co-payment is required per physician visit and per prescription. Effective July 1, 2006, DHS set an annual cap on cost-sharing (co-payments and coinsurance) for ARKids B families. The annual cost-sharing cap is 5% of the family's annual gross (before taxes) income.

The ArKids B Program appropriation has two (2) components and they are as follows:

- Prescription Drugs
- Hospital/Medical

Prescription Drugs component has coverage limits based on medical necessity with a \$5 per prescription co-pay and the recipient must use generic and rebate manufactures.

Generally, the Hospital/Medical component benefits include such programs as inpatient hospital, physician visits, vision care (1 visit per year for routine exam and 1 pair of eyeglasses), dental services (2 visits per year for cleaning, x-rays, no orthodontia), medical supplies, home health services and emergency room services, ambulance (emergency only), ambulatory surgical center, durable medical equipment (\$500 per year), family planning, FQHC, nurse midwife, outpatient mental and behavior health (\$2,500 limit), podiatry, RHC and speech therapy with some form of co-pay required. Immunizations and preventative health screenings per protocols provided by the primary care physician or Division of Health require no patient co-payments.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as the Medicaid Trust Fund, and as various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$103,515,000 each year of the biennium with general revenue of \$21,662,245 each year.

The Agency Change Level request for this appropriation is \$43,707,020 in FY2016 and \$53,808,782 in FY2017 with general revenue reduction request of (\$14,162,245) in FY2016 and (\$19,662,245) in FY2017. The following delineates the agency request:

- \$28,707,020 in FY2016 and \$38,808,782 in FY2017 for growth.
- \$15,000,000 each year of the biennium in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account/Private Nursing Home Care

Funding Sources: PWD - Grants Paying

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Private Nursing Home Care	5100004	623,905,366	644,952,670	716,865,047	692,112,888	692,112,888	692,112,888	726,218,533	726,218,533	726,218,533
Total		623,905,366	644,952,670	716,865,047	692,112,888	692,112,888	692,112,888	726,218,533	726,218,533	726,218,533

Funding Sources										
General Revenue	4000010	87,301,651	113,206,942		124,208,269	124,208,269	124,208,269	134,419,500	134,419,500	134,419,500
Federal Revenue	4000020	437,457,523	455,639,606		482,185,601	482,185,601	482,185,601	506,080,016	506,080,016	506,080,016
Trust Fund	4000050	8,598,199	0		0	0	0	0	0	0
General Improvement Fund	4000265	1,404,784	0		0	0	0	0	0	0
Miscellaneous Transfers	4000355	14,000	115,000		115,000	115,000	115,000	115,000	115,000	115,000
Quality Assurance Fee	4000395	76,905,403	75,604,018		75,604,018	75,604,018	75,604,018	75,604,017	75,604,017	75,604,017
Tobacco Settlement	4000495	0	58,573		0	0	0	0	0	0
Various Program Support	4000730	12,223,806	328,531		0	0	0	0	0	0
Total Funding		623,905,366	644,952,670		682,112,888	682,112,888	682,112,888	716,218,533	716,218,533	716,218,533
Excess Appropriation/(Funding)		0	0		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Grand Total		623,905,366	644,952,670		692,112,888	692,112,888	692,112,888	726,218,533	726,218,533	726,218,533

WITH TAX DELAY

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account/Prescription Drugs

Funding Sources: PWD - Grants Paying

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Prescription Drugs	5100004	348,768,244	360,723,246	385,783,553	433,889,916	433,889,916	433,889,916	467,370,558	467,370,558	467,370,558
Total		348,768,244	360,723,246	385,783,553	433,889,916	433,889,916	433,889,916	467,370,558	467,370,558	467,370,558

Funding Sources										
General Revenue	4000010	78,653,898	90,537,765		61,024,855	61,024,855	61,024,855	70,966,243	70,966,243	70,966,243
Federal Revenue	4000020	220,229,031	230,586,017		278,440,782	278,440,782	278,440,782	301,980,036	301,980,036	301,980,036
Trust Fund	4000050	2,237,436	175,185		175,185	175,185	175,185	175,185	175,185	175,185
Drug Rebates	4000200	32,171,968	39,424,279		54,249,094	54,249,094	54,249,094	54,249,094	54,249,094	54,249,094
Various Program Support	4000730	15,475,911	0		0	0	0	0	0	0
Total Funding		348,768,244	360,723,246		393,889,916	393,889,916	393,889,916	427,370,558	427,370,558	427,370,558
Excess Appropriation/(Funding)		0	0		40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Grand Total		348,768,244	360,723,246		433,889,916	433,889,916	433,889,916	467,370,558	467,370,558	467,370,558

WITH TAX DELAY

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account/Hospital and Medical Services

Funding Sources: PWD - Grants Paying

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Hospital and Medical Services	5100004	3,782,334,535	4,920,975,348	5,066,397,953	6,480,004,382	6,480,004,382	6,480,004,382	6,729,382,816	6,729,382,816	6,729,382,816
Total		3,782,334,535	4,920,975,348	5,066,397,953	6,480,004,382	6,480,004,382	6,480,004,382	6,729,382,816	6,729,382,816	6,729,382,816

Funding Sources										
General Revenue	4000010	688,239,524	662,223,536		793,377,321	728,358,358	728,358,358	901,724,420	911,994,731	911,994,731
Federal Revenue	4000020	2,787,392,410	3,846,685,999		4,643,304,529	4,643,304,529	4,643,304,529	4,789,099,083	4,789,099,083	4,789,099,083
Trust Fund	4000050	87,816,866	55,460,460		44,718,000	44,718,000	44,718,000	44,718,000	44,718,000	44,718,000
General Improvement Fund	4000265	27,873,478	69,999,970		0	30,000,000	30,000,000	0	10,000,000	10,000,000
Rainy Day Fund	4000267	0	18,891,428		0	0	0	0	0	0
Hospital Assessment Fee	4000281	60,016,833	61,458,300		61,458,300	61,458,300	61,458,300	61,458,300	61,458,300	61,458,300
ICF/MR Provider Fee	4000282	7,000,297	5,041,130		5,041,130	5,041,130	5,041,130	5,041,130	5,041,130	5,041,130
Tobacco Settlement	4000495	42,768,126	35,000,000		0	0	0	0	0	0
Transfer from Medicaid Match	4000550	14,792,781	12,868,843		12,868,843	12,868,843	12,868,843	12,868,843	12,868,843	12,868,843
Various Program Support	4000730	66,434,220	153,345,682		194,236,259	194,236,259	194,236,259	189,473,040	189,473,040	189,473,040
Total Funding		3,782,334,535	4,920,975,348		5,755,004,382	5,719,985,419	5,719,985,419	6,004,382,816	6,024,653,127	6,024,653,127
Excess Appropriation/(Funding)		0	0		725,000,000	760,018,963	760,018,963	725,000,000	704,729,689	704,729,689
Grand Total		3,782,334,535	4,920,975,348		6,480,004,382	6,480,004,382	6,480,004,382	6,729,382,816	6,729,382,816	6,729,382,816

WITH TAX DELAY

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account/ARKids B Program

Funding Sources: PWD - Grants Paying

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
ARKids B Program	5100004	94,799,368	103,515,000	148,436,682	147,222,020	147,222,020	147,222,020	157,323,782	157,323,782	157,323,782
Total		94,799,368	103,515,000	148,436,682	147,222,020	147,222,020	147,222,020	157,323,782	157,323,782	157,323,782

Funding Sources										
General Revenue	4000010	18,027,538	21,662,245		7,500,000	7,500,000	7,500,000	2,000,000	2,000,000	2,000,000
Federal Revenue	4000020	75,097,959	81,852,755		124,722,020	124,722,020	124,722,020	140,323,782	140,323,782	140,323,782
Trust Fund	4000050	374,765	0		0	0	0	0	0	0
Various Program Support	4000730	1,299,106	0		0	0	0	0	0	0
Total Funding		94,799,368	103,515,000		132,222,020	132,222,020	132,222,020	142,323,782	142,323,782	142,323,782
Excess Appropriation/(Funding)		0	0		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Grand Total		94,799,368	103,515,000		147,222,020	147,222,020	147,222,020	157,323,782	157,323,782	157,323,782

WITH TAX DELAY

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Child and Family Life Institute Appropriation referenced on page 1245

Arkansas Code Annotated §20-78-104 authorized Arkansas Children's Hospital to provide administration for the Child Health and Family Life Institute (CHFLI). Children's Hospital and UAMS, Department of Pediatrics act in conjunction by either contract or cooperative agreement for necessary activities in the delivery of services through the CHFLI. The mission of the institute is "an initiated state effort to explore, develop, and evaluate new and better ways to address medically, socially, and economically interrelated health and developmental needs of children with special health care needs and their families. Utilizing a multidisciplinary collaboration of professionals, the Institute's priorities include wellness and prevention, screening and diagnosis, treatment and intervention, training and education, service access, public policy and advocacy, research and evaluation". Programs include such services as KIDS FIRST - a pediatric day health treatment program for preschool age children at risk for developmental delay; CO-MEND Councils of volunteer/local community activities with pooled resources to assist families; Outreach offers specialized health care at the local level for children who live in areas without specialized care available; Community Pediatrics-a support system with a pediatric team available to provide services in medically underserved areas; Children-at-Risk - diagnostic and treatment for children who have been abused and their families; Pediatric Psychology; Developmental/Physical Medicine and Rehabilitation for children with severe disabilities; and Adolescent Medicine. Children's Hospital is specifically to fund the KIDS FIRST Program as a priority when considering program funding decisions within the Institute. The Department of Pediatrics is the administrative oversight entity for cooperative agreements or contracts for the delivery of services.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account).

The Agency Base Level and total request for this appropriation is \$2,100,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Infant Infirmery Appropriation referenced on page 1246

The Infant Infirmery Nursing Home appropriation provides for services to infants with special needs. The facilities are licensed as Private Pediatric Intermediate Care Facilities for the Mentally Retarded (ICFs/MR). Facilities receiving reimbursement through this appropriation are Arkansas Pediatric Facility, Brownwood Life Care Center, Millcreek of Arkansas and Easter Seals Children's Rehabilitation Center. These programs provide a valuable service in that many children are admitted to one of these programs when discharged from a hospital and need continuing attention and medical oversight but not on-going medical treatment.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal revenue derived from Title XIX -

Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, the Medicaid Trust Fund, and various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$25,947,910 each year of the biennium with general revenue of \$5,150,660.

The Agency Change Level request for this appropriation is \$5,335,720 in FY2016 and \$6,150,513 in FY2017 with general revenue request of \$1,883,010 in FY2016 and \$2,129,955 in FY2017. The following delineates the agency request:

- \$335,720 in FY2016 and \$1,150,513 in FY2017 for growth.
- \$5,000,000 each year of the biennium in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Public Nursing Home Care Appropriation referenced on page 1247

The Public Nursing Home Care appropriation includes Title XIX Medicaid reimbursement for services provided in the six (6) Human Development Centers (Intermediate Care Facilities for the Mentally Retarded-ICFs/MR), the Arkansas Health Center and the thirty-one (31) 15 Bed or Less (ICFs/MR) programs across the State. Services include 24 hour a day residential, medical, psychological, education and training, life skills training and therapy services needed through staffing and case plan determination. Annual staffings are required to reassess the progress of each individual and adjustments are made in case plans when necessary to help each person attain the goals and objectives established in the case plans.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as quality assurance fee per Act 635 of 2001, intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, various program support which can include matching funds from the Human Development Centers (from general revenue), the DDS Small 10 Beds Intermediate Care Facilities for the Mentally Retarded (ICFs/MR)(from general revenue), the Arkansas Health Center (from mixed funding). Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$198,636,754 each year of the biennium with general revenue of \$3,225,851.

The Agency Change Level request for this appropriation is \$56,475,264 in FY2016 and \$65,500,193 in FY2017 with general revenue request of \$40,440,776 in FY2016 and \$43,150,224 in FY2017. The following delineates the agency request:

- \$6,475,264 in FY2016 and \$15,500,193 in FY2017 for growth.
- \$50,000,000 each year of the biennium in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account/Child and Family Life Institute

Funding Sources: PWE - Grants Paying

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Child & Family Life Inst 5100004	0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Total	0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000

Funding Sources									
General Revenue 4000010	0	2,100,000		2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Total Funding	0	2,100,000		2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	2,100,000		2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account/Infant Infirmary

Funding Sources: PWE - Grants Paying

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Infant Infirmary	5100004	24,512,824	25,947,910	27,555,873	31,283,630	31,283,630	31,283,630	32,098,423	32,098,423	32,098,423
Total		24,512,824	25,947,910	27,555,873	31,283,630	31,283,630	31,283,630	32,098,423	32,098,423	32,098,423

Funding Sources										
General Revenue	4000010	6,087,643	5,150,660		7,033,670	7,033,670	7,033,670	7,280,615	7,280,615	7,280,615
Federal Revenue	4000020	17,187,728	18,342,578		18,579,898	18,579,898	18,579,898	19,147,746	19,147,746	19,147,746
Trust Fund	4000050	133,966	1,777,520		0	0	0	0	0	0
ICF/MR Provider Fee	4000282	842,732	677,152		670,062	670,062	670,062	670,062	670,062	670,062
Various Program Support	4000730	260,755	0		0	0	0	0	0	0
Total Funding		24,512,824	25,947,910		26,283,630	26,283,630	26,283,630	27,098,423	27,098,423	27,098,423
Excess Appropriation/(Funding)		0	0		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Grand Total		24,512,824	25,947,910		31,283,630	31,283,630	31,283,630	32,098,423	32,098,423	32,098,423

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account/Public Nursing Home Care

Funding Sources: PWE - Grants Paying

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Public Nursing Home Care	5100004	188,911,010	198,636,754	223,528,121	255,112,018	255,112,018	255,112,018	264,136,947	264,136,947	264,136,947
Total		188,911,010	198,636,754	223,528,121	255,112,018	255,112,018	255,112,018	264,136,947	264,136,947	264,136,947

Funding Sources										
General Revenue	4000010	3,507,792	3,225,851		43,666,627	43,666,627	43,666,627	46,376,075	46,376,075	46,376,075
Federal Revenue	4000020	132,456,636	140,416,321		144,993,686	144,993,686	144,993,686	151,309,167	151,309,167	151,309,167
ICF/MR Provider Fee	4000282	4,651,253	5,970,873		5,970,873	5,970,873	5,970,873	5,970,873	5,970,873	5,970,873
Quality Assurance Fee	4000395	679,624	1,107,039		0	0	0	0	0	0
Various Program Support	4000730	47,615,705	47,916,670		10,480,832	10,480,832	10,480,832	10,480,832	10,480,832	10,480,832
Total Funding		188,911,010	198,636,754		205,112,018	205,112,018	205,112,018	214,136,947	214,136,947	214,136,947
Excess Appropriation/(Funding)		0	0		50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Grand Total		188,911,010	198,636,754		255,112,018	255,112,018	255,112,018	264,136,947	264,136,947	264,136,947