

HEALTH SERVICES PERMIT AGENCY

Enabling Laws

Act 1392 of 2005

Arkansas Code Annotated §20-8-101 et seq.

Developmental Disabilities Assistance and Bill of Rights Act of 2000 (Public Law 106-402)

History and Organization

Health Services Permit Agency

Arkansas Code Annotated §20-8-101 et seq. authorizes the Health Services Permit Agency as an independent agency under the supervision and control of the Governor. With direction from a nine (9) member Health Services Permit Commission, the Agency is responsible for implementing the State's Health Services Program which includes a Permit of Approval (POA) process. The current POA process evolved from federal initiatives in the sixties resulting in passage of an Arkansas Certificate of Need (CON) law in 1975. Legislation in 1987 abolished the CON program and established the existing program. Arkansas Act 593 of 1987, as amended, created the Health Services Permit Commission (Commission) and the Health Services Permit Agency (Agency) to implement the State's long term care planning and review program. Act 1800 of 2001 added one member to represent the Hospice Association to the Commission, which is composed of the following membership appointed by the Governor and confirmed by the Senate:

- A member from the Arkansas Hospital Association,
- A member from the Arkansas Health Care Association,
- A member from the Arkansas Chapter, American Association of Retired Persons,
- A member from the Arkansas Home Care Association of Arkansas,
- A member from the Arkansas Residential Assisted Living Association,
- A representative of the Department of Health & Human Services,
- A consumer knowledgeable in business health insurance,
- A practicing physician, and
- A representative from the Arkansas Hospice Association.

Mission Statement: The Commission/Agency mission is to ensure appropriate distribution of health care providers through the regulation of new services, protection of quality care and negotiation of competing interests so that community needs are appropriately met without unnecessary duplication and expense.

Developmental Disabilities Council

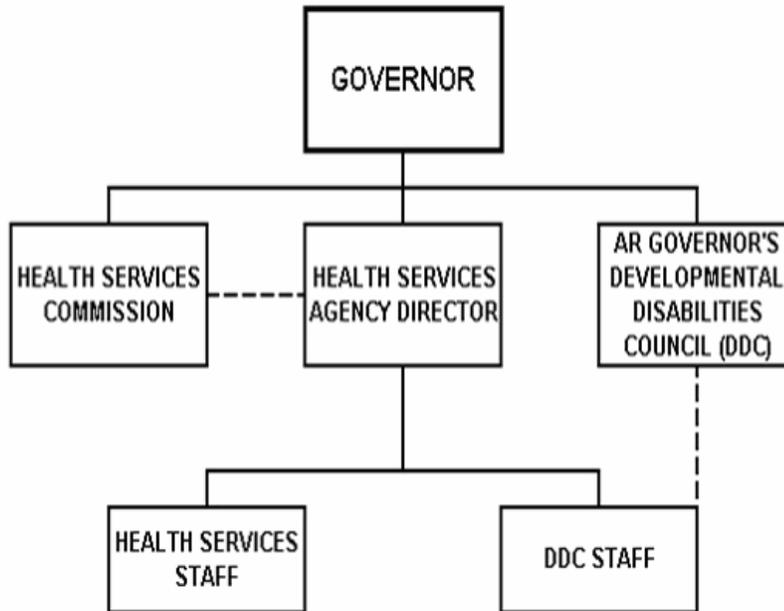
Vision: We envision a world where everyone has an equal and real opportunity to lead a meaningful life.

Mission Statement: The Arkansas Governor's Developmental Disabilities Council Supports people with developmental disabilities in achieving independence, productivity, integration and inclusion into the community through advocating and promoting service systems that enhance their lives. The Council believes society gains from the full participation of a wide variety of people.

The Council believes in the right of individuals to live, work, play, learn, worship and experience life as they choose. The Council believes independence entails economic self-sufficiency, equal opportunity, a right to make choices, a right to dignity and respect, dignity of risk and the opportunity to maximize one's potential and to achieve individual goals. The Council supports individuals with developmental disabilities in achieving independence, productivity, integration and inclusion into the community. The purpose of the Council is to engage in advocacy, capacity building and systemic change activities that contribute to a comprehensive system of community services.

The Developmental Disabilities Council includes twenty-six members, appointed by the Governor, and includes individuals with developmental disabilities, parents and/or guardians, state agency representatives, and other interested individuals. The purpose of the Council is to bring the perspective of the individual with a disability and his or her family to policymakers in order to make needed improvements to the service system to improve and/or enhance the quality of services provided. The Council plays a major role as a system's advocate and a resource to provide information on needed changes.

Council funding is available for demonstration projects and activities that build the infrastructure and capacity of the State to meet the needs of individuals and their families. Sub-grantee recipients include non-profit organizations, state agencies, and other groups that demonstrate, through an approved application, their ability to accomplish activities identified and requested by the Council.



Agency Commentary

The Health Services Permit Agency is requesting, in the State Operations appropriation, additional Maintenance & Operations appropriation of \$2,500 each year in order to replace one obsolete computer each year which will be funded from Permit-of-Approval fees. Also, in the Developmental Disabilities Planning Council - Federal appropriation, the Agency is requesting additional Maintenance

& Operations appropriation of \$4,500 in FY08 to replace an outmoded printer and computer and \$2,500 in FY09 to replace another old computer.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
HEALTH SERVICES PERMIT AGENCY
FOR THE YEAR ENDED JUNE 30, 2005

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	1	1	2	29 %
Black Employees	0	4	4	57 %
Other Racial Minorities	0	1	1	14 %
Total Minorities			5	71 %
Total Employees			7	100 %

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
Arkansas Permit of Approval Rulebook	A.C.A. 2-8-104	N	N	0	Distributed by request and published on agency web site to keep the public informed of the Rules and Regulations regarding Permits of Approval, and changes to those rules.
Health Care Facilities and Services Need	A.C.A. 20-8-104	N	N	0	Distributed by request and published on agency web site to keep the public informed of the need for health services in the State.
Health Services Permit Agency Annual Report	A.C.A. 20-8-110	Y	Y	3	Also distributed by request, to keep the public, Governor, and General Assembly informed of activities of agency.

Department Appropriation Summary

Historical Data						Agency Request and Executive Recommendation								
Appropriation	2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
844 Health Serv Permit Agency-State	337,935	4	367,793	5	366,142	5	369,343	5	366,843	5	369,343	5	366,843	5
845 Dev Disabilities PIng Council-State	32,456	1	52,750	1	68,423	1	52,923	1	52,923	1	52,923	1	52,923	1
846 Dev Disabilities PIng Council-Fed	924,242	4	1,320,351	5	1,326,640	5	1,321,199	5	1,316,699	5	1,319,199	5	1,316,699	5
Total	1,294,633	9	1,740,894	11	1,761,205	11	1,743,465	11	1,736,465	11	1,741,465	11	1,736,465	11

Funding Sources		%		%		%		%		%		%		
Fund Balance	4000005	301,377	18.6	327,092	16.1		292,746	14.6	292,746	15.0	258,054	13.1	210,554	11.3
General Revenue	4000010	331,456	20.4	338,197	16.6		339,574	17.0	289,574	14.9	339,574	17.3	289,574	15.5
Federal Revenue	4000020	924,242	57.0	1,320,351	64.9		1,321,199	66.0	1,316,699	67.6	1,319,199	67.1	1,316,699	70.6
Permit of Approval Fees	4000375	64,650	4.0	48,000	2.4		48,000	2.4	48,000	2.5	48,000	2.5	48,000	2.6
Total Funds		1,621,725	100.0	2,033,640	100.0		2,001,519	100.0	1,947,019	100.0	1,964,827	100.0	1,864,827	100.0
Excess Appropriation/(Funding)		(327,092)		(292,746)			(258,054)		(210,554)		(223,362)		(128,362)	
Grand Total		1,294,633		1,740,894			1,743,465		1,736,465		1,741,465		1,736,465	

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
10	9	1	10	0	10.00%	11	8	3	11	0	27.27%	11	7	4	11	0	36.36%

Analysis of Budget Request

Appropriation: 844 - Health Serv Permit Agency-State

Funding Sources: HUA - Miscellaneous Agencies Fund

The State Operations appropriation is funded from general revenue and fees from certificate of need applications as authorized by Arkansas Code Annotated §20-8-108. The Agency reviews all applications for permits of approval, for nursing homes, residential care facilities, etc., addressing such issues as need, staffing, and economic feasibility.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency requests an increase in Operating Expense appropriation of \$2,500 each year in order to replace one (1) aging computer each year, to be funded from fees.

The Executive Recommendation provides for Base Level appropriation with a reduction in general revenue funding of \$50,000 each year.

Appropriation Summary

Appropriation: 844 Health Serv Permit Agency-State
Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	214,111	217,262	222,031	217,262	217,262	217,262	217,262	217,262	217,262
#Positions	4	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	61,909	67,363	60,943	66,413	66,413	66,413	66,413	66,413	66,413
Operating Expenses 5020002	46,011	60,627	60,627	60,627	63,127	60,627	60,627	63,127	60,627
Conference & Travel Expenses 5050009	2,609	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274
Professional Fees 5060010	13,295	17,267	17,267	17,267	17,267	17,267	17,267	17,267	17,267
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	337,935	367,793	366,142	366,843	369,343	366,843	366,843	369,343	366,843
Funding Sources									
Fund Balance 4000005	301,377	327,092		292,746	292,746	292,746	258,054	258,054	210,554
General Revenue 4000010	299,000	285,447		286,651	286,651	236,651	286,651	286,651	236,651
Permit of Approval Fees 4000375	64,650	48,000		45,500	48,000	48,000	45,500	48,000	48,000
Total Funding	665,027	660,539		624,897	627,397	577,397	590,205	592,705	495,205
Excess Appropriation/(Funding)	(327,092)	(292,746)		(258,054)	(258,054)	(210,554)	(223,362)	(223,362)	(128,362)
Grand Total	337,935	367,793		366,843	369,343	366,843	366,843	369,343	366,843

The FY06 Actual and FY07 Budgeted Personal Services Matching exceeds authorized due to matching rate adjustments during the 2005-2007 biennium.

Change Level by Appropriation

Appropriation: 844-Health Serv Permit Agency-State

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	366,843	5	366,843	100.0	366,843	5	366,843	100.0
C08	Technology	2,500	0	369,343	100.6	2,500	0	369,343	100.6

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	366,843	5	366,843	100.0	366,843	5	366,843	100.0
C08	Technology	0	0	366,843	100.0	0	0	366,843	100.0

Justification

C08	Agency requests an increase in Maintenance & Operations appropriation of \$2,500 each year, funded from Permit-of-Approval fee revenue, in order to replace one obsolete computer each year.
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Analysis of Budget Request

Appropriation: 845 - Dev Disabilities Plng Council-State

Funding Sources: HUA - Miscellaneous Agencies Fund

The Developmental Disabilities Planning Council (DDPC)- State appropriation is funded from general revenue and is used to match the federal grant, from the U.S. Department of Health and Human Services - Administration for Children and Families, that funds the DDPC - Federal appropriation. The purpose of the program is to provide advocacy, capacity building, and systemic change activities that support the development and improvement of a consumer and family centered system of community services for individuals with developmental disabilities.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency requests Base Level for the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 845 Dev Disabilities Plng Council-State
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	20,801	35,552	28,936	35,552	35,552	35,552	35,552	35,552	35,552
#Positions	1								
Personal Services Matching 5010003	8,049	12,850	9,281	13,023	13,023	13,023	13,023	13,023	13,023
Operating Expenses 5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	20,000	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	3,606	4,348	10,206	4,348	4,348	4,348	4,348	4,348	4,348
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	32,456	52,750	68,423	52,923	52,923	52,923	52,923	52,923	52,923
Funding Sources									
General Revenue 4000010	32,456	52,750		52,923	52,923	52,923	52,923	52,923	52,923
Total Funding	32,456	52,750		52,923	52,923	52,923	52,923	52,923	52,923
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	32,456	52,750		52,923	52,923	52,923	52,923	52,923	52,923

FY07 Budgeted exceeds authorized Salary and Matching appropriation due to the agency distributing fiscal officer salary among appropriations authorized by a single salary section in the agency's act.

Analysis of Budget Request

Appropriation: 846 - Dev Disabilities Plng Council-Fed

Funding Sources: FKM - Health Services - DDPC Federal

The Developmental Disabilities Planning Council (DDPC)- Federal appropriation is funded from a federal grant, from the U.S. Department of Health and Human Services - Administration for Children and Families, that is matched with general revenue funds from the DDPC - State appropriation. The purpose of the program is to provide advocacy, capacity building, and systemic change activities that support the development and improvement of a consumer and family centered system of community services for individuals with developmental disabilities.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency requests Base Level of \$1,316,699 each year of the biennium and an increase in Operating Expenses of \$4,500 in FY08 and \$2,500 in FY09 to allow the replacement of an old printer in FY08 and the replacement of one (1) outmoded computer each year.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 846 Dev Disabilities Plng Council-Fed
Funding Sources: FKM - Health Services - DDPC Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	172,952	175,473	186,569	175,473	175,473	175,473	175,473	175,473	175,473
#Positions	4	5							
Personal Services Matching 5010003	46,082	59,081	54,274	60,429	60,429	60,429	60,429	60,429	60,429
Operating Expenses 5020002	204,683	259,025	259,025	259,025	263,525	259,025	259,025	261,525	259,025
Conference & Travel Expenses 5050009	9,123	10,843	10,843	10,843	10,843	10,843	10,843	10,843	10,843
Professional Fees 5060010	21,033	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	470,369	690,929	690,929	690,929	690,929	690,929	690,929	690,929	690,929
Capital Outlay 5120011	0	5,000	5,000	0	0	0	0	0	0
Total	924,242	1,320,351	1,326,640	1,316,699	1,321,199	1,316,699	1,316,699	1,319,199	1,316,699
Funding Sources									
Federal Revenue 4000020	924,242	1,320,351		1,316,699	1,321,199	1,316,699	1,316,699	1,319,199	1,316,699
Total Funding	924,242	1,320,351		1,316,699	1,321,199	1,316,699	1,316,699	1,319,199	1,316,699
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	924,242	1,320,351		1,316,699	1,321,199	1,316,699	1,316,699	1,319,199	1,316,699

FY07 Budgeted exceeds authorized Personal Services Matching appropriation due to matching rate adjustments during the 2005-2007 biennium.

Change Level by Appropriation

Appropriation: 846-Dev Disabilities Plng Council-Fed

Funding Sources: FKM - Health Services - DDPC Federal

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	1,316,699	5	1,316,699	100.0	1,316,699	5	1,316,699	100.0
C08	Technology	4,500	0	1,321,199	100.3	2,500	0	1,319,199	100.1

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	1,316,699	5	1,316,699	100.0	1,316,699	5	1,316,699	100.0
C08	Technology	0	0	1,316,699	100.0	0	0	1,316,699	100.0

Justification

C08	Agency requests an increase in Maintenance & Operations appropriation, federally funded, of \$4,500 in FY08 to replace an outmoded computer and printer and \$2,500 in FY09 in order to replace another old computer.
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