

**AGENCY PROGRAM COMMENTARY
ARKANSAS BUDGET SYSTEM
1997-1999**

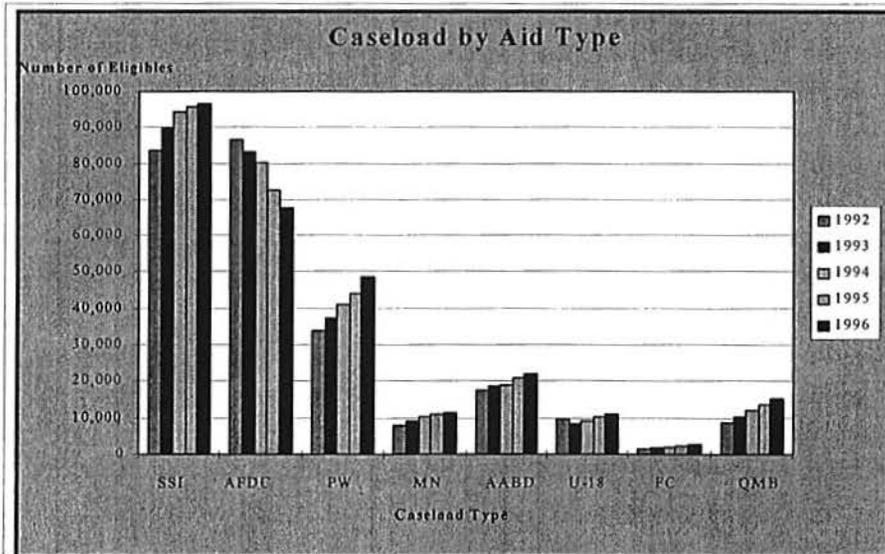
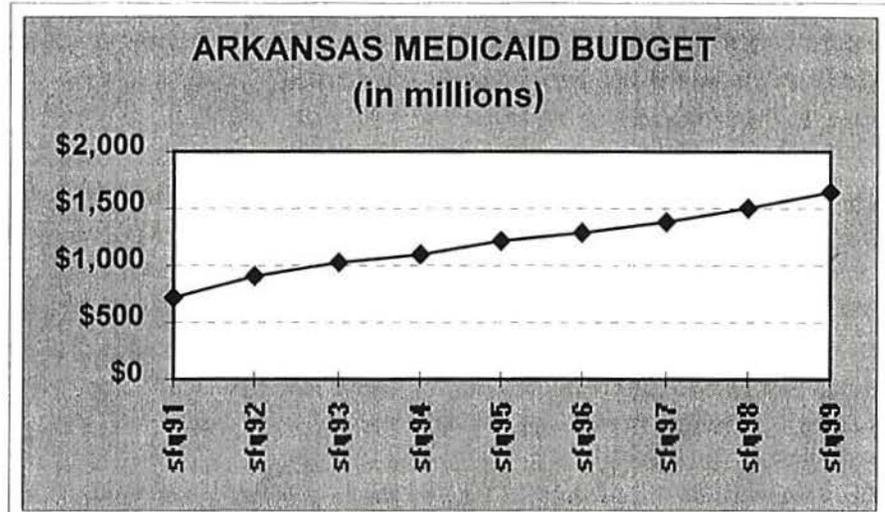
DIVISION NARRATIVE

The Division of Medical Services (DMS) of the Department of Human Services (DHS) provides financial assistance for necessary medical services to individuals whose incomes and/or resources are insufficient to meet the costs of those services. In addition to administering the Medicaid Program since its 1970 inception, DMS also oversees the Office of Long Term Care (LTC) and Children's Medical Services (CMS).

Funding for DMS is derived from a mixture of revenue, including: general revenue; proceeds from prescription drug rebates; proceeds from the Arkansas Soft Drink Tax; general revenue transfers from other state agencies for Medicaid programs which serve specific eligibility populations; and Social Security Title XIX funds (Federal Medicaid). DMS also receives federal funding from the Social Security Title V Maternal and Child Health Block Grant (MCH); MCH block grant funds are administered by CMS.

MEDICAID ADMINISTRATION

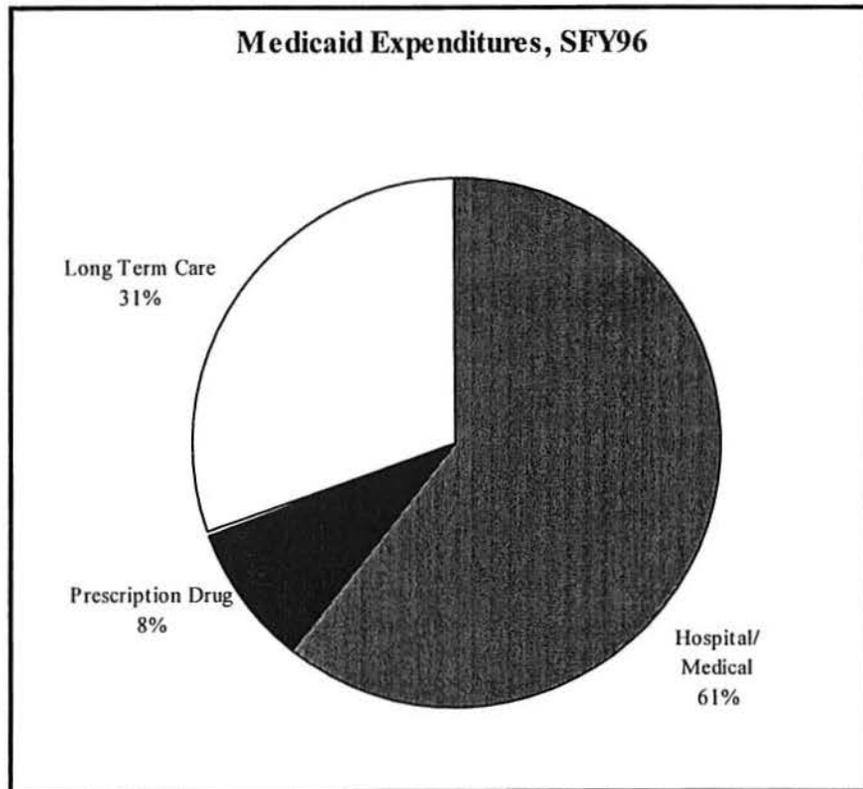
Eligibility for Arkansas Medicaid is determined by DHS field staff in county offices or by District Social Security Offices. Eligibility by assistance category is detailed on the chart entitled "Caseload by Aid Type."



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Medicaid funded services are organized into three general program areas: (1) Hospital and Medical Services; (2) Prescription Drugs; and (3) Long Term Care Services. These general program areas include 53 different programs. The annual aggregate expenditures for the three general program areas are illustrated on the preceding page. The relative distribution of the three general program areas for SFY96 is depicted below.



Arkansas Medicaid has more than 16,000 enrolled providers, of which 7,000 are active; they serve 370,000 eligible citizens.

Claims submitted by providers of Medicaid services are processed by a fiscal agent under contract with DMS. Over 15 million claims are processed annually. Arkansas has been a leader in the U.S. for successful automation of Medicaid claims management. The Automated Eligibility Verification and Claims System (AEVCS) allows a provider to immediately verify a patient's eligibility status and to transmit paperless electronic claims. Providers are able to receive payment electronically through Electronic Funds Transfer or with a paper check. In SFY96 the average claim was adjudicated in less than 4 days. Enthusiasm for AEVCS by providers helps assure access to the health care system by Arkansas' Medicaid population.

The Arkansas Medicaid Program has addressed several issues in this biennial budget package. The program budget for Hospital/Medical, Prescription Drugs and Long Term Care have priority requests which correspond to each program's expenditure needs. These requests are summarized below.

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HOSPITAL/MEDICAL (Appropriation 404)

	SFY98	SFY99
Base Level Request	\$819,012,387	\$819,012,387
Priority Requests	<u>112,178,526</u>	<u>214,609,526</u>
Total Request	\$931,190,913	\$1,033,621,913

This request proposes a 10% increase from SFY97 to SFY98 and an 11% increase from SFY98 to SFY99. Rate and inflationary trend projections account for 4% of the increases; the remaining portion is attributable to increases in the recipient population and utilization of services. (The inflationary projections are trended based on the HCFA Market Basket for the Dallas Region.)

PRESCRIPTION DRUG (Appropriation 403)

	SFY98	SFY99
Base Level Request	\$127,173,802	\$127,173,802
Priority Requests	<u>20,347,808</u>	<u>43,951,266</u>
Total Request	\$147,521,610	\$171,125,068

Progress in development of new and more effective pharmaceuticals has spurred significant growth in the Prescription Drug Program. A 16% increase is requested for each year of the biennium. Of that increase, 5% can be attributed to ingredient costs and 11% to increased utilization for SFY98. The increases are 8% and 8% respectively for SFY99. It should be noted that chemotherapy and AIDS drugs, the most expensive in the Prescription Drug Program, are now

administered by Home Health Agencies and outpatient providers. Offsetting the increases in prescription drugs are the concomitant decline in hospital inpatient lengths of stay and the treatment of acute diseases and injuries in less expensive outpatient settings.

STAFFING AND CONSULTING ISSUES:

The administrative budget priority requests (Appropriation 392 for Activity 400, Sections 50, 70 and 90) for DMS are for staffing needed to implement formal proactive managed care of the Arkansas Medicaid Program. DMS has been encouraged for the sake of cost efficiency to administer managed care rather than contracting for managed care services through an existing HMO or PPO.

Arkansas Medicaid administrative costs as a percentage of program dollars are one of the lowest in the nation, currently standing around 3.8% versus a national average of 5%. Of the Division's 387 authorized positions, 125 are designated for the day-to-day administration of the Arkansas Medicaid Program (of the 125, 117 were filled as of June 30, 1996).

Arkansas' track record for managed care cost savings has been noteworthy. Projected savings of over \$33 million annually has held the net growth of the Medicaid Program to around 6.5% between SFY95 and SFY96. This growth rate is below the estimated 2.5% growth in recipient population plus the almost 4.5% medical inflation estimated for this region of the country.

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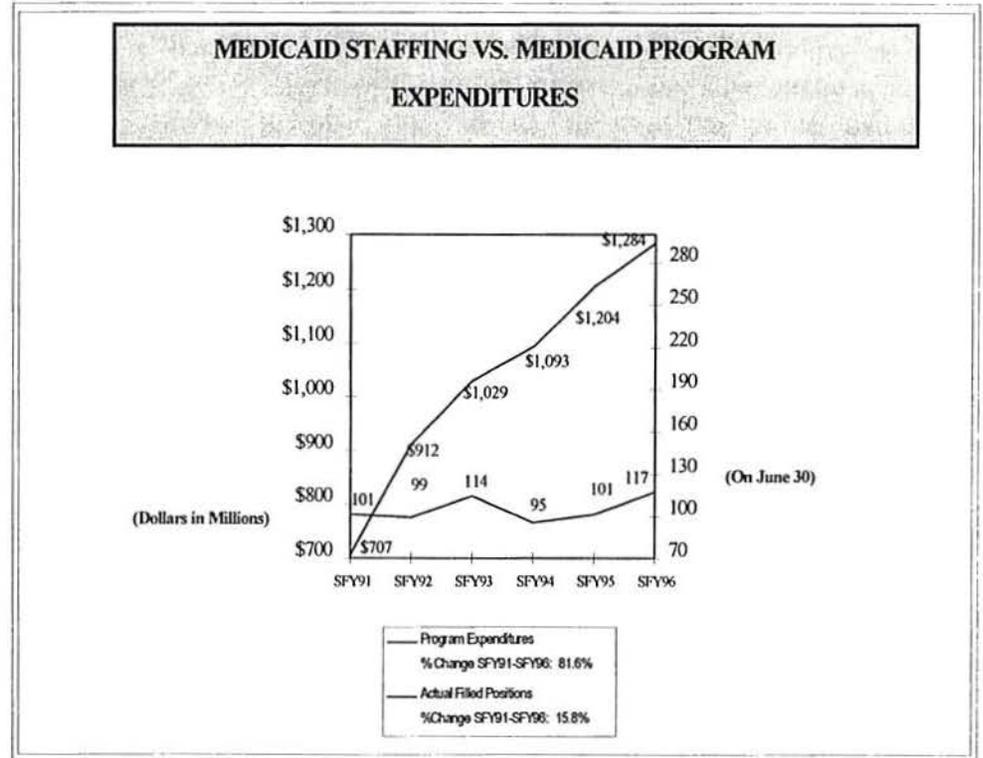
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Due to staffing shortages, Arkansas Medicaid faces compliance deficiencies with the Health Care Financing Administration, which oversees Medicaid from the federal perspective. The continuation of beneficial services, such as the PCP Program and the Obstetrical Waiver Program, is dependent upon the addition of skilled personnel to continually monitor and evaluate these and any new waiver programs.

While personnel continue efforts in the area of cost avoidance, additional staff is also needed to recover third party liability dollars, to perform reviews of Medicaid providers (such as Black and White Cab Company) and to better identify fraudulent billing and inappropriate utilization of services. The Third Party Liability Unit has historically collected nearly \$500,000 per employee per year. A single targeted review of a provider can detect up to \$2.5 million in fraudulent billing. The Utilization Review Unit has identified over \$1 million which is recoverable due to over-billing for and over-utilization of services. Additional staff focusing on these efforts would yield increased net savings to the Arkansas Medicaid Program.

The accompanying chart illustrates the relationship between the growth in expenditure dollars and the growth in staff size of Arkansas Medicaid.

In summary, Arkansas must add qualified staff to the Medicaid Management Sections to continue operating current cost savings programs and to realize any further cost savings.



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LONG TERM CARE

The Department of Welfare began financing the cost of nursing home care for elderly poor in 1951. In 1965 skilled nursing facility (SNF) care became a mandatory service under Medicare and Medicaid. Intermediate care services for the mentally retarded (ICF/MR) became a separate service category in 1972. The demand for long term care has increased throughout the decade because of the decline of the extended family along with population mobility and the ensuing geographic distances between family members. During the 1980's the Medicaid nursing home population stabilized as a result of effective utilization control programs, expansion of in-home services, and the availability of alternative providers such as residential care facilities (RCF).

In 1987-90 Congress passed the most extensive nursing home reform legislation to date. The legislation was initially put into effect in 1989 with staggered implementation dates for portions of the reform requirements. While most provisions were in force by October 1990, reform requirements have continually undergone revision, and some have yet to be implemented. Enforcement regulations were introduced July 1, 1995. The revised Minimum Data Set (MDS version 2.0) took effect January 1, 1995. The Resident Assessment Instrument, a survey tool, provides information which is helpful in establishing patient acuity levels that are utilized in the formulation of payment rates; this information is incorporated into the MDS. Automation of the MDS and electronic submission of the data is scheduled for early CY97.

Nursing home reform served the dual purposes of cost containment and quality improvement. Reduced hospital stays under Medicare shifted the care of the terminally ill with complex post-hospital care needs, such as dialysis, to nursing facilities. Extended life spans resulting from advances in medical technology have increased the need for skilled nursing care for terminal and long-term illness and rehabilitative care for convalescence.

Nursing home reform also emphasized more stringent medical necessity criteria to prevent unnecessary provision of services and to ensure that patients requiring less "full-services care" could be served in alternative, less costly settings. Pre-admission screening and annual resident review (PASARR) programs were designed to divert persons with treatable mental disorders to more appropriate settings. The comprehensive resident assessment process also promotes appropriate placement.

Attaining nursing home reforms has necessitated a focus on quality improvements, including the implementation of new facility standards, new administrative standards, nursing assistant training and competency evaluation programs, nursing assistant abuse investigations and a nursing assistant registry. Other important features of long term care reform are comprehensive resident needs assessment and care planning, and decreased use of physical restraints and anti-psychotic medication.

To ensure effectiveness of nursing home reforms, states are required to implement a comprehensive resident-centered, outcome-oriented

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survey focusing on nursing home resident rights, quality of care, quality of life, resident behavior and facility practices. States also must provide on-going training to facility staff and family counselors. Arkansas Long Term Care is required to have sufficient numbers of nationally trained and certified professional survey staff to carry out reform responsibilities and to initiate appropriate enforcement actions. For those facilities that consistently violate standards and jeopardize resident health and safety, Arkansas is required to impose a series of remedies, sanctions, fines and penalties as outlined in state and federal enforcement regulations.

LONG TERM CARE PROGRAM (Appropriations 399,401,402)

	SFY98	SFY99
Private Nursing Homes	\$289,170,809	\$289,170,809
Priority Requests	<u>2,866,708</u>	<u>19,359,818</u>
Total Request	\$292,037,517	\$308,530,627

Inflation Factor: DHS has formed a special committee to develop a new rate methodology to be implemented July 1, 1997. This new methodology will create a budget neutral position in the first year of the biennium. In the second year, however, an increase is expected due to inflation based on the HCFA Market Basket for Nursing Facilities Index of 3.5%. The priority request due to the inflation factor for SFY99 is \$12,150,047, which would be funded by an approximately 73% federal share.

Heavy Care: Even though nursing facilities are providing services to patients with more complex medical needs, there still exists a population that has difficulty accessing services. This population is referred to as the "heavy care" population, e.g. those who are ventilator dependent, those needing special equipment (such as beds designed to alleviate chronic pressure sores), those who are not Medicare eligible and who require extensive therapy. Individuals in this "heavy care" population are medically stable and do not require hospitalization in an acute care hospital. However, they cannot be placed in nursing facilities because the facilities are unable to provide the needed services within the limitations of reimbursement. The rate methodology for nursing facilities is being revised and will include provisions for these individuals, but the resulting expenditure projections for these provisions are not included in the base year expenditure total. Although the new rate methodology will be budget neutral for current nursing facility residents, expenditure increases will be necessary to cover the "heavy care" population when nursing facilities can admit them for care. Ultimately, a cost savings will be realized when the "heavy care" population receives services in nursing facilities instead of in acute care hospitals. The priority request due to the inclusion in nursing facilities of the "heavy care" population is \$7,209,771 for SFY99.

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	SFY98	SFY99
Infant Infirmiry NHs	\$12,739,646	\$12,739,646
Priority Requests	<u>442,913</u>	<u>914,004</u>
Total Request	\$13,182,559	\$13,653,650

This appropriation, funded approximately 73% by federal monies, provides for reimbursement to privately owned Intermediate Care Facilities for the Mentally Retarded. These 16+ bed facilities provide comprehensive medical, social, psychological, therapeutic, habilitative and recreational services to developmentally disabled/mentally retarded children, as required by federal regulations. Due to the high costs associated with treatment/care for these children, the facilities are reimbursed for actual cost (plus 4% for the for-profit facilities) up to a ceiling as specified in the Arkansas State Plan. There are currently four facilities funded under this appropriation: Arkansas Easter Seal Residential Center, Arkansas Pediatric Facility, Brownwood Life Care Center, and Millcreek of Arkansas.

Inflation Factor: Utilizing the HCFA Market Basket Index inflationary factors of 3.4% for SFY98 and 3.5% for SFY99, the priority request is \$442,913 for SFY98 and \$914,004 for SFY99.

	SFY98	SFY99
Public Nursing Homes	\$110,734,974	\$110,734,974
Priority Requests	<u>5,536,748</u>	<u>11,350,334</u>
Total Request	\$116,271,722	\$122,085,308

This appropriation provides for reimbursement to state operated public nursing homes, which include six Human Development Centers (HDCs), Benton Services Center (BSC), and thirty non-profit ICF/MRs (having 15 or fewer beds).

The Human Development Centers provide comprehensive medical, social, psychological, therapeutic, habilitative, and recreational services to developmentally disabled/mentally retarded children and adults, as required by federal regulation. Due to the high costs associated with treatment of this population, the facilities are reimbursed on an actual cost basis, as specified in the Arkansas State Plan.

BSC, certified as a nursing facility, is a special class facility serving residents with intense medical needs. BSC is reimbursed based on actual costs, as specified in the Arkansas State Plan.

The non-profit ICF/MR facilities (having 15 or fewer beds) provide comprehensive community-based residential services for developmentally disabled adults. Reimbursement is made according to a prospective uniform class rate system. Inflationary adjustments are applied to existing rates as warranted by cost report analysis and become effective through Arkansas State Plan amendment. There are 300 licensed and certified beds in the ICF/MR category.

Inflation Factor: Based on the average increases in rates over the past three years, a 5% inflationary factor is projected for each year of the

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biennium. The priority requests include a \$5,536,748 increase for SFY98 and an \$11,350,334 increase for SFY99.

CHILDREN'S MEDICAL SERVICES

Children's Medical Services (CMS) serves children with special health care needs and their families. CMS is dedicated to developing community based systems of services for the comprehensive needs of these families. A primary goal is to keep family units intact.

CMS defines a child with special health care needs as an individual under the age of 18 who has a physically handicapping condition or chronic physical illness, or an individual under the age of 16 who has active SSI for any disability. Eligibility is based on historical precedents, availability of services and funds, the prognosis/status of the patient's condition, and the family's ability to contribute to the estimated costs of required services. All children in the CMS program must be Arkansas residents and must meet the financial and medical criteria for eligibility. Early identification of children with handicapping conditions or children who need medical services to correct/improve defects/chronic conditions that could lead to handicapping conditions is a major goal.

Services provided through CMS include diagnostic evaluation, medical and surgical treatment, medications, medical supplies and durable medical equipment, and guidance and coordination assistance for families.

The majority of CMS administrative funds are expended for direct services to clients. The administrative priorities (Appropriation 392) allow CMS to remain in compliance with mandated Community Based Services. Case load to staff ratio is established by the Maternal and Child Health Block Grant (MCH-Title V).

Priority Request:

Appropriation 392

Priority 10 requests the reclassification of seventy-four (74) positions to better align functional job duties with the organizational structure. The appropriation amounts requested are \$44,949 for SFY98 and \$45,676 for SFY99.

Priority 1 requests that 6 unfunded positions (currently authorized for SFY97) be restored and that the state be allowed to use available federal funds to support the positions.

Priority 7 adds 52 new positions and appropriations of \$1,958,709 for SFY98 and \$1,880,999 for SFY99. Nine new service teams will be added to ensure that the needs of families of children with special needs are being met. These additions will fulfill Title V requirements and mandated Community Based Service requirements.

Priority 5 requests appropriation totaling \$166,000 in SFY98 and \$230,000 in SFY99. The funds would allow for the addition of 6 medium-size vehicles for community service home visits (part of Title

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V compliance) and 4 wheelchair accessible vans for transporting clients to medical appointments from their residences. The funds would also enable the replacement and upgrade of computer equipment in CMS offices.

medical services for disabled and chronically ill children, and in anticipation of client population growth. This priority would be 100% federally funded.

GRANT AND AID REQUESTS
CHILDRENS MEDICAL SERVICES (STATE)

Appropriation 397: Priority 3 requests the addition of \$496,989 for SFY98 and \$559,483 for SFY99 in general revenue funded appropriation. This request is necessitated by inflationary increases in drug, hospital, and other medical expenditures.

Priority 7 adds \$1,000,000 for SFY98 and \$1,500,000 for SFY99. These general revenue funds are requested to cover limited services and preventive care for non-Medicaid eligible (up to 250% of poverty level) chronically ill children whose complicated conditions (such as diabetes, severe asthma, cystic fibrosis) could result in severe morbidity or mortality. The requested funding levels would also allow for anticipated growth in the client population.

Appropriation 408: Priority 1 requests federal appropriation for \$712,223 in SFY98 and \$712,223 in SFY99. This appropriation was sought and approved as a Miscellaneous Federal Grant in SFY97 and is included in the current spending authority of CMS.

Priority 3 adds \$477,500 for SFY98 and \$538,338 for SFY99 to defray the expenditure increases due to inflation for drugs, hospital and other

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STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY

AGENCY: Division of Medical Services

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	
<u>APPROPRIATION: 392 - MEDICAL SERVICES OPERATIONS</u>				
				<p>Due to the restructuring within DHS, the Division of Medical Services was created as a result of the elimination of the Division of Economic and Medical Services.</p> <p>All authority granted was a decrease in the original budget request submitted by the Division of Economic and Medical Services.</p>
Regular Salary	396	\$10,146,628	\$10,424,417	\$8,711,813 was expended in FY96 and \$10,434,932 is budgeted in FY97. 6 additional positions and \$185,462 in additional authority is allowed by Miscellaneous Federal Grant.
Extra Help	14	\$90,000	\$126,892	\$64,542 was expended in FY96 and \$126,892 is budgeted in FY97. 7 positions were utilized in FY96 and 7 are budgeted in FY97.
Personal Services Matching		\$2,899,551	\$2,965,564	\$2,362,109 was expended in FY96 and \$2,953,742 is budgeted in FY97. \$46,781 in additional authority is resultant of a Miscellaneous Federal Grant.
Overtime		\$8,000	\$10,000	\$1,906 was expended in FY96 and \$5,000 is budgeted in FY97. By authority of ACA 25-10-112 increases in overtime are allowed.
Supplemental Salaries		\$0	\$0	\$57,768 was expended in FY96 and \$170,320 is budgeted in FY97.



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STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY

AGENCY: Division of Medical Services

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	
Operating Expenses		\$2,225,003	\$2,257,933	\$2,150,796 was expended in FY96 and \$2,207,933 is budgeted in FY97. By authority of ACA 25-10-112 increases in operating expenses are allowed.
Conference Fees and Travel		\$160,333	\$252,900	\$137,699 was expended in FY96 and \$232,900 is budgeted in FY97. ACA 25-10-112 transfer authority allows additional increases.
Professional Fees and Services		\$575,452	\$575,452	\$8,003 was expended in FY96 and \$335,132 is budgeted in FY97.
Capital Outlay		\$308,572	\$331,958	\$230,798 was expended in FY96 and \$281,958 is budgeted in FY97. ACA 25-10-112 transfers allow increases in Capital Outlay.
Data Processing Services		\$182,492	\$182,492	\$182,491 was expended in FY96 and \$153,800 is budgeted in FY97.
<u>APPROPRIATION: 397 - CHILDREN'S MEDICAL SERVICES STATE</u>				
Grants/Aid		\$84,140	\$505,939	None of the additional authority was utilized in FY96 and all of the additional authority is budgeted in FY97.
<u>APPROPRIATION: 399 - PRIVATE NURSING HOME CARE</u>				
Grants/Aid		\$41,537,992	\$64,651,939	\$1,662,848 of the additional authority was utilized in FY96 and \$23,931,958 of the additional authority is budgeted in FY97.

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STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY

AGENCY: Division of Medical Services

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		FY 95-96	FY 96-97	
By authority of ACA 25-10-112. the Agency transferred a total of \$4,123,857 to various programs and other Divisions in FY96. The FY97 budget included transfers of \$3,504,129 to various programs and Divisions.				
<u>APPROPRIATION: 401 - INFANT INFIRMARY NURSING HOME</u>				
Grants/Aid		\$587,035	\$1,089,964	None of the additional authority was utilized in FY96 and all of the additional authority is budgeted in FY97.
<u>APPROPRIATION: 402 - PUBLIC NURSING HOME CARE</u>				
Grants/Aid		\$5,408,281	\$10,357,735	\$4,473,199 of the additional authority was expended in FY96 and all of the additional authority is budgeted in FY97.
<u>APPROPRIATION: 403 - PRESCRIPTION DRUGS</u>				
Grants/Aid		\$17,096,710	\$33,698,922	\$15,400,446 of the additional authority was utilized in FY96 and all of the additional authority is budgeted in FY97.

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STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY

AGENCY: Division of Medical Services

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	

APPROPRIATION: 404 - HOSPITAL AND MEDICAL SERVICES

Grants/Aid		\$46,170,413	\$117,170,415	\$38,314,259 of the additional authority was utilized in FY96 and \$79,172,800 of the additional authority is budgeted in FY97. By authority of ACA 25-10-112, the Agency transferred \$189,302 in FY96 to the DHS Director's Office.
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APPROPRIATION: 406 - CHILD/FAMILY LIFE INSTITUTE

No new programs or expansion in the 1995-97 biennium

APPROPRIATION: 408 - CHILDREN'S MEDICAL SERVICES FEDERAL

Grant/Aid		\$159,526	\$892,699	None of the additional authority was utilized in FY96 and all of the additional authority is budgeted in FY97.
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APPROPRIATION: 876 - NURSING HOME CLOSURE COSTS

No new programs or expansions in the 1995-97 biennium

APPROPRIATION: 878 - LONG-TERM CARE FAC RECEIVERSHIP

No new programs or expansions in the 1995-97 biennium

ARKANSAS BUDGET SYSTEM DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE DHS-Division of Medical Services		1995-97 Expenditures				1997-99 Biennium Request				1997-99 Executive Recommendation			
Appropriations		Actual	No. of	Budgeted	No. of	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code	Name	1995-96	Pos.	1996-97	Pos.	1997-98	Pos.	1998-99	Pos.	1997-98	Pos.	1998-99	Pos.
392	Administration	\$13,907,925	359	\$16,922,609	371	\$26,353,834	550	\$26,390,749	550	\$17,521,908	371	\$17,885,617	371
397	Children's Medical Services	906,153	0	1,729,279	0	3,226,268	0	3,788,762	0	1,729,279	0	1,729,279	0
399	Private Nursing Home Care	275,463,638	0	289,170,809	0	292,037,517	0	308,530,627	0	292,037,517	0	308,530,627	0
401	Infant Infirmary Nursing Home	11,767,058	0	12,739,646	0	13,182,559	0	13,653,650	0	13,182,559	0	13,653,650	0
402	Public Nursing Home Care	109,826,044	0	110,734,974	0	116,271,722	0	122,085,308	0	116,271,722	0	122,085,308	0
403	Prescription Drugs	108,874,326	0	127,173,802	0	147,521,610	0	171,125,068	0	147,521,610	0	171,125,068	0
404	Hospital and Medical Services	778,153,846	0	819,012,387	0	931,190,913	0	1,033,621,913	0	931,190,913	0	1,033,621,913	0
406	Child/Family Life Institute	1,861,325	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
408	Children's Medical Services-Federal	531,227	0	1,500,000	0	1,977,500	0	2,038,338	0	1,977,500	0	2,038,338	0
876	Nursing Home Closure Costs	0	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
TOTALS		\$1,301,291,542	359	\$1,381,233,506	371	\$1,534,011,923	550	\$1,683,484,415	550	\$1,523,683,008	371	\$1,672,919,800	371
Funding Sources			% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances													
General Revenues		272,727,475	21.0%	273,794,920	19.7%	314,784,426	20.5%	354,587,080	21.1%	283,336,228	18.6%	294,798,538	17.6%
Special Revenues													
Federal Funds		949,784,482	73.0%	1,006,910,032	72.9%	1,116,160,573	72.8%	1,224,194,249	72.7%	1,039,625,557	68.2%	1,076,428,435	64.3%
Const. & Fiscal Agency Fund													
State Central Services Fund													
Merit Adjustment Fund				576,901	0.1%								
Cash Funds													
Various Program Support		78,779,585	6.0%	99,951,653	7.3%	102,494,460	6.7%	104,130,622	6.2%	200,721,223	13.2%	301,692,827	18.1%
Total Funding		1,301,291,542	100.0%	1,381,233,506	100.0%	1,533,439,459	100.0%	1,682,911,951	100.0%	1,523,683,008	100.0%	1,672,919,800	100.0%
Excess Appro./ (Funding)						572,464		572,464					
TOTAL		\$1,301,291,542		\$1,381,233,506		\$1,534,011,923		\$1,683,484,415		\$1,523,683,008		\$1,672,919,800	
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Department of Human Services Division of Medical Services				Tom Dalton					BR 40				

ARKANSAS BUDGET SYSTEM DEPARTMENT PROGRAM SUMMARY

AGENCY TITLE	1995-97 Expenditures				1997-99 Biennium Request				1997-99 Executive Recommendation			
	Actual 1995-96	No. of Pos.	Budgeted 1996-97	No. of Pos.	Year 1 1997-98	No. of Pos.	Year 2 1998-99	No. of Pos.	Year 1 1997-98	No. of Pos.	Year 2 1998-99	No. of Pos.
Department of Human Services (710) Division of Medical Services												
Director	\$643,575	9	\$654,362	9	\$1,661,772	14	\$1,637,399	14	\$671,449	9	\$684,363	9
Children's Medical Services (Adm.)	\$3,819,655	112	\$4,375,121	116	\$6,874,604	174	\$6,962,927	174	\$4,598,226	116	\$4,697,048	116
Administrative Services (Adm.)	\$1,370,162	40	\$2,459,454	42	\$4,964,216	85	\$4,833,309	85	\$2,488,763	42	\$2,523,000	42
Long Term Care (Adm.)	\$5,747,900	136	\$6,913,656	141	\$8,005,289	158	\$8,189,143	158	\$7,123,610	141	\$7,281,610	141
Medical Services (Adm.)	\$2,326,633	62	\$2,520,016	63	\$4,847,953	119	\$4,767,971	119	\$2,639,860	63	\$2,699,596	63
Grants/Aids	\$1,287,383,617	0	\$1,364,310,897	0	\$1,507,658,089	0	\$1,657,093,666	0	\$1,506,161,100	0	\$1,655,034,183	0
TOTALS	\$1,301,291,542	359	\$1,381,233,506	371	\$1,534,011,923	550	\$1,683,484,415	550	\$1,523,683,008	371	\$1,672,919,800	371
Funding Sources		% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances												
General Revenues	272,727,475	21.0%	273,794,920	19.8%	314,784,426	20.5%	354,587,080	21.1%	283,336,228	18.6%	294,798,538	17.6%
Special Revenues												
Federal Funds	949,784,482	73.0%	1,006,910,032	72.9%	1,116,160,573	72.8%	1,224,194,249	72.7%	1,039,625,557	68.2%	1,076,428,435	64.3%
Const. & Fiscal Agency Fund												
State Central Services Fund												
Merit Adjustment Fund			576,901	0.1%								
Cash Funds												
Other	78,779,585	6.0%	99,951,653	7.2%	102,494,460	6.7%	104,130,622	6.2%	200,721,223	13.2%	301,692,827	18.1%
Total Funding	1,301,291,542	100.0%	1,381,233,506	100.0%	1,533,439,459	100.0%	1,682,911,951	100.0%	1,523,683,008	100.0%	1,672,919,800	100.0%
Excess Appro./ (Funding)					572,464		572,464					
TOTAL	\$1,301,291,542		\$1,381,233,506		\$1,534,011,923		\$1,683,484,415		\$1,523,683,008		\$1,672,919,800	
DEPARTMENT					DIRECTOR				DEPARTMENT PROGRAM SUMMARY			
DHS-Division of Medical Services					Tom Dalton				BR 22			

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

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 Medicaid program and has four (4) distinct organizational units: Medical Services, Long Term Care, Children's Medical Services and Administrative Services. The Medicaid program was created by the passage of Title XIX of the Social Security Act of 1965. Arkansas implemented the program January 1, 1970.

This appropriation provides for the administrative function of the Division's operations and contains 371 Base Level positions. The Base Level is \$17,268,184 (General Revenue \$3,497,802) in FY98 and \$17,625,168 (General Revenue \$3,570,112) in FY99. Actual expenditures in FY96 totaled \$13,907,925.

Priority Requests for FY98 totals \$9,085,650 (General Revenue \$2,026,081) and FY99 Priority Requests total \$8,765,581 (General Revenue \$1,869,326). Specific requests are as follows:

- **Reauthorization of 20 positions** including six (6) positions authorized by Miscellaneous Federal Grant provisions and three (3) positions authorized by Supplemental Emergency position provisions. Total request is for \$593,053 (GR \$35,076) in FY98 and \$608,103 (GR \$35,938) in FY99.

- ⇒ Two (2) positions in Administrative Services
- ⇒ Eleven (11) positions in the Office of Long Term Care
- ⇒ Six (6) positions in Children's Medical Services
- ⇒ One (1) position in Medical Services Unit

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services Code: 710	Name: Medical Services-Operations Code: 392	Name: DHS Economic and Medical Services Code: DEM	BUDGET REQUEST BR20	275

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

- **Reclassification and Upgrade of positions** totaling \$107,216 (GR 0) FY98 and \$108,847 (GR 0) FY99. Includes Reclassification of positions in Children's Medical Services and Upgrade and Reclassification of positions in the Office Long Term Care.
- **New Positions totaling One Hundred Fifty Six (156).** Appropriation totaling \$5,033,458 in FY98 and \$5,163,151 in FY99. General Revenue requested totals
 - ⇒ Fifty (50) additional positions for creation of a new Managed Care Section. Twenty Seven (27) are for creation of the Managed Care Unit; Nine (9) positions for Utilization Review; One (1) position in Medical Assistance; Thirteen (13) in the Field Audit Unit.
 - ⇒ Ten (10) additional positions in the Office of Long Term Care. Six of the positions are to correct Manager misclassification due to increased responsibilities. Four (4) positions are for additional survey staff to conduct surveys of unlicensed facilities.
 - ⇒ Fifty Two (52) additional direct service and administrative staff in Children's Medical Services. This increase will allow for nine (9) new service teams and will add nutritional counseling services.
 - ⇒ Thirty Nine (39) additional positions in the Medical Service Unit. Positions include six (6) in Financial Activities; eighteen (18) in the Third Party Liability Unit; eight (8) in Program and Administrative Support Unit.
 - ⇒ Five (5) additional positions in the Program Planning and Development Unit. This unit is responsible for writing, revising and coordinating State Medicaid plan, communicating the changes to more than 17,000 providers and more than 250,000 recipients of Medicaid Benefits.

Capital Outlay totaling \$1,166,990 FY98 and \$610,130 FY99. This request includes replacement of office furniture and equipment, data processing equipment and supplies, ten (10) vehicles, four of which are wheelchair accessible vans, and capital leases.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services Code: 710	Name: Medical Services-Operations Code: 392	Name: DHS Economic and Medical Services Code: DEM	BUDGET REQUEST BR20	276

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

- **Operating Expenses** totaling \$1,220,749 FY98 and \$1,277,756 FY99 requests consolidation of all offices of the Division of Medical Services into one common area. Currently, offices are located in the Donaghey Plaza South Building on two (2) separate floors, two (2) separate floors in the Lafayette Building and the Main Street Mall. Base Level requests could be reduced by \$772,464 (GR \$100,000) each year with the approval of this appropriation and funding. \$200,000 in funding is requested with \$572,464 each year as appropriation without funding. Without approval of the space consolidation plan, inflationary increases for building leases are requested, as well as official business travel (mileage and lodging), equipment maintenance and repair, data processing software and supplies, expendable and non-expendable office supplies.
- **Extra Help** of \$79,815 each year for short term assistance when work load necessitates added staff to ensure prompt, adequate and consistent services are provided to the citizens of the State.
- **Overtime** of \$5,000 each year for compliance with the Fair Labor Standards Act provisions to compensate those employees who are not exempt from the requirements of overtime.
- **Conference Fees and Travel** \$189,049 in FY98 and \$192,779 in FY99. This request includes increases for education and training seminars (meals and lodging), conferences and convention expenses and \$146,460 as unfunded appropriation for flexibility.
- **Professional Fees and Services** of \$470,320 in FY98 and \$500,000 in FY99. \$250,000 is requested for consultation increases with \$220,320 in budgetary reserve as unfunded appropriation for flexibility.
- **Data Processing Services** of \$220,000 each year for increased costs of the Department of Computer Services charges and the DHS outsource contract.

The budget request also includes an increase in the maximum annual salary of three (3) non-classified positions above the 2.8 recommended for State Employees. These positions serve as Assistant Deputy Directors of the Division of Medical Services. This request is a component of a departmental request that would provide a maximum salary that could be paid to 51 various non-classified personnel based on criteria to be developed by the Department. Payment of the maximum salary would not be automatic and would

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services Code: 710	Name: Medical Services-Operations Code: 392	Name: DHS Economic and Medical Services Code: DEM	BUDGET REQUEST BR20	277

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

depend on functions performed, supervisory responsibility, and financial and budgetary accountability as determined by respective Division Directors. Salary and Matching appropriation for this request totals \$20,532 in FY98 and \$21,108 in FY99.

The Executive Recommendation provides for Base Level which includes appropriation for a 2.8% Cost of Living Allowance for positions on July 1 of each year of the biennium along with accompanying employee matching requirements. The Recommendation also provides for the Agency Request of reauthorization of six (6) positions authorized by Miscellaneous Federal Grant. The Executive Recommendation does not reflect Agency Request for extraordinary increases for non-classified positions nor Reclassification or Upgrade of positions at this time.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services Code: 710	Name: Medical Services-Operations Code: 392	Name: DHS Economic and Medical Services Code: DEM	BUDGET REQUEST BR20	278

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
REGULAR SALARIES	8,711,813	10,434,932	10,238,955	10,946,302	4,340,009	15,286,311	11,244,200	4,462,136	15,706,336	11,145,052	11,448,513		
NUMBER OF POSITIONS	359	371	387	365	185	550	365	185	550	371	371		
EXTRA HELP	64,542	126,892	53,666	126,892	73,226	200,118	126,892	73,226	200,118	126,892	126,892		
NUMBER OF POSITIONS	7	7	7	7	0	7	7	0	7	7	7		
PERSONAL SERV MATCHING	2,362,109	2,953,742	2,918,783	3,240,225	1,400,307	4,640,532	3,299,311	1,424,554	4,723,865	3,295,199	3,355,447		
OVERTIME	1,906	5,000	0	5,000	5,000	10,000	5,000	5,000	10,000	5,000	5,000		
SUPPLEMENTAL EMERG SALARIES	57,768	170,320	0	0	0	0	0	0	0	0	0		
OPERATING EXPENSES	2,150,796	2,207,933	2,207,933	2,207,933	1,220,749	3,428,682	2,207,933	1,277,756	3,485,689	2,207,933	2,207,933		
CONF FEES & TRAVEL	137,699	232,900	86,440	232,900	189,049	421,949	232,900	192,779	425,679	232,900	232,900		
PROF FEES & SERVICES	8,003	355,132	575,452	355,132	470,320	825,452	355,132	500,000	855,132	355,132	355,132		
CAPITAL OUTLAY	230,798	281,958	158,200	0	1,166,990	1,166,990	0	610,130	610,130				
DATA PROCESSING	0	0	0	0	0	0	0	0	0	0	0		
DATA PROCESSING SERVICES	182,491	153,800	182,492	153,800	220,000	373,800	153,800	220,000	373,800	153,800	153,800		
TOTAL	13,907,925	16,922,609	16,421,921	17,268,184	9,085,650	26,353,834	17,625,168	8,765,581	26,390,749	17,521,908	17,885,617		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	1,872,276	2,856,494	*****	3,497,802	2,026,081	5,523,883	3,570,112	1,869,326	5,439,438	3,497,802	3,570,112		
SPECIAL REVENUES			*****										
FEDERAL FUNDS	9,830,532	11,721,965	*****	11,961,338	5,467,105	17,448,443	12,208,614	5,323,791	17,532,405	12,215,062	12,469,063		
STATE CENTRAL SERVICES FUND			*****										
Merit Adjustment Fund		576,901	*****										
CASH FUNDS			*****										
Various Program Support	2,205,117	1,767,249	*****	1,809,044	1,000,000	2,809,044	1,846,442	1,000,000	2,846,442	1,809,044	1,846,442		
TOTAL FUNDING	13,907,925	16,922,609	*****	17,268,184	8,513,186	25,781,370	17,625,168	8,193,117	25,818,285	17,521,908	17,885,617		
EXCESS APPRO/ (FUNDING)			*****		572,464	572,464		572,464	572,464				
TOTAL	13,907,925	16,922,609	*****	17,268,184	9,085,650	26,353,834	17,625,168	8,765,581	26,390,749	17,521,908	17,885,617		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 392 MEDICAL SERVICES - OPERATIONS

APPROPRIATION SUMMARY

BR 215

FUND DEH DHS ECONOMIC & MEDICAL SERV-(710)

Actual and/or Budgeted number of positions include positions authorized by Miscellaneous Federal Grant. Line items in which actual or budgeted exceed authorized have been approved by the transfer authority in Arkansas Code §25-10-112, Miscellaneous Federal Grant authority and/or Supplemental Emergency Salaries authority.

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19																												
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		-----1997 - 99 BIENNIUM REQUESTS-----				-----R E C O M M E N D A T I O N S-----																																			
					---ACTUAL---	---BUDGETED---	---FY 1997 - 98---		---FY 1998 - 99---		-----EXECUTIVE-----		-----LEGISLATIVE-----																																	
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99																																		
000		DEM	710 392	B	13,907,925 360	16,650,887 365	17,268,184 365			17,625,168 365				17,247,652 365	17,604,060 365																															
001		DEM	710 392 400 70 ADMINISTRATIVE SERVICES	P01		41,078 1	54,581 5			55,940 5				36,998 1	37,948 1																															
<p>This priority requests restoration of one Documents Examiner I (grade 10) which was not budgeted in SFY97 because of personnel cap restrictions. It also restores one DHS Program Administrator (grade 23) which is a Miscellaneous Federal Grant Position established in SFY96 and is currently filled.</p> <table style="width: 100%; margin-top: 10px;"> <tr> <td></td> <td>Char. 00</td> <td>Char. 03</td> <td></td> <td>GR</td> <td>98</td> <td>99</td> </tr> <tr> <td>FY 98</td> <td>40,559</td> <td>14,022</td> <td></td> <td>FED</td> <td>27,290</td> <td>27,970</td> </tr> <tr> <td>FY 99</td> <td>41,695</td> <td>14,245</td> <td></td> <td>OTHER</td> <td>27,291</td> <td>27,970</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0</td> <td>0</td> </tr> </table>																				Char. 00	Char. 03		GR	98	99	FY 98	40,559	14,022		FED	27,290	27,970	FY 99	41,695	14,245		OTHER	27,291	27,970						0	0
	Char. 00	Char. 03		GR	98	99																																								
FY 98	40,559	14,022		FED	27,290	27,970																																								
FY 99	41,695	14,245		OTHER	27,291	27,970																																								
					0	0																																								
002		DEM	710 392 400 80 LONG TERM CARE	P01		230,644 5	413,214 11			423,986 11				237,258 5	243,609 5																															
<p>This priority is to request the Miscellaneous Federal Grant Positions, Governor's Emergency Pool Position and the positions unbudgeted due to the position cap be restored as permanent regular positions. These positions are being utilized currently to meet essential staffing requirements in order to provide services through the Medicaid Program.</p> <table style="width: 100%; margin-top: 10px;"> <tr> <td></td> <td>Char. 00</td> <td>Char. 03</td> <td></td> <td>GR</td> <td>98</td> <td>99</td> </tr> <tr> <td>FY 98</td> <td>319,388</td> <td>93,826</td> <td></td> <td>FED</td> <td>0</td> <td>0</td> </tr> <tr> <td>FY 99</td> <td>328,332</td> <td>95,654</td> <td></td> <td>OTHER</td> <td>263,667</td> <td>270,543</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>149,547</td> <td>153,443</td> </tr> </table>																				Char. 00	Char. 03		GR	98	99	FY 98	319,388	93,826		FED	0	0	FY 99	328,332	95,654		OTHER	263,667	270,543						149,547	153,443
	Char. 00	Char. 03		GR	98	99																																								
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DEPT 019 DEPARTMENT OF HUMAN SERVICES
AGY 710 DEPARTMENT OF HUMAN SERVICES
APPRO 392 MEDICAL SERVICES - OPERATIONS
FUND DEM DHS ECONOMIC & MEDICAL SERV-(710)

RANK BY APPROPRIATION

BR 264

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19																																												
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		-----1997 - 99 BIENNIUM REQUESTS-----					-----RECOMMENDATIONS-----																																																		
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99			EXECUTIVE		LEGISLATIVE																																																
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99																																																		
006	DEH	710 392 400 70	ADMINISTRATIVE SERVICES	P04		0	739,578				777,573																																																			
<p>This priority combines all inflationary increases needed for the Office of Administrative Support. The request (1) adds Extra Help and associated Fringe Benefits to SFY97 levels (including deferments), (2) provides office rent for Systems and Support which was provided during the last two fiscal years under contract with the Division's fiscal agent, (3) restores \$5,000 in overtime appropriation budgeted in SFY97 in deferment, (4) provides the 3 cent per mile increase in mileage reimbursement for expected official business travel, (5) restores conference fees and related travel expenses to SFY97 levels including deferments, (6) adjusts the Professional Contracts line item to include in expected continuing need for actuary consultants, (7) adjusts DP Services to reflect the cost allocated expectations for county-placed equipment used to check and update Medicaid eligibility in the field.</p> <table border="0"> <tr> <td></td> <td>Char. 01</td> <td>Char. 02</td> <td>Char. 03</td> <td>Char. 06</td> <td>Char. 09</td> <td>Char. 10</td> <td>Char. 44</td> <td>GR</td> <td>98</td> <td>99</td> </tr> <tr> <td>FY 98</td> <td>73,226</td> <td>67,983</td> <td>6,589</td> <td>5,000</td> <td>146,460</td> <td>220,320</td> <td>220,000</td> <td>FED</td> <td>369,789</td> <td>388,786</td> </tr> <tr> <td>FY 99</td> <td>73,226</td> <td>72,758</td> <td>6,589</td> <td>5,000</td> <td>150,000</td> <td>250,000</td> <td>220,000</td> <td>OTHER</td> <td>369,789</td> <td>388,787</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0</td> <td>0</td> </tr> </table>																				Char. 01	Char. 02	Char. 03	Char. 06	Char. 09	Char. 10	Char. 44	GR	98	99	FY 98	73,226	67,983	6,589	5,000	146,460	220,320	220,000	FED	369,789	388,786	FY 99	73,226	72,758	6,589	5,000	150,000	250,000	220,000	OTHER	369,789	388,787										0	0
	Char. 01	Char. 02	Char. 03	Char. 06	Char. 09	Char. 10	Char. 44	GR	98	99																																																				
FY 98	73,226	67,983	6,589	5,000	146,460	220,320	220,000	FED	369,789	388,786																																																				
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									0	0																																																				
007	DEH	710 392 400 80	LONG TERM CARE	P04		0	46,760				53,897																																																			
<p>This priority is to request appropriation necessary to continue the existing lease for office space and anticipated travel cost to accomplish mandatory federal survey of Nursing Facilities and Intermediate Care Facilities for the Mentally Retarded.</p> <table border="0"> <tr> <td></td> <td>Char. 02</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>98</td> <td>99</td> </tr> <tr> <td>FY 98</td> <td>46,760</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>GR</td> <td>0</td> <td>0</td> </tr> <tr> <td>FY 99</td> <td>53,897</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>FED</td> <td>32,896</td> <td>36,750</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>OTHER</td> <td>13,864</td> <td>17,147</td> </tr> </table>																				Char. 02								98	99	FY 98	46,760							GR	0	0	FY 99	53,897							FED	32,896	36,750									OTHER	13,864	17,147
	Char. 02								98	99																																																				
FY 98	46,760							GR	0	0																																																				
FY 99	53,897							FED	32,896	36,750																																																				
								OTHER	13,864	17,147																																																				
008	DEH	710 392 400 90	MEDICAL SERVICES	P04		0	142,890				142,890																																																			
<p>This request provides additional space rental for the Medical Services Section needed for existing position authorizations. It also provides appropriation for the capital lease of an existing copier which was not budgeted in continuing level and travel appropriation necessary to continue field audit and provider relations activity.</p> <table border="0"> <tr> <td></td> <td>Char. 02</td> <td>Char. 09</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>98</td> <td>99</td> </tr> <tr> <td>FY 98</td> <td>102,890</td> <td>40,000</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>GR</td> <td>71,445</td> <td>71,445</td> </tr> <tr> <td>FY 99</td> <td>102,890</td> <td>40,000</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>FED</td> <td>71,445</td> <td>71,445</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>OTHER</td> <td>0</td> <td>0</td> </tr> </table>																				Char. 02	Char. 09							98	99	FY 98	102,890	40,000						GR	71,445	71,445	FY 99	102,890	40,000						FED	71,445	71,445									OTHER	0	0
	Char. 02	Char. 09							98	99																																																				
FY 98	102,890	40,000						GR	71,445	71,445																																																				
FY 99	102,890	40,000						FED	71,445	71,445																																																				
								OTHER	0	0																																																				

DEPT 019 DEPARTMENT OF HUMAN SERVICES
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ARKANSAS BUDGET SYSTEM
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PK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D S	EXPENDITURES		1997 - 99 BIENNIAL REQUESTS				RECOMMENDATIONS							
					ACTUAL 95-96	BUDGETED 96-97	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
							REQUEST	REQUEST			1997-98	1998-99	1997-98	1998-99				
1		DEM	710 392 400 50 DHS DIRECTOR	P07		0	159,761				163,814							
	<p>Much of Medicaid's (Cost Centers 400-50,70&90) priority requests represent the formation of a Managed Care Section and associated support. This request also provides five additional positions and matching costs for that effort. The positions will add to staff of the Program Planning and Development Unit, the Unit responsible for writing, revising and coordinating State Medicaid Plan changes and communicating those changes to the more than 17,000 providers and more than 250,000 users of the Medicaid program. Medicaid will experience large deficits beginning in SFY98 without either large increases in General Revenue or major managed care initiatives. If the latter is initiated, each small change in the Medicaid State Plan will require a great investment of staff time to re-write the Plan, write and justify waivers from Federal Medicaid Law and regulation, and initiate changes in the MMIS to track those changes. This staff will be necessary to accomplish these tasks.</p>																	
			Char. 00	Char. 03						98	99							
	FY 98		120,870	38,891					GR	79,880	81,907							
	FY 99		124,253	39,561					FED	79,881	81,907							
									OTHER	0	0							
0		DEM	710 392 400 50 DHS DIRECTOR	P05		0	47,340				6,000							
	<p>Five new positions are established in Priority Designation 7. This request provides sufficient appropriation to equip the new positions for the biennium and to also provide a continuing level budget for the replacement of office machines and data processing equipment for existing positions of the Director's office. Most of the personal computers in the Director's Office are heavily used and are now three to four years old. The division has regularly observed failure at this age in equipment life.</p>																	
			Char. 11							98	99							
	FY 98		47,340						GR	23,670	3,000							
	FY 99		6,000						FED	23,670	3,000							
									OTHER	0	0							
1		DEM	710 392 400 90 MEDICAL SERVICES	P07		0	1,798,621				1,844,476							
	<p>This priority represents the single largest priority request for the Division of Medical Services. It represents the cost of staffing a new Managed Care Section and ancillary positions necessary for the support of aggressive cost controls necessary to maintain the financial and programmatic integrity of the Medicaid Program. Without additional Managed Care initiatives, Medicaid is expected to run deficits to exceed \$48,000,000 in SFY98, based on trended growth in State and Federal participation. Designing, justifying and implementing Managed Care initiatives is extremely time and staff intensive. Each managed care initiative has required intense justification requirements to HCFA and the requirements to design, implement and monitor measurement systems to provide quantitative (cost effectiveness) and qualitative analysis. This request includes 27 positions to create the Managed Care Unit, 9 positions for Utilization Review, 1 position in Medical Assistance, and 13 positions in the Field Audit Unit.</p>																	
			Char. 00	Char. 03						98	99							
	FY 98		1,367,307	431,314					GR	636,914	666,877							
	FY 99		1,405,596	438,880					FED	899,311	922,238							
									OTHER	262,396	255,361							

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RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIUM REQUESTS				RECOMMENDATIONS							
					ACTUAL 95-96	BUDGETED 96-97	FY 1997 - 98 REQUEST		FY 1998 - 99 REQUEST		EXECUTIVE		LEGISLATIVE					
															1997-98	1998-99	1997-98	1998-99
012		DEM	710 392 400 90 MEDICAL SERVICES	P05		0	241,200				55,000							
	<p>This request will equip the positions requested in P07 above and provide 2nd year capital outlay comparable to the SFY97 budgeted levels. Most of the personal computers in the Office are heavily used and are now three to four years old. The division has regularly observed failure at this age in equipment life.</p>																	
			Char. 11							GR	98	99						
	FY 98		241,200							FED	115,600	22,500						
	FY 99		55,000							OTHER	120,600	27,500						
											5,000	5,000						
013		DEM	710 392 400 70 ADMINISTRATIVE SERVICES	P07		0	1,397,888				1,427,708							
	<p>This request provides 39 additional positions to the office. These positions are necessary for the proper financial and systems administration of the Medicaid program. 6 Positions are added to Financial Activities for the analysis and proactive management of the \$1.4 billion Medicaid Program budget including all Medicaid financial analysis, financial reporting and coordination of Managed Care financial analysis (including HCTA cost neutrality and related analysis), management reporting and detailed program expenditure accounting. 18 Additional Positions are requested for the Third Party Liability Unit, a unit which returns nearly \$500,000 per present employee to the program. 8 Positions are requested for the Program and Administrative Support Unit, the unit responsible for Provider Reimbursement, which conducts the majority of Medicaid rate analysis and rate setting, and provides all personnel, purchasing and clerical back-up support for the Division. An additional \$250,000 per year is also added each year for consultant contracting.</p>																	
			Char. 00	Char. 03	Char. 10					GR	98	99						
	FY 98		860,693	287,195	250,000					FED	431,548	453,494						
	FY 99		885,583	292,125	250,000					OTHER	698,944	713,854						
											267,396	260,360						
014		DEM	710 392 400 70 ADMINISTRATIVE SERVICES	P05		0	313,560				80,000							
	<p>This request adds equipment for the first year to equip those positions requested in Priority 7 above, plus sufficient capital outlay appropriate to match the current annual need for replacement of office machines and personal computer equipment. Most of the personal computers in the Office are heavily used and are now three to four years old. The division has regularly observed failure at this age in equipment life.</p>																	
			Char. 11							GR	98	99						
	FY 98		313,560							FED	156,780	40,000						
	FY 99		80,000							OTHER	156,780	40,000						
											0	0						

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ANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIIUM REQUESTS						R E C O M M E N D A T I O N S					
					ACTUAL 95-96	BUDGETED 96-97	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
							REQUEST	REQUEST						1997-98	1998-99	1997-98	1998-99	
15		DEM	710 392 400 80 LONG TERM CARE	P05		0	90,000	0			90,000	0						
<p>This priority request is for capital outlay appropriation and funding to replace 15 laptop computers each year of the biennium. Twenty-nine of the laptops currently in use by the Office of Long Term Care field staff are six (6) years old or older. They are used daily by the staff and are now requiring a considerable amount of repair which causes a decrease in efficiency in operations. This request also includes the replacement of ten (10) desk top computers which are also quite old in computer terms and additional printers.</p>																		
			Char. 11							GR	98	99						
			FY 98 90,000							FED	56,250	56,250						
			FY 99 90,000							OTHER	33,750	33,750						
16		DEM	710 392 400 80 LONG TERM CARE	P07		0	499,852	11			513,052	11						
<p>This priority is to request ten (10) additional staff persons for the Office of Long Term Care. Management staff responsibilities have increased considerably with the implementation of programs required by Nursing Home Reform. These programs have included Enforcement, Minimum Data Set, Nursing Assistant Abuse Investigations, PASARR and others. Management staff have remained stagnant throughout this increased responsibility. Six (6) of the ten positions are to correct this situation. The other four (4) positions are to provide staff to survey unlicensed facilities. Several years ago OLTC was required to cut GR and did so by reducing the staff performing state licensure activities. In order to accomplish the survey of unlicensed facilities, OLTC would require these four survey staff.</p>																		
			Char. 00	Char. 03						GR	98	99						
			FY 98 393,176	106,676						FED	247,372	253,906						
			FY 99 404,185	108,867						OTHER	252,480	259,146						
17		DEM	710 392 400 60 CHILDRENS MEDICAL SERVICES	P07		0	1,958,709	52			1,880,999	52						
<p>This priority is to request fifty-two (52) direct service and administrative staff positions to assure adequate services to families of Children with Special Health Care Needs for the newly formed section of Children's Medical Services. Nine new service teams will be added. Additional services will entail nutritional counseling. These additions will fulfill Title V requirements and recommendations to provide Family Centered, Community Based service coordination to chronically ill and disabled children.</p>																		
			Char. 00	Char. 02	Char. 03	Char. 09	Char. 11			GR	98	99						
			FY 98 1,061,416	219,894	365,920	2,589	308,890			FED	1,958,709	1,880,999						
			FY 99 1,092,104	264,989	371,997	2,779	149,130			OTHER	0	0						

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RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES				1997 - 99 BIENNIUM REQUESTS				R E C O M M E N D A T I O N S					
					ACTUAL		BUDGETED		FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE			
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99						
018		DEM	710 392 400 60 CHILDRENS MEDICAL SERVICES	P05		0	166,000	0	230,000	0								
<p>This priority is for 6 medium sized replacement vehicles for use in community service home visiting as part of compliance for Title V program for CSHCN and 4 wheelchair accessible replacement vans for transporting CSHCN to medical appointments from areas statewide and replacement and upgrade computer equipment.</p>																		
			Char. 11						GR	98	99							
			FY 98 166,000						FED	0	0							
			FY 99 230,000						OTHER	166,000	230,000							
										0	0							
019		DEM	710 392 400 50 DMS DIRECTOR	P06		0	772,464	0	772,464	0								
<p>This request duplicates some of the base level request of the Division of Medical Services, however, clearly prices the cost of build-out and lease of contiguous office space for the Division. The Division of Medical Services is now housed on two separate floors of the Donaghey South Building, two separate floors of the Lafayette Building and in the Main Street Mall. Additionally, the Division oversees the Medicaid Fiscal Agent, also housed on a separate floor of the Main Street Mall. With this fragmented housing provision, much staff time is wasted traveling to other Section's offices to attend meetings and to conduct business. This request will provide enough appropriation to combine the operations of the Division of Medical Services into office space in close proximity to the DHS Director's Office, and at the same time configure space for efficiency. Requests in the base level of all sections can be reduced if this appropriation and funding request is approved. Only \$200,000 in funding is requested, representing the appropriate cost of combining staff into office space. The remaining appropriation is requested as unfunded appropriation.</p>																		
			Char. 02						GR	98	99							
			FY98 772,464						FED	100,000	100,000							
			FY 99 772,464						OTHER	100,000	100,000							
										0	0							
020		DEM	710 392 400 80 LONG TERM CARE	P10		0	57,161	0	57,920	0								
<p>This priority request is to reclassify OLTC positions. During the past few years the OLTC has had a large number of changes to the programs under their area of responsibility. The positions included in this request have been impacted most by these changes and reclassifications are necessary to accurately reflect functions being performed. The field staff are being reclassified as Medicare/Medicaid Survey Specialists to more closely reflect their job duties.</p>																		
			Char. 00	Char. 03					GR	98	99							
			FY 98 47,764	9,397					FED	0	0							
			FY 99 48,382	9,538					OTHER	42,871	43,440							
										14,290	14,480							

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**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The State Children's Medical Services (CMS) program is funded from General Revenues and provides services to children with special health care needs. CMS assists in the provision of services through Service Teams, Satellite Offices and Parent Support Groups. In addition to the children with special health care needs, CMS also assists children with special needs on the Tax Equity and Fiscal Responsibility Act (TEFRA) program. TEFRA considers just the child and the child's income for eligibility and is broader in scope than Medicaid. A medical condition must be present to be eligible. CMS staff work jointly with the University of Arkansas for Medical Sciences and community providers conducting medical clinics throughout the state for children with special health care needs.

Base Level for both years of the Biennium is \$1,729,279 and is funded by General Revenue. Actual expenditures in FY96 totaled \$906,153 in General Revenue. Priorities requested for this appropriation total \$1,496,989 in FY98 and \$2,059,483 in FY99 in General Revenues. \$496,989 of the request in FY98 and \$559,483 in FY99 is for funds and appropriation for inflationary cost for drugs, hospital and other medical expenditures and state match for Case Management for children receiving Medicaid benefits. The remaining \$1,000,000 and \$1,500,000 in FY98 and FY99 respectively is requested as funding and appropriation for non-Medicaid chronically ill children with complicated medical conditions, to cover limited services and preventative care and to allow for growth in the program.

The Executive Recommendation provides for Base Level.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services Code: 710	Name: Medical Services- Children's Medical Services- State Code: 397	Name: DHS Grants Code: DGF	BUDGET REQUEST BR20	288

ARKANSAS BUDGET SYSTEM

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CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY	TOTAL	BASE	PRIORITY	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
CHILDREN'S MEDICAL SERVICES	906,153	1,729,279	1,315,569	1,729,279	1,496,989	3,226,268	1,729,279	2,059,483	3,788,762	1,729,279	1,729,279		
TOTAL	906,153	1,729,279	1,315,569	1,729,279	1,496,989	3,226,268	1,729,279	2,059,483	3,788,762	1,729,279	1,729,279		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	906,153	1,729,279	*****	1,729,279	1,496,989	3,226,268	1,729,279	2,059,483	3,788,762	1,729,279	1,729,279		
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	906,153	1,729,279	*****	1,729,279	1,496,989	3,226,268	1,729,279	2,059,483	3,788,762	1,729,279	1,729,279		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	906,153	1,729,279	*****	1,729,279	1,496,989	3,226,268	1,729,279	2,059,483	3,788,762	1,729,279	1,729,279		

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 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 397 MEDICAL SERVICES -- CHILDREN'S MEDICAL SERVICES -- STATE

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FUND DGF DHS GRANTS FUND-(710) Line items in which actual or budgeted exceed authorized have been approved by the transfer authority in Arkansas Code §25-10-112

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

Private Nursing Home Care Appropriation pays expenses for individuals who reside in nursing homes and are eligible to receive Medicaid Benefits. Actual expenditures in FY96 totaled \$275,463,638 of which \$71,852,967 was General Revenue. The FY97 budgeted amount is \$289,170,809 (GR \$77,516,359) which becomes the Base Level for the Biennium.

Priority Requests include \$2,866,708 (GR \$777,165) in FY98 and \$19,359,818 (GR \$5,287,166) in FY99. In FY98, the request allows individuals to move from hospital inpatient to Nursing Facility Services. This would allow the provision of services to persons currently denied access to nursing facilities. FY99 requests would provide continued funding for movement of persons to nursing facilities from inpatient hospital services and provide an inflationary adjustment in reimbursement for private nursing facilities. No request for rate adjustment is made in FY98 due to a new rate methodology established which is budget neutral.

The Executive Recommendation is Base Level and Agency Request for additional appropriation. Additional General Revenue amounting to \$3,318,178 in FY99 only is also recommended. In total, the Executive Recommendation provides \$8,900,000 in FY98 and \$20,290,000 in FY99 from the DHS Grants Fund Account to address State Match needs for the Medicaid program.

AGENCY Name: DHS-Division of Medical Services Code: 710	APPROPRIATION Name: Medical Services Private Nursing Home Care Code: 399	TREASURY FUND Name: DHS Grants Fund Code: DGF	ANALYSIS OF BUDGET REQUEST BR20	PAGE 291
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----		96-97	-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	AUTHORIZED	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO							97-98	98-99	97-98	98-99
PRIVATE NURSING HOME CARE	275,463,638	289,170,809	329,800,790	289,170,809	2,866,708	292,037,517	289,170,809	19,359,818	308,530,627	292,037,517	308,530,627		
TOTAL	275,463,638	289,170,809	329,800,790	289,170,809	2,866,708	292,037,517	289,170,809	19,359,818	308,530,627	292,037,517	308,530,627		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	71,852,967	77,516,359	*****	77,516,359	777,165	78,293,524	77,516,359	5,287,166	82,803,525	77,516,359	80,834,537		
SPECIAL REVENUES			*****										
FEDERAL FUNDS	202,436,097	211,633,414	*****	211,633,414	2,089,543	213,722,957	211,633,414	14,072,652	225,706,066	211,633,414	220,465,283		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
Various Program Support	1,174,574	21,036	*****	21,036		21,036	21,036		21,036	2,887,744	7,230,807		
TOTAL FUNDING	275,463,638	289,170,809	*****	289,170,809	2,866,708	292,037,517	289,170,809	19,359,818	308,530,627	292,037,517	308,530,627		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	275,463,638	289,170,809	*****	289,170,809	2,866,708	292,037,517	289,170,809	19,359,818	308,530,627	292,037,517	308,530,627		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 399 MEDICAL SERVICES -- PRIVATE NURSING HOME CARE
 FUND DGF DHS GRANTS FUND-(710)

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LNK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----				-----1997 - 99 BIENNIUM REQUESTS-----				-----R E C O M M E N D A T I O N S-----					
					---ACTUAL---		---BUDGETED---		---FY 1997 - 98---		---FY 1998 - 99---		---EXECUTIVE---		---LEGISLATIVE---			
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99						
10		DGF	710 399	B	275,463,638 0	289,170,809 0	289,170,809 0	289,170,809 0			289,170,809	289,170,809						
11		DGF	710 399 400 70 ADMINISTRATIVE SERVICES	P03		0 0	0 0	12,150,047 0			12,150,047							
<p>This \$12,150,047 request for the second year of the biennium is an inflationary adjustment for private nursing facility reimbursement. There is no request for the first year due to the implementation of a new rate methodology which will be budget neutral during that first year. The HCFA Market Basket for Nursing Facilities published February 22, 1996 was utilized for SFY99 at 3.5%. It is estimated this inflationary factor will be necessary to meet the state and federal regulations pertaining to Nursing Facility reimbursement.</p>																		
			Char. 04					98	99									
			FY 98					GR	0	3,318,178								
			FY 99					FED	0	8,831,869								
								OTHER	0	0								
12		DGF	710 399 400 70 ADMINISTRATIVE SERVICES	P07		0 0	2,866,708 0	7,209,771 0			2,866,708	7,209,771						
<p>This priority request will provide adequate reimbursement for Nursing Facility services to heavy care Medicaid recipients. This would allow recipients to be transferred from the more expensive hospital inpatient services to Nursing Facility Services. This would provide services to recipients currently denied access to Nursing Facilities.</p>																		
			Char. 04					98	99									
			FY 98					GR	777,165	1,968,988								
			FY 99					FED	2,089,543	5,240,783								
								OTHER	0	0								

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 PRO 399 MEDICAL SERVICES -- PRIVATE NURSING HOME CARE
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**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Infant Infirmery Nursing Home Appropriation pays for services to infants with special needs. Services provided in FY96 resulted in actual expenditures of \$11,767,058 (General Revenue \$3,101,381). Base Level for each year of the Biennium is \$12,739,646 with \$3,392,568 in General Revenue. Priority Requests total \$442,913 (GR \$120,074) in FY98 and in FY99 total \$914,004 (GR \$249,614).

The Priority Request is for an adjustment in the reimbursement rates for Arkansas Pediatric Facility, Brownwood Life Care, Millcreek of Arkansas, and Easter Seals Residential Center Intermediate Care Facility for the Mentally Retarded (ICF/MR). This adjustment is for inflation.

The Executive Recommendation provides for the Agency Request for additional appropriation for the Infant Infirmery Nursing Home programs. Additional General Revenue amounting to \$83,441 in FY98 and \$190,228 in FY99 is also recommended. In total, the Executive Recommendation provides for \$8,900,000 in FY98 and \$20,290,000 in FY99 from the DHS Grants Fund Account to address State Match needs for the Medicaid program.

AGENCY Name: DHS-Division of Medical Services Code: 710	APPROPRIATION Name: Medical Services Infant Infirmery Nursing Home Code: 401	TREASURY FUND Name: DHS Grants Fund Code: DGF	ANALYSIS OF BUDGET REQUEST BR20	PAGE 294
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ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	97-98		TOTAL	98-99		TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	REQUEST	BASE	PRIORITY PROGRAMS	REQUEST	97-98	98-99	97-98	98-99
INFANT INFIRMARY	11,767,058	12,739,646	12,889,963	12,739,646	442,913	13,182,559	12,739,646	914,004	13,653,650	13,182,559	13,653,650		
TOTAL	11,767,058	12,739,646	12,889,963	12,739,646	442,913	13,182,559	12,739,646	914,004	13,653,650	13,182,559	13,653,650		
PROPOSED FUNDING SOURCES			*****										
UNDEVELOPED BALANCES			*****										
GENERAL REVENUES	3,101,381	3,392,568	*****	3,392,568	120,074	3,512,642	3,392,568	249,614	3,642,182	3,476,009	3,582,796		
SPECIAL REVENUES			*****										
FEDERAL FUNDS	8,665,677	9,347,078	*****	9,347,078	322,839	9,669,917	9,347,078	664,390	10,011,468	9,597,402	9,917,761		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****							109,148	153,093		
TOTAL FUNDING	11,767,058	12,739,646	*****	12,739,646	442,913	13,182,559	12,739,646	914,004	13,653,650	13,182,559	13,653,650		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	11,767,058	12,739,646	*****	12,739,646	442,913	13,182,559	12,739,646	914,004	13,653,650	13,182,559	13,653,650		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGENCY 710 DEPARTMENT OF HUMAN SERVICES
 APPROPRIATION 401 MEDICAL SERVICES-INFANT INFIRMARY NURS HOME
 FUND DGF DHS GRANTS FUND-(710)

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19																																																																																																				
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIUM REQUESTS		R E C O M M E N D A T I O N S																																																																																																													
					ACTUAL 95-96	BUDGETED 96-97	FY 1997 - 98 REQUEST	FY 1998 - 99 REQUEST	EXECUTIVE		LEGISLATIVE																																																																																																											
000		DGF	710 401	B	11,767,058 0	12,739,646 0	12,739,646 0	12,739,646 0						12,739,646	12,739,646																																																																																																							
001		DGF	710 401 400 70 ADMINISTRATIVE SERVICES	P03	0 0	0	442,913 0	914,004 0						442,913	914,004																																																																																																							
<p>This priority is to request an increase for Arkansas Pediatric Facility, Brownwood Life Care, Millcreek of Arkansas, and Easter Seals Residential Center ICF/MR reimbursement rates. This increase is an adjustment for inflation only and utilized the HCFA Market Basket for Nursing Facilities in this region. The latest information available indicates a 3.4% increase for SFY98 and 3.5% increase for SFY99 will be necessary to meet state and federal regulations.</p> <table border="0" style="width: 100%; margin-top: 20px;"> <tr> <td style="width: 15%;"></td> </tr> <tr> <td></td> <td></td> <td>Char. 04</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>GR</td> <td>98</td> <td>99</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>FY 98</td> <td></td> <td>442,913</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>FED</td> <td>120,074</td> <td>249,614</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>FY 99</td> <td></td> <td>914,004</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>OTHER</td> <td>322,839</td> <td>664,390</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0</td> <td>0</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>																																									Char. 04						GR	98	99										FY 98		442,913						FED	120,074	249,614										FY 99		914,004						OTHER	322,839	664,390																			0	0									
		Char. 04						GR	98	99																																																																																																												
FY 98		442,913						FED	120,074	249,614																																																																																																												
FY 99		914,004						OTHER	322,839	664,390																																																																																																												
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DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 401 MEDICAL SERVICES-INFANT INFIRMARY NURS HOME
 FUND DGF DHS GRANTS FUND-(710)

RANK BY APPROPRIATION

BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Public Nursing Home Care Appropriation includes Medicaid reimbursement for services provided in the six (6) Human Development Centers (Intermediate Care Facilities for the Mentally Retarded-ICFs/MR), the Benton Services Center and the thirty (30) 15 Bed or Less (ICFs/MR) programs across the State. Approximately 1,800 individuals benefits from services provided in these facilities. Expenditures in FY96 totaled \$109,826,044 (GR 2,854,579). Base Level for each year of the Biennium is \$110,734,974.

Priority Requests for the Biennium total \$5,536,748 in FY98 and \$11,350,334 in FY99. No General Revenue is requested for either year. The request is to pay for costs that must be reimbursed to comply with federal and state regulations. This request includes Federal at \$4,035,736 and Other \$1,501,012 in FY98 and \$8,250,558 Federal and \$3,099,776 Other in FY99. The Other funding represents match for Medicaid reimbursement paid by the Division of Developmental Disabilities Services and the Division of Mental Health Services.

The Executive Recommendation provides the Agency Request for appropriation for the Public Nursing Home Care program. In total, the Executive Recommendation provides \$8,900,000 in FY98 and \$20,290,000 in FY99 from the DHS Grants Fund Account to address State Match needs for the Medicaid program.

AGENCY Name: DHS-Division of Medical Services Code: 710	APPROPRIATION Name: Medical Services Public Nursing Home Care Code: 402	TREASURY FUND Name: DHS Grants Fund Code: DGF	ANALYSIS OF BUDGET REQUEST BR20	PAGE 297
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
PUBLIC NURSING HOME CARE	109,826,044	110,734,974	115,710,580	110,734,974	5,536,748	116,271,722	110,734,974	11,350,334	122,085,308	116,271,722	122,085,308		
TOTAL	109,826,044	110,734,974	115,710,580	110,734,974	5,536,748	116,271,722	110,734,974	11,350,334	122,085,308	116,271,722	122,085,308		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	2,854,579	1,903,891	*****	1,903,891		1,903,891	1,903,891		1,903,891	1,903,891	1,903,891		
SPECIAL REVENUES			*****										
FEDERAL FUNDS	80,878,549	81,246,250	*****	81,246,250	4,035,736	85,281,986	81,246,250	8,250,558	89,496,808	85,281,986	89,496,808		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
Various Program Support	26,092,916	27,584,833	*****	27,584,833	1,501,012	29,085,845	27,584,833	3,099,776	30,684,609	29,085,845	30,684,609		
TOTAL FUNDING	109,826,044	110,734,974	*****	110,734,974	5,536,748	116,271,722	110,734,974	11,350,334	122,085,308	116,271,722	122,085,308		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	109,826,044	110,734,974	*****	110,734,974	5,536,748	116,271,722	110,734,974	11,350,334	122,085,308	116,271,722	122,085,308		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 402 MEDICAL SERVICES -- PUBLIC NURSING HOME CARE
 FUND DCF DHS GRANTS FUND-(710)

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

1	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19																												
PK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1997 - 99 BIENNIUM REQUESTS-----						-----RECOMMENDATIONS-----																																	
					ACTUAL	BUDGETED	-----FY 1997 - 98-----			-----FY 1998 - 99-----			-----EXECUTIVE-----		-----LEGISLATIVE-----																															
					95-96	96-97	REQUEST			REQUEST			1997-98	1998-99	1997-98	1998-99																														
0		DGF	710 402	B	109,826,044 0	110,734,974 0	110,734,974 0			110,734,974 0			110,734,974	110,734,974																																
1		DGF	710 402 400 70 ADMINISTRATIVE SERVICES	P03		0 0	5,536,748 0			11,350,334 0			5,536,748	11,350,334																																
<p>This priority is to request an increase for Public Nursing Home appropriation which includes the Arkansas Human Development Centers, Benton Services Center, and the 15 Bed or less ICF/MR facilities. This priority is based on various requests from the Division of Mental Health (DMHS) and the Division of Developmental Disabilities (DDS) to cover those costs which must be reimbursed to comply with federal and state regulations. The "Other" Funding Represents Medicaid Match paid by DDS and DMHS.</p> <table style="width: 100%; margin-top: 20px;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%;">Char. 01</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;">98</td> <td style="width: 15%;">99</td> </tr> <tr> <td>FY 98</td> <td>5,536,748</td> <td></td> <td></td> <td></td> <td>GR 0</td> <td>0</td> </tr> <tr> <td>FY 99</td> <td>11,350,334</td> <td></td> <td></td> <td></td> <td>FED 4,035,736</td> <td>8,250,558</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>OTHER 1,501,012</td> <td>3,099,776</td> </tr> </table>																				Char. 01				98	99	FY 98	5,536,748				GR 0	0	FY 99	11,350,334				FED 4,035,736	8,250,558						OTHER 1,501,012	3,099,776
	Char. 01				98	99																																								
FY 98	5,536,748				GR 0	0																																								
FY 99	11,350,334				FED 4,035,736	8,250,558																																								
					OTHER 1,501,012	3,099,776																																								

PT 019 DEPARTMENT OF HUMAN SERVICES
Y 710 DEPARTMENT OF HUMAN SERVICES
PRO 402 MEDICAL SERVICES -- PUBLIC NURSING HOME CARE
IND DGF DHS GRANTS FUND-(710)

RANK BY APPROPRIATION
BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Prescription Drug Program is an optional Medicaid Benefit. The program allows eligible recipients to obtain prescription medication through 745 participating pharmacies in Arkansas. Recipients of the Prescription Drug Program are allowed a maximum of three (3) prescriptions per month and an additional three (3) with prior authorization. Nursing home residents and children under 21 and certified as a Long Term Care recipient have no restrictions on the number of monthly prescriptions. Reimbursement for the program is based on the drug cost and a fee for dispensing pharmaceuticals.

Total expenditures in the program in FY96 were \$108,874,326 (General Revenue \$23,969,084). Base Level for each year of the biennium is \$127,173,802 (General Revenue \$30,741,658). Priority requests for FY98 total \$20,347,808 (General Revenue \$5,515,291) and \$43,951,266 (General Revenue \$12,003,091) in FY99. This request represents a sixteen percent (16%) growth for both years of the biennium. This increase is based upon what the Agency predicts as an eleven percent (11%) increase in utilization and five percent (5%) increase in prescription costs in FY98 and an eight percent (8%) utilization increase and an eight percent (8%) cost increase in FY99.

The Executive Recommendation provides for the Agency Request for additional appropriation for the Prescription Drug Program. Additional General Revenue totaling \$832,956 in FY98 and \$1,898,952 in FY99 is also recommended. In total, the Executive Recommendation provides \$8,900,000 in FY98 and \$20,290,000 in FY99 from the DHS Grants Fund Account to address State Match needs for the Medicaid program.

AGENCY Name: DHS-Division of Medical Services Code: 710	APPROPRIATION Name: Medical Services Prescription Drugs Code: 403	TREASURY FUND Name: DHS Grants Fund Code: DGF	ANALYSIS OF BUDGET REQUEST BR20	PAGE 300
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	02		03	04	05	06	07	08	09	10	11	12	13	14	
	-----EXPENDITURES-----		96-97	-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----					
	95-96	96-97	AUTHORIZED	BASE	PRIORITY	TOTAL	BASE	PRIORITY	TOTAL	EXECUTIVE		LEGISLATIVE			
ACTUAL	BUDGETED	APPRO		PROGRAMS	REQUEST		PROGRAMS	REQUEST	97-98	98-99	97-98	98-99			
PRESCRIPTION DRUGS	108,874,326	127,173,802	127,173,802	127,173,802	20,347,808	147,521,610	127,173,802	43,951,266	171,125,068	147,521,610	171,125,068				
TOTAL	108,874,326	127,173,802	127,173,802	127,173,802	20,347,808	147,521,610	127,173,802	43,951,266	171,125,068	147,521,610	171,125,068				
PROPOSED FUNDING SOURCES			*****												
FUND BALANCES			*****												
GENERAL REVENUES	23,969,084	30,741,658	*****	30,741,658	5,516,291	36,257,949	30,741,658	12,003,091	42,744,749	31,574,614	32,640,610				
SPECIAL REVENUES			*****												
FEDERAL FUNDS	80,172,817	93,132,144	*****	93,132,144	14,831,517	107,963,661	93,132,144	31,948,175	125,080,319	95,631,012	98,829,001				
STATE CENTRAL SERVICES FUND			*****												
NON-REVENUE RECEIPTS			*****												
CASH FUNDS			*****												
Various Program Support	4,732,425	3,300,000	*****	3,300,000		3,300,000	3,300,000		3,300,000	20,315,984	39,655,457				
TOTAL FUNDING	108,874,326	127,173,802	*****	127,173,802	20,347,808	147,521,610	127,173,802	43,951,266	171,125,068	147,521,610	171,125,068				
EXCESS APPRO/ (FUNDING)			*****												
TOTAL	108,874,326	127,173,802	*****	127,173,802	20,347,808	147,521,610	127,173,802	43,951,266	171,125,068	147,521,610	171,125,068				

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 403 MEDICAL SERVICES -- PRESCRIPTION DRUGS
 FUND DGF DHS GRANTS FUND-(710)

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19																																
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1997 - 99 BIENNIUM REQUESTS-----				-----RECOMMENDATIONS-----																																							
					---ACTUAL---	---BUDGETED---	-----FY 1997 - 98-----		-----FY 1998 - 99-----		-----EXECUTIVE-----		-----LEGISLATIVE-----																																					
					95-96	96-97	REQUEST		REQUEST		1997-98		1998-99		1997-98		1998-99																																	
000		DGF	710 403	B	108,874,326 0	127,173,802 0	127,173,802 0		127,173,802 0		127,173,802		127,173,802																																					
001		DGF	710 403 400 70 ADMINISTRATIVE SERVICES	P03		0 0	20,347,808 0		43,951,266 0		20,347,808		43,951,266																																					
<p>This priority request represents the anticipated growth in the Prescription Drug Program for the new biennium. The increase represents a 16% growth in the program for both years, however, represents the substantial shift of the Medicaid program away from higher cost alternative health care. As hospital stays and admissions are limited, more health care is provided through the prescription drug program and outpatient settings. The increase predicts an 11% change due to utilization and 5% change in prescription costs for SFY98 and an 8% increase in utilization and prescription costs for SFY99.</p> <table border="0" style="width: 100%; margin-top: 20px;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%;">Char. 04</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;">98</td> <td style="width: 15%;">99</td> </tr> <tr> <td>FY 98</td> <td>20,347,808</td> <td></td> <td></td> <td></td> <td></td> <td>GR</td> <td>12,003,091</td> </tr> <tr> <td>FY 99</td> <td>43,951,266</td> <td></td> <td></td> <td></td> <td></td> <td>FED</td> <td>31,948,175</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>OTHER</td> <td>0</td> </tr> </table>																				Char. 04					98	99	FY 98	20,347,808					GR	12,003,091	FY 99	43,951,266					FED	31,948,175							OTHER	0
	Char. 04					98	99																																											
FY 98	20,347,808					GR	12,003,091																																											
FY 99	43,951,266					FED	31,948,175																																											
						OTHER	0																																											

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 403 MEDICAL SERVICES -- PRESCRIPTION DRUGS
 FUND DGF DHS GRANTS FUND-(710)

RANK BY APPROPRIATION
 BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

Medicaid is a federally supported and state administered assistance program that provides medical assistance to qualifying low income individuals and families. The program is currently an entitlement and is financed with state and federal funds. Medicaid operates as a vendor payment program. Payments are made directly to providers for care of individuals who are eligible to receive benefits from the program. The State establishes reimbursement rates and the methodology for rate setting. However, the Health Care Finance Administration must approve the state's policy(ies) and regulations in order for the State to be in compliance with guidelines established in Federal law.

The Hospital and Medical appropriation has a Base Level of \$819,012,387 for each year of the Biennium (General Revenue \$153,554,671). FY96 expenditures totaled \$778,153,846 with General Revenue of \$166,309,710.

Priority Requests consist of \$112,178,526 (General Revenue \$30,411,598) in FY98 and \$214,609,526 (General Revenue \$58,609,862) in FY99. This request is predicated upon a 4% inflation factor for each year and a 6% and 7% increased utilization in FY98 and FY99 respectively.

The Executive Recommendation provides for the Agency Request for additional appropriation for the Hospital and Medical Services. Additional General Revenue totaling \$7,983,603 in FY98 and \$14,882,642 in FY99 is also recommended. In total, the Executive Recommendation provides \$8,900,000 in FY98 and \$20,290,000 in FY99 from the DHS Grants Fund Account to address State Match needs for the Medicaid program.

AGENCY Name: DHS-Division of Medical Services Code: 710	APPROPRIATION Name: Medical Services Hospital and Medical Services Code: 404	TREASURY FUND Name: DHS Grants Fund Code: DGF	ANALYSIS OF BUDGET REQUEST BR20	PAGE 303
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ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			96-97			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	AUTHORIZED	BASE	PRIORITY	TOTAL	BASE	PRIORITY	TOTAL	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	APPRO							97-98	98-99	97-98	98-99			
HOSPITAL AND MEDICAL SERVICES	778,153,846	819,012,387	857,000,000	819,012,387	112,178,526	931,190,913	819,012,387	214,609,526	1033,621,913	931,190,913	1033,621,913					
TOTAL	778,153,846	819,012,387	857,000,000	819,012,387	112,178,526	931,190,913	819,012,387	214,609,526	1033,621,913	931,190,913	1033,621,913					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES			*****													
GENERAL REVENUES	166,309,710	153,554,671	*****	153,554,671	30,411,598	183,966,269	153,554,671	58,609,862	212,164,533	161,538,274	168,437,313					
SPECIAL REVENUES			*****													
FEDERAL FUNDS	567,269,583	598,329,181	*****	598,329,181	81,766,928	680,096,109	598,329,181	155,999,664	754,328,845	623,289,181	643,212,181					
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
Various Program Support	44,574,553	67,128,535	*****	67,128,535		67,128,535	67,128,535		67,128,535	146,363,458	221,972,419					
TOTAL FUNDING	778,153,846	819,012,387	*****	819,012,387	112,178,526	931,190,913	819,012,387	214,609,526	1033,621,913	931,190,913	1033,621,913					
EXCESS APPRO/ (FUNDING)			*****													
TOTAL	778,153,846	819,012,387	*****	819,012,387	112,178,526	931,190,913	819,012,387	214,609,526	1033,621,913	931,190,913	1033,621,913					

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 404 MEDICAL SERVICES -- HOSPITAL AND MEDICAL SERVICES
 FUND DGF DHS GRANTS FUND-(710)

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19																																																																																															
PK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----				-----1997 - 99 BIENNIAL REQUESTS-----				-----R E C O M M E N D A T I O N S-----																																																																																																				
					---ACTUAL---		---BUDGETED---		-----FY 1997 - 98-----		-----FY 1998 - 99-----		-----EXECUTIVE-----		-----LEGISLATIVE-----																																																																																																		
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99																																																																																																					
	DCF	710 404		B	778,153,846 0	819,012,387 0	819,012,387 0		819,012,387 0					819,012,387	819,012,387																																																																																																		
	DCF	710 404 400 70	ADMINISTRATIVE SERVICES	P03		0 0	112,178,526 0		214,609,526 0					112,178,526	214,609,526																																																																																																		
<p>This request represents the predicted increases in the Medicaid Hospital and Medical Program and represents a 10% increase in appropriation and funding need for SFY98 and 11% for SFY99. Although the budget reflects a base level of \$819.0 million, the actual SFY97 expected funding level for Hospital Medical is budgeted at \$846.5 million, funded from fund balances in the Medicaid Trust Fund. The increases represent 4% change for each year in medical inflation and a 6% and 7% increased utilization prediction for SFY98 and SFY99, respectively.</p> <table border="0" style="width: 100%; margin-top: 20px;"> <tr> <td style="width: 15%;"></td> </tr> <tr> <td></td> <td></td> <td>Char. 04</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>GR</td> <td>98</td> <td>99</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>FY 98</td> <td></td> <td>112,178,526</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>FED</td> <td>30,411,598</td> <td>58,609,862</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>FY 99</td> <td></td> <td>214,609,526</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>OTHER</td> <td>81,766,928</td> <td>155,999,664</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>0</td> <td>0</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>																																								Char. 04								GR	98	99							FY 98		112,178,526								FED	30,411,598	58,609,862							FY 99		214,609,526								OTHER	81,766,928	155,999,664																		0	0						
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*T 019 DEPARTMENT OF HUMAN SERVICES
 *R 710 DEPARTMENT OF HUMAN SERVICES
 *RO 404 MEDICAL SERVICES -- HOSPITAL AND MEDICAL SERVICES
 *ID DGF DHS GRANTS FUND-(710)

RANK BY APPROPRIATION

BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Child/Family Life Institute Appropriation began in FY90 and is a direct payment to Arkansas Children's Hospital. The program is funded entirely from General Revenue. The Agency is requesting continuation of the Base Level of \$2,100,00 General Revenue for each year of the Biennium. There are no priority requests above Base Level. Expenditures for FY96 totaled \$1,861,325.

The Executive Recommendation is Agency Request.

AGENCY Name: DHS-Division of Medical Services Code: 710	APPROPRIATION Name: Division of Medical Services Child/Family Life Institute Code: 406	TREASURY FUND Name: DHS Grants Fund Code: DGF	ANALYSIS OF BUDGET REQUEST BR20	PAGE 306
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			96-97			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99			
CHILD AND FAMILY LIFE INSTITUTE	1,861,325	2,100,000	2,100,000	2,100,000	0	2,100,000	2,100,000	0	2,100,000	2,100,000	2,100,000					
TOTAL	1,861,325	2,100,000	2,100,000	2,100,000	0	2,100,000	2,100,000	0	2,100,000	2,100,000	2,100,000					
PROPOSED FUNDING SOURCES			*****													
UNDEVELOPED BALANCES			*****													
GENERAL REVENUES	1,861,325	2,100,000	*****	2,100,000		2,100,000	2,100,000		2,100,000	2,100,000	2,100,000					
SPECIAL REVENUES			*****													
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
IN-REVENUE RECEIPTS			*****													
TRUST FUNDS			*****													
OTHER			*****													
TOTAL FUNDING	1,861,325	2,100,000	*****	2,100,000		2,100,000	2,100,000		2,100,000	2,100,000	2,100,000					
UNAPPORTIONED APPROPRIATION (FUNDING)			*****													
TOTAL	1,861,325	2,100,000	*****	2,100,000		2,100,000	2,100,000		2,100,000	2,100,000	2,100,000					

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 DIV 710 DEPARTMENT OF HUMAN SERVICES
 PROJ 406 MEDICAL SERVICES -- CHILD/FAMILY LIFE INSTITUTE
 FUND DGF DHS GRANTS FUND-(710)

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

Children's Medical Services provides for community based services for children with special health care needs. The program is 100% federally funded. FY96 expenditures totaled \$531,227 and the Agency budgeted \$1,500,000 in FY97 which includes Miscellaneous Federal Grant authority of \$712,223. Base Level for each year of the Biennium is \$787,777. Priorities requested total \$1,189,723 in FY98 and \$1,250,561 in FY99. \$712,223 each year is requested for continuation of Miscellaneous Federal Grant authority and \$477,500 in FY98 and \$538,338 in FY99 in appropriation is requested for inflationary costs of drugs, hospital and other medical expenditures, population growth and to allow the state to spend additional federal funds for health care.

The Executive Recommendation provides for Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services	Name: Medical Services-Children's Medical Services - Federal	Name: DHS-Federal	BUDGET REQUEST	308
Code: 710	Code: 408	Code: FWF	BR20	

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	PRIORITY		TOTAL	PRIORITY		TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	PROGRAMS	REQUEST	BASE	PROGRAMS	REQUEST	97-98	98-99	97-98	98-99
CHILDREN'S MEDICAL SERVICES	531,227	1,500,000	787,777	787,777	1,189,723	1,977,500	787,777	1,250,561	2,038,338	1,977,500	2,038,338		
TOTAL	531,227	1,500,000	787,777	787,777	1,189,723	1,977,500	787,777	1,250,561	2,038,338	1,977,500	2,038,338		
PROPOSED FUNDING SOURCES			*****										
UNDEVELOPED BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS	531,227	1,500,000	*****	787,777	1,189,723	1,977,500	787,777	1,250,561	2,038,338	1,977,500	2,038,338		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
ASSET FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	531,227	1,500,000	*****	787,777	1,189,723	1,977,500	787,777	1,250,561	2,038,338	1,977,500	2,038,338		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	531,227	1,500,000	*****	787,777	1,189,723	1,977,500	787,777	1,250,561	2,038,338	1,977,500	2,038,338		

EPT 019 DEPARTMENT OF HUMAN SERVICES
 GY 710 DEPARTMENT OF HUMAN SERVICES
 PPRO 408 MEDICAL SERVICES -- CHILDREN'S MEDICAL SERVICES -- FEDERAL

APPROPRIATION SUMMARY

BR 215

UND FWF DHS-(710)FEDERAL

Line items in which actual or budgeted exceed authorized have been approved by the Miscellaneous Federal Grant authority.

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19																											
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		-----1997 - 99 BIENNIUM REQUESTS-----				-----RECOMMENDATIONS-----																																		
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE																																
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99																																	
000		FWF	710 408	B	531,227 0	1,500,000 0	787,777 0			787,777 0				787,777	787,777																														
001		FWF	710 408 400 60 CHILDRENS MEDICAL SERVICES	P03			477,500 0			538,338 0				477,500	538,338																														
<p>This priority is to request service appropriation for disabled and chronically ill children due to inflationary cost for drugs, hospital and other medical expenditures, population growth, and to allow the state to spend additional federal funds for health care.</p> <table style="width: 100%; margin-top: 20px;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%;">Char. 04</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;">GR</td> <td style="width: 5%;">98</td> <td style="width: 5%;">99</td> </tr> <tr> <td>FY 98</td> <td>477,500</td> <td></td> <td></td> <td></td> <td></td> <td>FED</td> <td>477,500</td> <td>538,338</td> </tr> <tr> <td>FY 99</td> <td>538,338</td> <td></td> <td></td> <td></td> <td></td> <td>OTHER</td> <td>0</td> <td>0</td> </tr> </table>																				Char. 04					GR	98	99	FY 98	477,500					FED	477,500	538,338	FY 99	538,338					OTHER	0	0
	Char. 04					GR	98	99																																					
FY 98	477,500					FED	477,500	538,338																																					
FY 99	538,338					OTHER	0	0																																					
002		FWF	710 408 400 60 CHILDRENS MEDICAL SERVICES	P01			712,223 0			712,223 0				712,223	712,223																														
<p>This priority is to request the conversion of Miscellaneous Federal Grant Appropriation to regular appropriation to provide services to Children with Special Health Care Needs.</p> <table style="width: 100%; margin-top: 20px;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%;">Char. 04</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;">GR</td> <td style="width: 5%;">98</td> <td style="width: 5%;">99</td> </tr> <tr> <td>FY 98</td> <td>712,223</td> <td></td> <td></td> <td></td> <td></td> <td>FED</td> <td>712,223</td> <td>712,223</td> </tr> <tr> <td>FY 99</td> <td>712,223</td> <td></td> <td></td> <td></td> <td></td> <td>OTHER</td> <td>0</td> <td>0</td> </tr> </table>																				Char. 04					GR	98	99	FY 98	712,223					FED	712,223	712,223	FY 99	712,223					OTHER	0	0
	Char. 04					GR	98	99																																					
FY 98	712,223					FED	712,223	712,223																																					
FY 99	712,223					OTHER	0	0																																					

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 408 MEDICAL SERVICES -- CHILDREN'S MEDICAL SERVICES -- FEDERAL
 FUND FWF DHS-(710)FEDERAL

RANK BY APPROPRIATION
BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

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 and safety of the residents. The funding is from reimbursement for services provided by DHS. The Agency Request is for Base Level of \$50,000 in each year of the Biennium with no priorities included.

The Executive Recommendation is Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS- Division of Medical Services	Name: Medical Services Nursing Home Closure Costs	Name: Long Term Care Trust	BUDGET REQUEST	311
Code: 710	Code: 876	Code: TLT	BR20	

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----				
	95-96	96-97	96-97	PRIORITY	TOTAL	PRIORITY	TOTAL	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	AUTHORIZED APPRO	PROGRAMS	REQUEST	PROGRAMS	REQUEST	97-98	98-99	97-98	98-99			
EXPENSES	0	50,000	50,000		50,000	0	50,000	50,000	0	50,000	50,000	50,000		
TOTAL	0	50,000	50,000		50,000	0	50,000	50,000	0	50,000	50,000	50,000		
PROPOSED FUNDING SOURCES			XXXXXXXXXX											
FUND BALANCES			XXXXXXXXXX											
GENERAL REVENUES			XXXXXXXXXX											
SPECIAL REVENUES			XXXXXXXXXX											
FEDERAL FUNDS			XXXXXXXXXX											
STATE CENTRAL SERVICES FUND			XXXXXXXXXX											
NON-REVENUE RECEIPTS			XXXXXXXXXX											
CASH FUNDS			XXXXXXXXXX											
Trust		50,000	XXXXXXXXXX		50,000		50,000	50,000		50,000	50,000	50,000		
TOTAL FUNDING		50,000	XXXXXXXXXX		50,000		50,000	50,000		50,000	50,000	50,000		
EXCESS APPRO/ (FUNDING)			XXXXXXXXXX											
TOTAL		50,000	XXXXXXXXXX		50,000		50,000	50,000		50,000	50,000	50,000		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPR 076 MEDICAL SERVICES -- NURSING HOME CLOSURE COSTS
 FUND TLT LONG-TERM CARE TRUST-(710)

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Long Term Care Facility Receivership Appropriation is used for care of patients if the Division of Medical Services is required to provide emergency care for patients of a nursing home if the nursing home is placed in receivership. The funding used is from reimbursement for services provided by the Agency. The Base Level is \$100,000 for FY98 and FY99. There were no expenditures in FY96. \$100,000 is budgeted for FY97.

The Executive Recommendation is Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services Code: 710	Name: Medical Services-Long Term Care Facility Receivership Code: 878	Name: Long Term Care Facility Receivership Code: DLT	BUDGET REQUEST BR20	313

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96 ACTUAL	96-97 BUDGETED	96-97 AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										97-98	98-99	97-98	98-99
EXPENSES	0	100,000	100,000	100,000	0	100,000	100,000	0	100,000	100,000	100,000		
TOTAL	0	100,000	100,000	100,000	0	100,000	100,000	0	100,000	100,000	100,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
Various Program Support		100,000	*****	100,000		100,000	100,000		100,000	100,000	100,000		
TOTAL FUNDING		100,000	*****	100,000		100,000	100,000		100,000	100,000	100,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL		100,000	*****	100,000		100,000	100,000		100,000	100,000	100,000		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 878 MEDICAL SERVICES--LONG-TERM CARE FAC RECEIVERSHIP
 FUND DLT LONG TERM CARE FACILITY REC-(710)

APPROPRIATION SUMMARY

BR 215