

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

The Division of Medical Services 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. The Division of Medical Services administers the **Medicaid Program**, including **ARKids First**, and the **Office of Long Term Care and Children's Medical Services** Sections.

The Division of Medical Services is financed by a mixture of funding sources, including: State General Revenues, prescription drug rebates, Arkansas Soft Drink Tax Revenues, transfers from other State Agencies for services to specific Medicaid Eligibility Population Groups, and Federal Medicaid Funds (Social Security Title XIX).

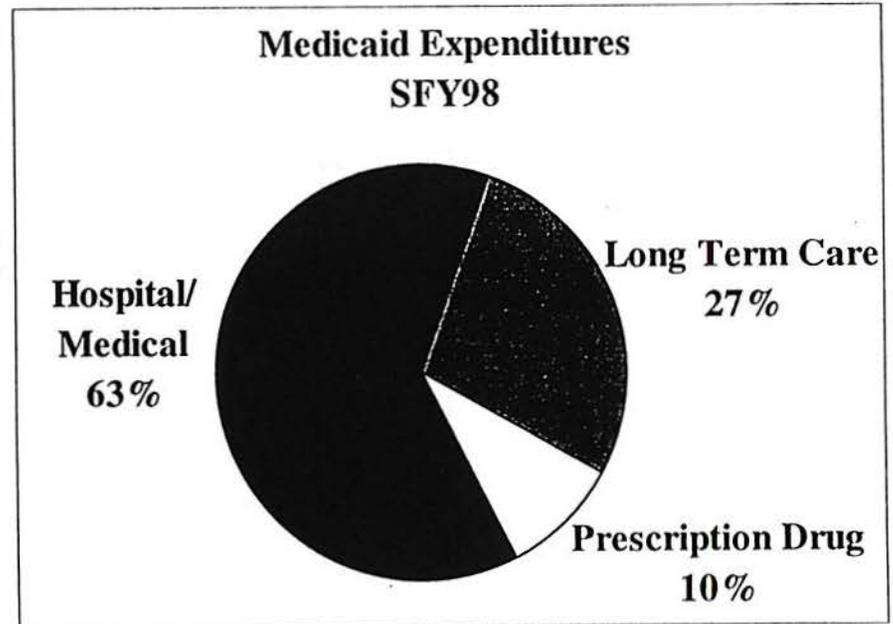
The Division of Medical Services also receives federal funding from the Social Security Title V Maternal and Child Health Block Grant for Children's Medical Services.

MEDICAID

Medicaid Program Services are organized in three general areas:

1. **Hospital and Medical Services**
2. **Prescription Drugs**
3. **Long Term Care Services**

These three general program areas encompass 57 different programs and services offered through the Medicaid Program. The relative distribution of Medicaid Funds to the three general program areas is depicted in the Chart entitled: "**Medicaid Expenditures SFY98**". The Medicaid Program was implemented in Arkansas on January 1, 1970. Individuals are certified as eligible for Medicaid Services by DHS Field Staff located in County Offices or by District Social Security Offices.



<p>AGENCY DEPARTMENT OF HUMAN SERVICES DIVISION OF MEDICAL SERVICES</p>	<p>DIRECTOR RAY HANLEY</p> <p><i>[Signature]</i></p>	<p>AGENCY PROGRAM COMMENTARY BR21</p>	<p>PAGE 288</p>
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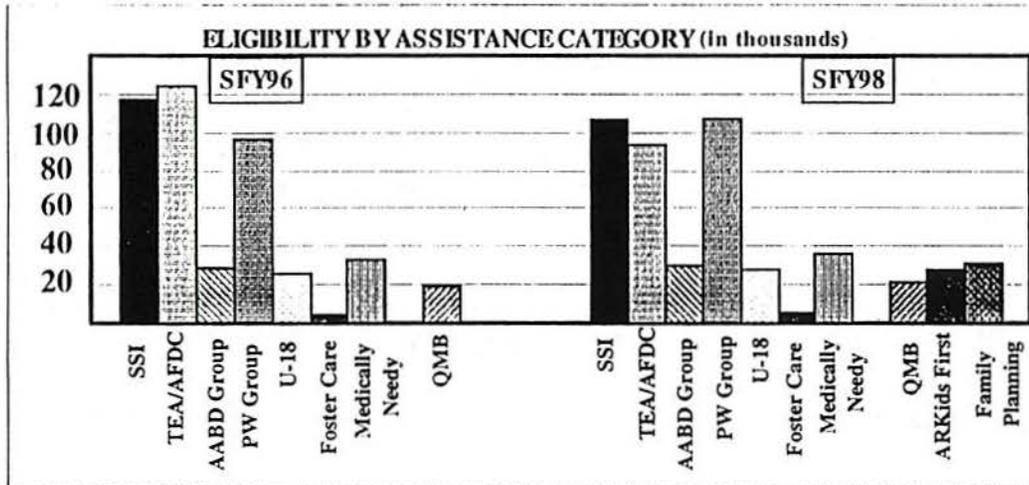
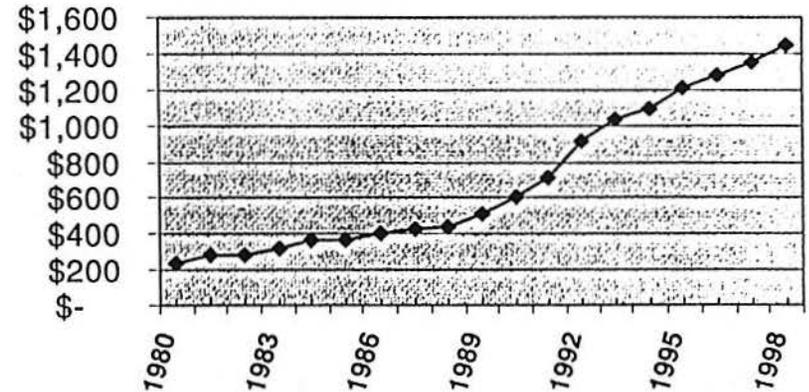
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The Medicaid Program's historical expenditure growth rate is evidenced pictorially by the Chart entitled "Medicaid Expenditure Trends". Growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation. The increase in the Medicaid eligibility population as well as the number and types of services utilized by the population influences the rise in expenditures.

The Chart entitled "Eligibility by Assistance Category" details the changes in the composition of the Medicaid Eligibility Population over the past five years.

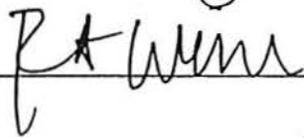
The Division of Medical Services is on the *cutting edge* for discovering efficiencies to improve access to programs while containing

**MEDICAID EXPENDITURE TRENDS
(in millions)**



program costs. Faced with the challenge of promoting the efficiency of the Medicaid Program, Arkansas Medicaid has improved the access of Medicaid Patients to mainstream private-sector medical care by combining *state of the art technology* with a self administered *managed-care program* to provide *health care innovations* to the Citizens of Arkansas.

State of the Art Technology: Claims submitted by providers of Medicaid Services are processed by a fiscal agent, **Electronic Data Systems (EDS)** under contract with the Division of Medical Services. In partnership with EDS, Arkansas Medicaid developed and deployed the **Automated Eligibility Verification and Claims**

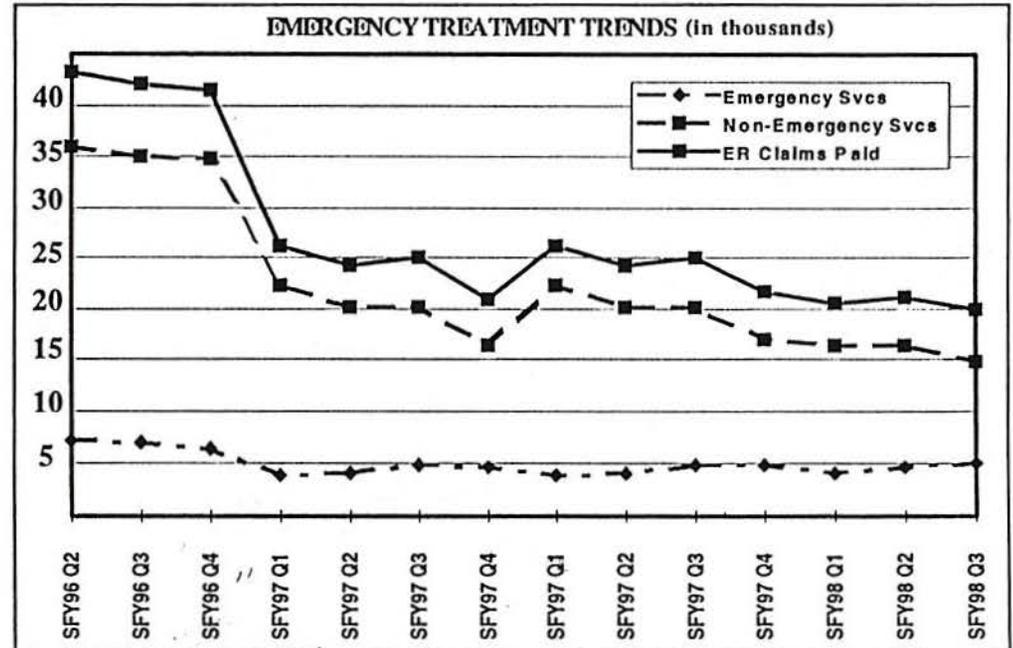
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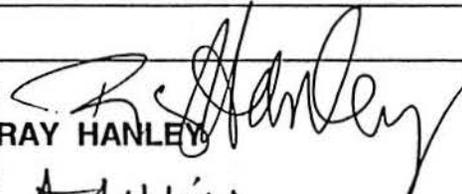
Submission System (AEVCS), which enables providers to electronically confirm each patient's eligibility and submit claims. This system has not only received national recognition, but is also has transformed the way Arkansas' physicians view the Medicaid Program and the 300,000 persons who carry its magnetic striped photo I.D. Card. Other technological efforts allow Providers ready access, via a worldwide web site, to manuals, forms, software, and on-line claims processing.

Managed Care: Our Managed Care effort, the *Arkansas ConnectCare Managed Care Program*, was selected by the Ford Foundation and the Harvard University's Kennedy School of Government as a recipient of the Innovation in American Government Award for 1997. Because we could offer quick, convenient, accurate claims processing through AEVCS, the *ConnectCare Program* has enrolled nearly 1700 primary care physicians, greatly exceeding the initial requirement for primary care physicians at the Program's inception four years ago.

An analysis of the *ConnectCare Program* by the Arkansas Foundation for Medical Care determined that hospital costs have declined, physician visits have risen, and emergency room usage has declined by 50% since the Program's inception. The independent study conducted by the University of Arkansas at Little Rock showed that while physician's visits nearly doubled during its 17-month evaluation, *ConnectCare* created an estimated \$30million savings over the former less structured health care access system. The Chart entitled "Emergency Treatment Trends" depicts the decline in emergency room usage.

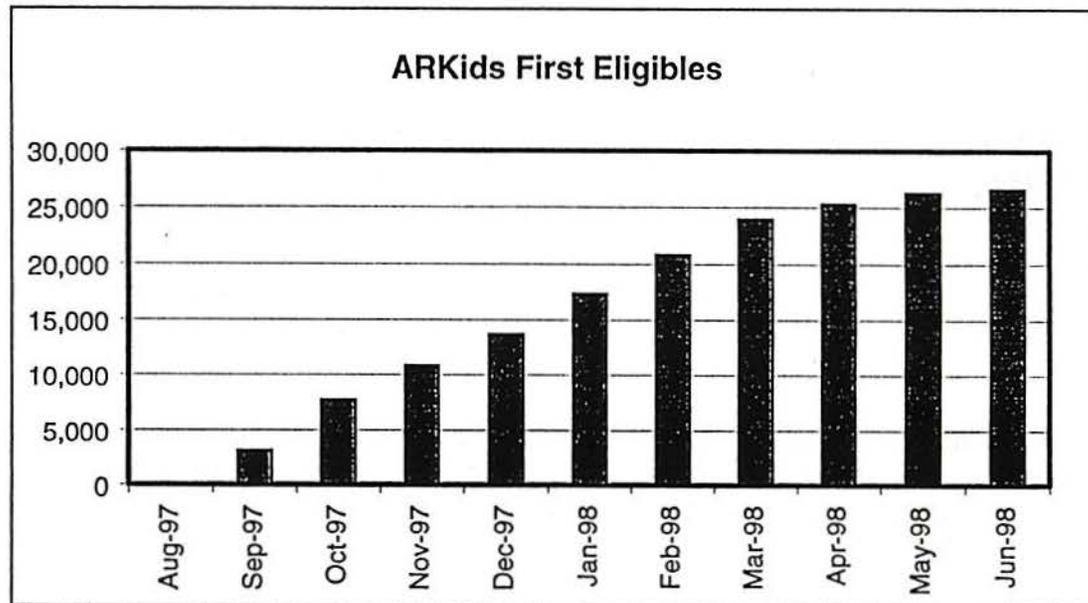


Innovations: On March 10, 1997, Governor Mike Huckabee signed into law historic legislation creating *ARKids First*. This new program allows the children of working families to get the health insurance coverage they need by providing the same

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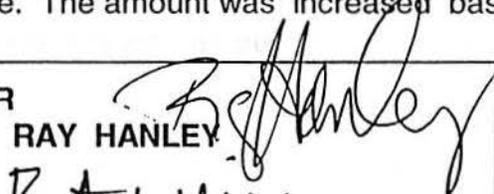
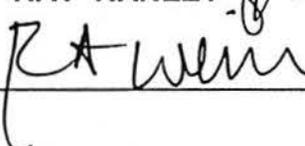
primary-care coverage as Medicaid but slightly less benefits, and requiring copayments for most services. The 'Arkansas Democrat-Gazette' recently editorialized that giving "kids medical attention now prevents larger bills for the taxpayer later". **ARKids First** has made Arkansas the leader among all southern states in health care coverage for children. The final Chart chronicles the utilization of the **ARKids Program** from its inception in the Fall of 1997 through the Spring of 1998. Public awareness efforts have made our Programs, such as **ConnectCare** and **ARKids First**, household names. The Chart entitled "**ARKids First Eligibles**" evidences the increase in participation in the **ARKids First Program**.



CHANGE LEVEL REQUESTS:

While understanding the limited amount of State Dollars available for additional funding levels, the following requests would only partially address the inescapable increases and federal mandates of the Medicaid Program:

Change Level #1: This portion of the request reflects the additional **General Revenue Funding** and the necessary appropriation to adequately fund the Medicaid Program for the current population and program utilization levels for Fiscal Year 1999. Since the Current Fiscal Year Budget translates in to the Base Level for the Biennium, this portion of the request is necessary to provide for estimated Medicaid Program expenditures for FY99, at the projected growth rate. The amount was increased based on a five-year trend analysis,

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resulting in a growth rate of 6.57% for the Hospital/Medical Program, 14.32% for the Prescription Drug Program, and 2.78% for Long Term Care.

Change Level #2: The **ARKids First** initiative was funded by one-time monies that are not factored in the Base Level for the Medicaid Program Funding. An additional \$5.5 million of General Revenue Funding is required each year to continue the ARKids Program.

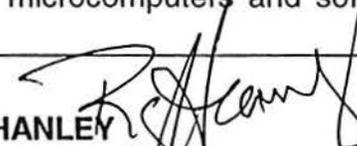
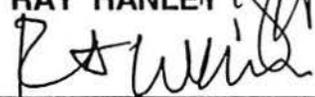
Change Level #3: The Growth of the Medicaid Program is influenced by a number of factors, including the population and program utilization levels, as previously mentioned. This portion of the request addresses growth for the current Medicaid Program during the upcoming Biennium. The projected growth rate was based on a five-year trend analysis, resulting in a rate of 6.57% for the Hospital/Medical Program, 14.32% for the Prescription Drug Program, and 2.78% for Long Term Care Programs.

Change Level #4: The **Federal Medical Assistance Percentage (FMAP%)** changes from year to year. The historical shrinkage in the FMAP% has provided a part of the impetus for our moves toward increasing cost efficiency while maintaining program effectiveness. The Division of Medical Services faces a program shortage of \$5.1 million in FY2000 and \$5.6 million in FY2001, if General Revenue Funding is not allocated to replace the lost Federal Funds.

Change Level #5: The benefits package for the current ARKids First Program includes only \$2,500 of outpatient Mental Health Services per year. Inpatient treatment is not covered. This portion of the request will make mental health coverage, both outpatient and inpatient, a covered service to the extent that the "medical necessity" of the treatment can be proven. This is the same test for medical coverage under the Medicaid State Plan.

Change Level #6: **Act 1025 of 1997** authorized 15 additional beds for the **Arkansas Easter Seals Residential Facility**. Additional appropriation and funding is requested at the blended rate for State Matching to provide for these services.

Change Level #8: The Division of Medical Services **Plan for Information Technology** has been developed with assistance from Electronic Data Systems and the Department of Information Services. The Plan includes a Contingency Pool for Federal Mandates requiring additional hardware, software, and programming services, new microcomputers and software, and upgrading the existing microcomputers and software.

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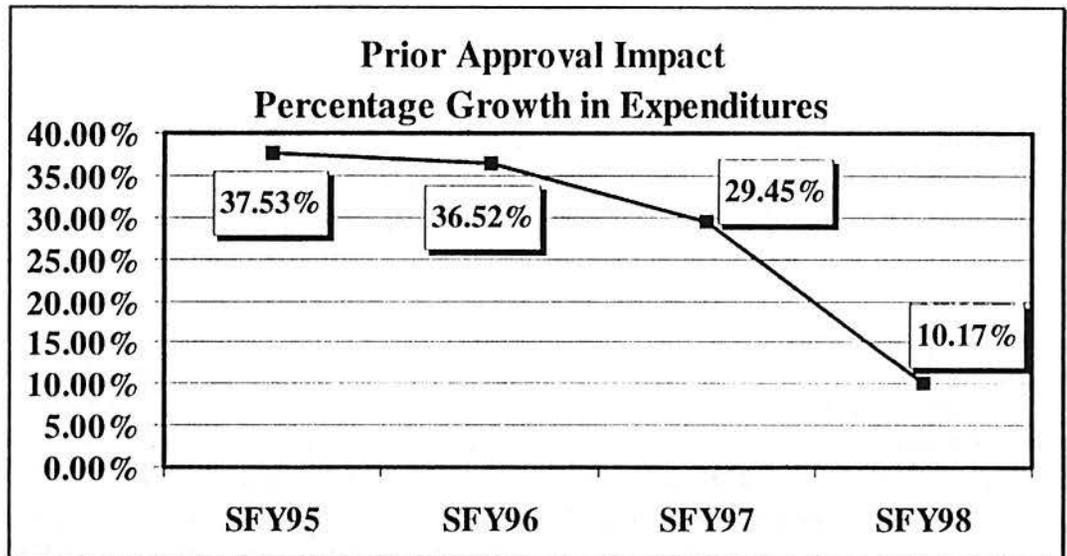
**ARKANSAS BUDGET SYSTEM
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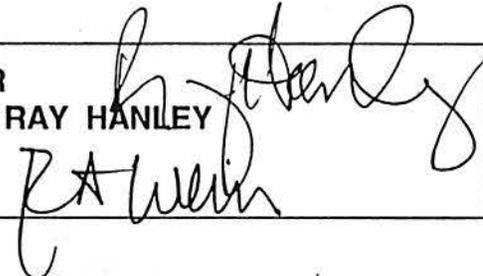
LONG TERM CARE

The Office of Long Term Care prior authorizes nursing facility services, reimburses providers, and inspects facilities to ensure resident care standards are met as required by Federal Medicare, State Medicaid, and State Licensure Programs. Long Term Care facilities include Nursing Facilities, Skilled Nursing Facilities, Intermediate Care Facilities for the Mentally Retarded, Residential Care Facilities, and Adult Day Care Facilities.

CHILDREN'S MEDICAL SERVICES

Children's Medical Services ensures that Arkansas' children with disabilities such as spina bifida and cerebral palsy, and chronic illnesses such as cystic fibrosis reach their greatest potential through direct care services, case management, and family support. A community-based staff develops a community-based system of services for the comprehensive needs of these families with a primary goal to keep family units intact. In an effort to control costs, a Medicaid Prior Approval Process for therapies, medical equipment, and in-home care administered by *Children's Medical Services* was implemented in the fall of 1997. The Chart entitled "Prior Approval Impact/Percentage Growth in Expenditures" evidences the positive effect of the Prior Approval Process.



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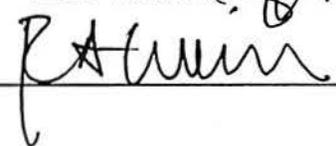
ADMINISTRATION

The **Division of Medical Services** consists of a Director's Office, including Program Planning and Development, and four organizational units: Medical Services, Long Term Care, Children's Medical Services, and Administrative Support. The Medicaid Program is administered by the Offices of Medical Services, Program Planning and Development, and Administrative Support. These Offices set policy and provide funding for the delivery of health services to Medicaid recipients in Arkansas. The Office of Long Term Care sets policy and monitors the delivery of services in private nursing homes, and provides funding through Medicaid for delivery of long term care services in Arkansas. Each of the organizational units provides a variety of informational resources concerning the delivery of program services, and monitors program performance to the end that resources are utilized in the most cost effective and efficient manner. Recognizing the stiff competition for general revenue dollars, and the shrinking Federal Medical Assistance Percentage (FMAP%) have provided the impetus for our moves toward increasing cost efficiency while maintaining program effectiveness. Our staff is constantly faced with doing "more" with "less".

Change Level #1: Our primary concern is to restore some of the technical programmatic positions that were lost in the Base Level for the Biennium when our Personnel Cap was reduced for the FY99 Operating Budget. In the spirit of accomplishing more with less staff, we have limited our request to restore only 19 positions while we reduced our Personnel Cap by 37 positions. These positions while critical to our operation happened to be vacant at the time the Personnel Cap levels were determined. These vacancies existed as a result of normal turnover, but were also due in part to recruiting difficulties in technically oriented, experienced staff in health related professions.

Change Level #2: This portion of the request restores appropriation for the **Federally Funded Respite Care Line Item** which is administered by Children's Medical Services. Respite Care provides support to family caregivers, offering time off from direct care in attempt to maintain family connectivity. The Line Item is currently authorized by a Miscellaneous Federal Grant.

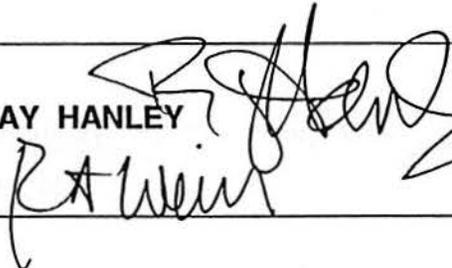
Change Level #8: This request addresses the segment of our request for **Information Technology** Initiatives that will be charged to the Administration Appropriation. The DMS Plan for Information Technology has been developed with assistance from Electronic Data Systems and the Department of Information Services.

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Change Level #9: Career Ladder Incentive Program (CLIP) Requests.

Change Level #10: Reclassification Requests – The impetus of our request is to address the retention difficulty we experience in health care related positions. Our Program Planning Unit, for example, serves as a training and recruitment unit for other Divisions whose comparable positions are paid at higher grade levels. Our Nursing Staff requires higher grades to remain competitive with other State Institutions and Agencies for recruitment, and to retain qualified career employees.

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ARKANSAS BUDGET SYSTEM DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE		1997-99				1999-01				1999-01			
DHS - Division of Medical Services (710)		Expenditures				Biennium Request				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	1997-98	Pos.	1998-99	Pos.	1999-00	Pos.	2000-01	Pos.	1999-00	Pos.	2000-01	Pos.
392	Administration	\$17,452,620	386	\$19,612,595	375	\$21,417,467	394	\$21,459,893	394	\$19,942,200	368	\$20,196,268	368
321	ACH/UAMS Uncompensated Indigent Care	4,934,708		4,934,708		4,934,708		4,934,708		4,934,708		4,934,708	
397	Children's Medical Services - State	1,729,083		1,729,279		1,729,279		1,729,279		1,729,279		1,729,279	
399	Private Nursing Home Care	285,533,691		297,343,654		305,616,244		314,116,008		305,616,244		314,116,008	
401	Infant Infirmary	13,069,680		14,517,215		15,784,359		16,226,148		15,784,359		16,226,148	
402	Public Nursing Home Care	118,354,581		120,665,730		124,020,237		127,467,999		124,020,237		127,467,999	
403	Prescription Drugs	144,601,582		165,702,952		185,879,265		212,491,808		185,879,265		212,491,808	
404	Hospital and Medical Services	896,902,204		898,982,054		995,849,648		1,060,688,298		1,002,486,816		1,067,325,466	
406	Child/Family Life Institute	2,100,000		2,100,000		2,100,000		2,100,000		2,100,000		2,100,000	
408	Children's Medical Services - Federal	357,557		1,377,338		1,377,338		1,377,338		1,377,338		1,377,338	
876	Nursing Home Closure Costs	450		50,000		50,000		50,000		50,000		50,000	
878	Long-Term Care Facility Receivership	0		100,000		100,000		100,000		100,000		100,000	
APPROPRIATION NOT REQUESTED													
1EY ARKids First *													
* Combined with Hospital and Medical Approp.													
TOTALS		\$1,485,036,156	386	\$1,527,115,525	375	\$1,658,858,545	394	\$1,762,741,479	394	\$1,664,020,446	368	\$1,768,115,022	368
Funding Sources			% of		% of		% of		% of		% of		% of
			Total		Total		Total		Total		Total		Total
Fund Balances													
General Revenues		305,137,705	20.5%	313,639,743	20.5%	359,978,663	21.7%	388,622,816	22.1%	357,050,467	21.5%	385,310,285	21.8%
Special Revenues													
Federal Funds		1,072,910,571	72.3%	1,102,187,330	72.2%	1,193,007,244	71.9%	1,268,244,238	71.9%	1,201,137,047	72.2%	1,276,970,700	72.2%
Constitutional Officers Fund													
Merit Adjustment Fund				9,124	0.0%								
Fund Transfer - Medicaid		(250,000)	0.0%										
Cash Funds													
Various Program Assistance		107,237,880	7.2%	111,279,328	7.3%	105,852,304	6.4%	105,853,725	6.0%	105,792,569	6.3%	105,792,569	6.0%
Total Funding		1,485,036,156	100.0%	1,527,115,525	100.0%	1,658,838,211	100.0%	1,762,720,779	100.0%	1,663,980,083	100.0%	1,768,073,554	100.0%
Excess Approp./ (Funding)		0		0		20,334		20,700		40,363		41,468	
TOTAL		\$1,485,036,156		\$1,527,115,525		\$1,658,858,545		\$1,762,741,479		\$1,664,020,446		\$1,768,115,022	
DEPARTMENT				DIRECTOR					DEPARTMENT APPROPRIATION SUMMARY				
Department of Human Services Division of Medical Services				Richard Weiss, Acting Director					BR 40 296				

ARKANSAS BUDGET SYSTEM DEPARTMENT PROGRAM SUMMARY

AGENCY TITLE DEPARTMENT OF HUMAN SERVICES (710) DIVISION OF MEDICAL SERVICES	1997-99 Expenditures				1999-01 Biennium Request				1999-01 Executive Recommendation			
	Actual 1997-98	No. of Pos.	Budgeted 1998-99	No. of Pos.	Year 1 1999-00	No. of Pos.	Year 2 2000-01	No. of Pos.	Year 1 1999-00	No. of Pos.	Year 2 2000-01	No. of Pos.
Director	\$540,308	9	\$660,761	10	\$692,719	10	\$706,449	10	\$678,677	10	\$692,007	10
Children's Medical Services-Admin.	5,247,738	113	5,915,229	114	6,043,604	123	6,011,696	123	\$5,845,950	113	5,809,391	113
Administrative Services-Admin.	1,935,126	33	2,406,117	38	3,150,967	39	2,955,190	39	2,360,782	34	2,393,174	34
Long Term Care-Admin.	6,745,933	137	7,289,752	134	7,816,829	138	7,987,957	138	7,637,209	133	7,804,568	133
Medical Services-Admin.	2,983,965	83	3,490,736	79	3,863,348	84	3,948,601	84	3,569,582	78	3,647,128	78
Grants	1,467,583,086		1,507,352,930		1,637,291,078		1,741,131,586		1,643,928,246		1,747,768,754	
TOTALS	\$1,485,036,156	375	\$1,527,115,525	375	\$1,658,858,545	394	\$1,762,741,479	394	\$1,664,020,446	368	\$1,768,115,022	368
Funding Sources		% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances												
General Revenues	305,137,705	20.5%	313,639,743	20.5%	359,978,663	21.7%	388,622,816	22.1%	357,050,467	21.5%	385,310,285	21.8%
Special Revenues												
Federal Funds	1,072,910,571	72.3%	1,102,187,330	72.2%	1,193,007,244	71.9%	1,268,244,238	71.9%	1,201,137,047	72.2%	1,276,970,700	72.2%
Constitutional Officers Fund												
Merit Adjustment Fund			9,124	0.0%								
Fund Transfer - Medicaid	(250,000)	0.0%										
Cash Funds												
Various Program Support	107,237,880	7.2%	111,279,328	7.3%	105,852,304	6.4%	105,853,725	6.0%	105,792,569	6.3%	105,792,569	6.0%
Total Funding	1,485,036,156	100.0%	1,527,115,525	100.0%	1,658,838,211	100.0%	1,762,720,779	100.0%	1,663,980,083	100.0%	1,768,073,554	100.0%
Excess Appr./ (Funding)	0		0		20,334		20,700		40,363		41,468	
TOTAL	\$1,485,036,156		\$1,527,115,525		\$1,658,858,545		\$1,762,741,479		\$1,664,020,446		\$1,768,115,022	
DEPARTMENT					DIRECTOR				DEPARTMENT PROGRAM SUMMARY			
DEPARTMENT OF HUMAN SERVICES					Richard Weiss, Acting Director				BR 22			
DIVISION OF MEDICAL SERVICES									297			

Note: The variance in the actual number of positions between the Appropriation Summary (BR40) and the Program Summary (BR22) is due to positions that have been paid in more than one cost center.

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

Arkansas Code Annotated §20-77-107 authorizes the Department of Human Services to establish and maintain an indigent medical care program and to enter into separate agreements with the University of Arkansas for Medical Sciences (UAMS) and private institutions to provide medical care for individuals who are indigent in the state. This appropriation provides funding to assist in defraying the cost of providing care to individuals/families unable to pay because of no resources or insurance coverage is less than the charges. Medical services are provided at either the UAMS or Arkansas Children's Hospital. This appropriation is entirely funded by General Revenue. Section 108 of Act 1360 of 1997 requires that distribution of the funds provided herein are provided to Arkansas Children's Hospital in amount equal to 33 1/3% and the balance of funds to the University of Arkansas Medical Sciences.

The Base Level is \$4,934,708 for each year and represents the Agency Request. There are no Change Level requests submitted for this appropriation.

The Executive Recommendation provides for the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: DHS – Division of Medical Services Code: 710	Name: ACH/UAMS Uncompensated Indigent Care Code: 321	Name: DHS – Indigent Health Care Code: DCA	BR20	298

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							99-00	00-01	99-00	00-01
GRANTS/AIDS	4,934,708	4,934,708	4,934,708	4,934,708	0	4,934,708	4,934,708	0	4,934,708	4,934,708	4,934,708		
TOTAL	4,934,708	4,934,708	4,934,708	4,934,708	0	4,934,708	4,934,708	0	4,934,708	4,934,708	4,934,708		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	4,934,708	4,934,708	*****	4,934,708		4,934,708	4,934,708		4,934,708	4,934,708	4,934,708		
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	4,934,708	4,934,708	*****	4,934,708		4,934,708	4,934,708		4,934,708	4,934,708	4,934,708		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	4,934,708	4,934,708	*****	4,934,708		4,934,708	4,934,708		4,934,708	4,934,708	4,934,708		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 321 MEDICAL SERVICES -- ACH/UAMS UNCOMPENSATED INDIGENT CARE
 FUND DCA DHS-INDIGENT HEALTH CARE-(710)

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

Act 348 of 1985 authorized the reorganization of the Department of Human Services. As part of this reorganization, the Division of Social Services became the Division of Economic and Medical Services. Act 164 of 1995 eliminated the Division of Economic and Medical Services, creating the Division of Medical Services, while functions at the county level were assigned to the Division of County Operations (formerly the Division of Program Operations).

The Division of Medical Services' primary responsibility is management of the Arkansas Medicaid program which was created by the passage of Title XIX of the Social Security Act of 1965, with Arkansas implementing the program in 1970.

The Division has four (4) distinct organizational units:

Medical Services: The Office of Medical Services includes the Prescription Drug Program, Utilization Review, Medical Assistance and Field Audit. The Prescription Drug Program is an optional Medicaid benefit; however, it is mandatory for the maintenance of the health and welfare of over 100,000 monthly recipients. Utilization Review and Field Audit monitors the quality and efficiency of care to ensure that recipients of Medicaid benefits do not receive less quality service(s) than individuals utilizing private insurance. The Medical Assistance office administers the Vision; Dental; and Early, Periodic, Screening, Diagnostic and Treatment (EPSDT) programs. Vision services cover a limited number of examinations and glasses annually. Prior approval is required for medically necessary replacements and repair of glasses. Extended benefits are available for children under 21 who are in the EPSDT Program. Dental Services are covered for most services for recipients under 21 years of age in the EPSDT program. Prior approval is required for some procedures and there is no benefit limit for those under 21. Benefits limits are established for medical services provided by a dentist but no limit on surgical procedures provided by a dentist. EPSDT is a mandatory Medicaid service for recipients under 21 years of age and covers comprehensive health services.

Long Term Care: The role of the Office of Long Term Care (OLTC) is to ensure that persons who receive services in long term care facilities receive appropriate care and services in a safe and secure environment. Long term care facilities include Nursing Facilities, Skilled Nursing Facilities, Intermediate Care Facilities for the Mentally Retarded, Residential Care Facilities and Adult Day Care Facilities. Medical need must be established by the referring physician and approved by OLTC nursing or physician staff prior to payment. OLTC is responsible for the inspection, licensure, monitoring and standards enforcement of the long term care facilities in

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	300

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

the State. There are 411 facilities currently licensed by the OLTC with annual licensure renewal required. OLTC further provides investigations of resident and family complaints against the facility and includes allegations of abuse.

Children's Medical Services: Children's Medical Services provides services to families who have children with disabilities and chronic illnesses, birth -18 years of age. The Office has an extensive community based program of thirty (30) service teams available to assist families at the local level with the goal of keeping families together by providing the assistance to care for their children in the home.

Administrative Support Services: Administrative Services includes financial activities such as program and operational budgeting, expenditure monitoring and evaluation; administrative support such as personnel management, contracts, requests for proposals and interagency agreements, reports and analysis; and systems and support which is responsible for Medicaid Management Information System (MMIS). This automated system is the mechanism used for processing claims paid through the Medicaid Program. Claims processing and maintenance of this system is contracted to Electronic Data Systems. Third Party Liability pursues the payments of non-Medicaid resources of Medicaid patients.

The automated system has evolved to the Automated Eligibility Verification Claims System (AEVCS). The State working in conjunction with Electronic Data Systems developed AEVCS. Each Medicaid recipient receives a magnetic strip card that the physician uses with a computer and eligibility and benefits are automatically verified. Claims are transmitted within seconds and payments go directly to the provider within a couple of days. Staff report that if a claim is sent in on Friday night the physician will be reimbursed by Monday night.

In an effort to contain costs while providing access to health care, Arkansas has moved toward managed care. The Arkansas Medicaid managed care program is known as ConnectCare. Each of the approximately 145,000 recipients has selected a primary care physician from a list of physicians who have volunteered for participation in the program. Physicians may have a maximum caseload of 1,000 and with the estimated 1,750 physicians enrolled. Benefits of ConnectCare are patients ability to select his or her own physician as do non-Medicaid patients; establishment of physician and patient medical relationships for treatment services and preventative care; a marked decrease in emergency room care for routine illnesses. The ARKidsFirst program is also an enhancement of the ConnectCare program by adding children in households below 200% of poverty. ARKidsFirst program is explained in further

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	301

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
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detail in the Medicaid Appropriation summary. The ConnectCare program is a 1997 winner of an Innovations in American Government award sponsored by the Ford Foundation and The John F. Kennedy School of Government. In a recently completed survey of the program by the Arkansas Foundation for Medical Care, over 3,000 recipients and guardians of children under 21 years of age report satisfaction with the system, services and access. According to the Division Director, "Arkansas is the first state in the country to have a fully-implemented statewide program like this in operation."

This appropriation provides for the administrative function of the Division's operations and contains 375 Base Level positions. The Base Level is \$20,152,132 in FY00 with General Revenue of \$4,923,486 and \$20,565,080 in FY01 with General Revenue of \$5,035,808 and includes a 2.8% cost of living increase over FY99 salary levels and related personal services matching costs. Federal funding is provided through the U. S. Department of Health and Human Services, Health Care Finance Administration, with the State/Federal ratio being 27.33% and 72.67% respectively for FY99. For a more accurate representation of reimbursement on a fiscal year basis, the Division utilizes what is known as a blended matching rate. The blended rate is necessary to account for the difference in the Federal Fiscal Year and the State Fiscal Year and determined by taking an average of the rate for the last quarter of the FFY and the rate for the new FFY times three. The state/federal blended ratio for FY99 is 27.29% and 72.71%. Other federal funding is also utilized to support the administrative functions of the program and is derived from areas such as Title V Maternal and Child Health Block Grants and Medicare. Other funds are derived from Third Party Liability Recovery and Long Term Care Licensure Fees .

Change Levels total \$1,265,335 in FY00 with General Revenue of \$280,033 and in FY01 \$894,813 with General Revenue of \$212,717. Specific requests are as follows:

- ◆ Restoration of nineteen (19) positions for flexibility with total Salary and Personal Services Matching of \$457,983 in FY00 and \$469,106 in FY01 and additional General Revenue of \$106,333 and \$108,917 in FY00 and FY01 respectively;
- ◆ Increase \$579,000 in FY00 and \$346,000 in FY01 for Information Technology with General Revenue requested to support this request in the amount of \$173,700 in FY00 and \$103,800 in FY01. This request addresses the administrative portion of the overall Divisional request for Information Technology and includes hardware, software, programming services and system upgrades. This request is included in the Divisions overall technology plan and was developed with assistance from The Department of Information

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	302

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
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Systems and Electronic Data Systems which is the contractor for payment of Medicaid Claims;

- ◆ Appropriation only is submitted for Salary and Personal Services Matching totaling \$45,290 in FY00 and \$45,713 in FY01 to accommodate the Career Ladder Incentive Program;
- ◆ Reclassification of positions is requested due to recruitment and retention difficulties for a total of \$33,062 in FY00 and \$33,994 in FY01 for Salary and Personal Services Matching.
- ◆ Increase in appropriation of \$150,000 in FY00 is requested for Respite Care in the Children's Medical Services Section. Currently, this appropriation is authorized by a Miscellaneous Federal Grant and provides respite care for families who need temporary relief from caring for a child so that child may remain in his or her own home.

The Executive Recommendation provides for Base Level and additional appropriation totaling \$150,000 for Respite Care, as reduced by restructuring actions necessary to accurately reflect the recent Resource Reallocation request presented to the Legislative Council's PEER Subcommittee. This restructuring has entailed the following realignments moving authorization to the Division of Administrative Services:

TRANSFERRED TO THE DIVISION OF ADMINISTRATIVE SERVICES:

	# POS	REG SAL	MATCHING	OPER EXP	TRAVEL	TOTAL*	GEN REV FUNDS
FY 2000	7	\$301,655	\$76,332	\$20,904	\$1,404	\$400,295	\$136,100
FY 2001	7	\$310,100	\$77,872	\$20,904	\$1,404	\$410,280	\$139,495

**Balance of appropriation moved was federally funded*

Further, the Career Ladder Incentive program (CLIP) requests reflected in the Division's budget are intended to provide appropriate job classifications which may be utilized to promote classified employees who complete competency-based criteria during the biennium. The Executive Recommendation may reflect an adjustment in the requested CLIP levels for certain positions. These changes are to

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	303

**ARKANSAS BUDGET SYSTEM
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indicate the maximum job classification to which an employee would be expected to progress within the new biennium, based on the experience and other competency-based criteria required under the Program.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: DHS-Division of Medical Services Code: 710	Name: Medical Services-Operations Code: 392	Name: DHS Economic and Medical Services Code: DEM	BR20	304

ARKANSAS BUDGET SYSTEM

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

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	99-00		00-01		00-01		EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	99-00	00-01	99-00	00-01
REGULAR SALARIES	10,512,644	11,819,808	12,618,931	12,397,544	399,147	12,796,691	12,744,665	409,644	13,154,309	12,129,242	12,468,850		
NUMBER OF POSITIONS	386	375	410	375	19	394	375	19	394	368	368		
EXTRA HELP	47,936	126,897	126,892	126,892	0	126,892	126,892	0	126,892	126,892	126,892		
NUMBER OF POSITIONS	7	7	7	7	0	7	7	0	7	7	7		
PERSONAL SERV MATCHING	2,782,403	3,171,334	3,780,422	3,569,135	137,188	3,706,323	3,634,962	139,169	3,774,131	3,499,813	3,564,273		
OVERTIME	0	5,000	5,000	5,000	0	5,000	5,000	0	5,000	5,000	5,000		
OPERATING EXPENSES	3,011,728	3,082,938	2,882,938	3,082,938	0	3,082,938	3,082,938	0	3,082,938	3,062,034	3,062,034		
CONF FEES & TRAVEL	180,990	261,691	236,691	261,691	0	261,691	261,691	0	261,691	260,287	260,287		
PROF FEES & SERVICES	34,688	355,132	355,132	355,132	0	355,132	355,132	0	355,132	355,132	355,132		
CAPITAL OUTLAY	550,553	236,000	236,000	0	0	0	0	0	0	0	0		
DATA PROCESSING SERVICES	151,672	353,800	153,800	353,800	579,000	932,800	353,800	346,000	699,800	353,800	353,800		
RESPIRE CARE SERVICES	+ 180,006	+ 200,000	0	0	150,000	150,000	0	0	0	150,000	0		
TOTAL	17,452,620	19,612,595	20,395,806	20,152,132	1,265,335	21,417,467	20,565,080	894,813	21,459,893	19,942,200	20,196,268		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	4,022,748	4,771,590	*****	4,923,486	280,033	5,203,519	5,035,808	212,717	5,248,525	4,787,386	4,896,313		
SPECIAL REVENUES			*****										
FEDERAL FUNDS	13,015,950	12,794,043	*****	13,177,567	905,233	14,082,800	13,478,193	600,240	14,078,433	13,063,372	13,207,408		
MERIT ADJUSTMENT FUND		9,124	*****										
FUND TRANSFER FOR MEDICAID	(250,000)		*****										
CASH FUNDS			*****										
VARIOUS PROGRAM SUPPORT	663,922	2,037,838	*****	2,951,079	59,735	2,110,814	2,951,079	61,156	2,112,235	2,051,079	2,051,079		
TOTAL FUNDING	17,452,620	19,612,595	*****	20,152,132	1,245,001	21,397,133	20,565,080	874,113	21,439,193	19,901,837	20,154,800		
EXCESS APPRO/ (FUNDING)			*****		20,334	20,334		20,700	20,700	40,363	41,468		
TOTAL	17,452,620	19,612,595	*****	20,152,132	1,265,335	21,417,467	20,565,080	894,813	21,459,893	19,942,200	20,196,268		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 392 MEDICAL SERVICES - OPERATIONS
 FUND PMP DHS-(710)ADMIN PAYING

LINE ITEMS IN WHICH ACTUAL OR BUDGETED AMOUNTS EXCEED THE AUTHORIZED LEVELS HAVE BEEN INCREASED THROUGH THE TRANSFER AUTHORITY GRANTED TO THE DEPARTMENT IN ARKANSAS CODE ANNOTATED § 25-10-112.

APPROPRIATION SUMMARY

BR 215

* Appropriation established through the authority of the Miscellaneous Federal Grant Provisions

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-----		-----1999 - 01 BIENNIUM REQUESTS-----				-----R E C O M M E N D A T I O N S-----								
					ACTUAL	BUDGETED	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE						
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01							
000		PWP	710 392	B	17,452,620 386	19,612,595 375	20,152,132 375			20,565,080 375				19,792,200 368	20,196,268 368				
<p>The Division of Medical Services' Personnel Cap was reduced for the FY99 Operating Budget by 37 positions. In the spirit of accomplishing more with less staff, our request to restore currently authorized positions is limited to 19 positions. These positions, while critical to our operation, happened to be vacant at the time the Personnel Cap levels were determined. These vacancies existed as a result of normal turnover, but were also due in part to recruiting difficulties in technically oriented, experienced staff in health related professions. The total cost equals \$457,893 in FY2000 and \$469,106 in FY2001, with approximately half contributed by General Revenue Funding.</p>																			
001		PWP	710 392 400 60 CHILDRENS MEDICAL SERVICES	C01			167,346 9			171,243 9									
<p>The Division of Medical Services' Personnel Cap was reduced for the FY99 Operating Budget by 37 positions. In the spirit of accomplishing more with less staff, our request to restore currently authorized positions is limited to 19 positions. These positions, while critical to our operation, happened to be vacant at the time the Personnel Cap levels were determined. These vacancies existed as a result of normal turnover, but were also due in part to recruiting difficulties in technically oriented, experienced staff in health related professions. The total cost equals \$457,893 in FY2000 and \$469,106 in FY2001, with approximately half contributed by General Revenue Funding.</p>																			
001		PWP	710 392 400 70 ADMINISTRATIVE SERVICES	C01			28,653 1			29,364 1									
<p>The Division of Medical Services' Personnel Cap was reduced for the FY99 Operating Budget by 37 positions. In the spirit of accomplishing more with less staff, our request to restore currently authorized positions is limited to 19 positions. These positions, while critical to our operation, happened to be vacant at the time the Personnel Cap levels were determined. These vacancies existed as a result of normal turnover, but were also due in part to recruiting difficulties in technically oriented, experienced staff in health related professions. The total cost equals \$457,893 in FY2000 and \$469,106 in FY2001, with approximately half contributed by General Revenue Funding.</p>																			

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

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FUND PWP DHS-(710)ADMIN PAYING

ARKANSAS BUDGET SYSTEM

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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		1999 - 01 BIENNIUM REQUESTS						R E C O M M E N D A T I O N S					
					ACTUAL	BUDGETED	FY 1999 - 00		FY 2000 - 01				EXECUTIVE		LEGISLATIVE			
					97-98	98-99	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01		
001		PWP	710 392 400 70 ADMINISTRATIVE SERVICES	C10			9,217 0					9,475 0						
<p>The impetus of our request is to address the retention difficulty we experience in health care related positions. Our Program Planning Unit serves as a training and recruitment unit for other Divisions whose comparable positions are paid at higher grade levels. Our Nursing Staff requires higher grades to remain competitive with other State Institutions and Agencies for recruitment and to retain qualified career employees.</p>																		
001		PWP	710 392 400 80 LONG TERM CARE	C01			126,618 4					129,799 4						
<p>The Division of Medical Services' Personnel Cap was reduced for the FY99 Operating Budget by 37 positions. In the spirit of accomplishing more with less staff, our request to restore currently authorized positions is limited to 19 positions. These positions, while critical to our operation, happened to be vacant at the time the Personnel Cap levels were determined. These vacancies existed as a result of normal turnover, but were also due in part to recruiting difficulties in technically oriented, experienced staff in health related professions. The total cost equals \$457,893 in FY2000 and \$469,106 in FY2001, with approximately half contributed by General Revenue Funding.</p>																		
001		PWP	710 392 400 90 MEDICAL SERVICES	C04			135,366 5					138,700 5						
<p>The Division of Medical Services' Personnel Cap was reduced for the FY99 Operating Budget by 37 positions. In the spirit of accomplishing more with less staff, our request to restore currently authorized positions is limited to 19 positions. These positions, while critical to our operation, happened to be vacant at the time the Personnel Cap levels were determined. These vacancies existed as a result of normal turnover, but were also due in part to recruiting difficulties in technically oriented, experienced staff in health related professions. The total cost equals \$457,893 in FY2000 and \$469,106 in FY2001, with approximately half contributed by General Revenue Funding.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRD 392 MEDICAL SERVICES - OPERATIONS
 FUND PWP DHS-(710)ADHIN PAYING

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ARKANSAS BUDGET SYSTEM

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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-----		-----1999 - 01 BIENNIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					---ACTUAL--- --BUDGETED---		-----FY 1999 - 00-----			-----FY 2000 - 01-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					97-98	98-99	REQUEST	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01					
002		PWP	710 392 400 60 CHILDRENS MEDICAL SERVICES	C02			150,000 0					0 0		150,000				
<p>This portion of the request is to provide temporary child care for families of children with disabilities. The Respite Care Line Item was authorized by Miscellaneous Federal Grant for the Current Biennium. The request is to continue the authorization for one more year. Funding is provided by Federal Funds.</p>																		
003		PWP	710 392 400 70 ADMINISTRATIVE SERVICES	C08			579,000 0					346,000 0						
<p>The Division of Medical Services Plan for Information Technology has been developed with assistance from our Fiscal Agent, Electronic Data Systems (EDS) and the Department of Information Systems. The Plan includes a Contingency Pool for Federal Mandates requiring additional hardware, software, and programming services, new microcomputers and software, and upgrading the existing microcomputers and software. The General Revenue Funding Requirement for Information Technology totals \$173,700 in FY2000 and \$103,800 in FY2001.</p>																		
004		PWP	710 392 400 50 DMS DIRECTOR	C10			14,042 0					14,442 0						
<p>The impetus of our request is to address the retention difficulty we experience in health care related positions. Our Program Planning Unit serves as a training and recruitment unit for other Divisions whose comparable positions are paid at higher grade levels. Our Nursing Staff requires higher grades to remain competitive with other State Institutions and Agencies for recruitment and to retain qualified career employees.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 392 MEDICAL SERVICES - OPERATIONS
 FUND PWP DHS-(710)ADMIN PAYING

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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		1999 - 01 BIENNIIUM REQUESTS						R E C O M M E N D A T I O N S					
					ACTUAL 97-98	BUDGETED 98-99	FY 1999 - 00 REQUEST		FY 2000 - 01 REQUEST				EXECUTIVE		LEGISLATIVE			
004		PWP	710 392 400 80 LONG TERM CARE	C09			15,273 0					14,883 0						
<p>This portion of the request addresses our participation in the Career Ladder Incentive Program. This initial phase of the Career Ladder Incentive Program is primarily limited to the Clerical Positions authorized for the Division of Medical Services.</p>																		
004		PWP	710 392 400 80 LONG TERM CARE	C10			3,516 0					3,615 0						
<p>The impetus of our request is to address the retention difficulty we experience in health care related positions. Our Program Planning Unit serves as a training and recruitment unit for other Divisions whose comparable positions are paid at higher grade levels. Our Nursing Staff requires higher grades to remain competitive with other State Institutions and Agencies for recruitment and to retain qualified career employees.</p>																		
004		PWP	710 392 400 90 MEDICAL SERVICES	C09			20,163 0					20,722 0						
<p>This portion of the request addresses our participation in the Career Ladder Incentive Program. This initial phase of the Career Ladder Incentive Program is primarily limited to the Clerical Positions authorized for the Division of Medical Services.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 392 MEDICAL SERVICES - OPERATIONS
 FUND PWP DHS-(710)ADMIN PAYING

RANK BY APPROPRIATION
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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-----		-----1999 - 01 BIENNIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					-----ACTUAL-----		-----FY 1999 - 00-----		-----FY 2000 - 01-----		-----EXECUTIVE-----		-----LEGISLATIVE-----					
					97-98	BUDGETED	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
004		PWP	710 392 400 60 CHILDRENS MEDICAL SERVICES	C09			2,739 0			2,797 0								
<p>This portion of the request addresses our participation in the Career Ladder Incentive Program. This initial phase of the Career Ladder Incentive Program is primarily limited to the Clerical Positions authorized for the Division of Medical Services.</p>																		
004		PWP	710 392 400 60 CHILDRENS MEDICAL SERVICES	C10			6,287 0			6,462 0								
<p>The impetus of our request is to address the retention difficulty we experience in health care related positions. Our Program Planning Unit serves as a training and recruitment unit for other Divisions whose comparable positions are paid at higher grade levels. Our Nursing Staff requires higher grades to remain competitive with other State Institutions and Agencies for recruitment and to retain qualified career employees.</p>																		
004		PWP	710 392 400 70 ADMINISTRATIVE SERVICES	C09			7,115 0			7,311 0								
<p>This portion of the request addresses our participation in the Career Ladder Incentive Program. This initial phase of the Career Ladder Incentive Program is primarily limited to the Clerical Positions authorized for the Division of Medical Services.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 392 MEDICAL SERVICES - OPERATIONS
 FUND PWP DHS-(710)ADHIN PAYING

RANK BY APPROPRIATION
 BR 264

ARKANSAS BUDGET SYSTEM

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

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	CHANGE		TOTAL	CHANGE		TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	LEVEL	REQUEST	BASE	LEVEL	REQUEST	99-00	00-01	99-00	00-01
GRANTS/AIDS	1,729,083	1,729,279	1,729,279	1,729,279	0	1,729,279	1,729,279	0	1,729,279	1,729,279	1,729,279		
TOTAL	1,729,083	1,729,279	1,729,279	1,729,279	0	1,729,279	1,729,279	0	1,729,279	1,729,279	1,729,279		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	1,729,083	1,729,279	*****	1,729,279		1,729,279	1,729,279		1,729,279	1,729,279	1,729,279		
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	1,729,083	1,729,279	*****	1,729,279		1,729,279	1,729,279		1,729,279	1,729,279	1,729,279		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	1,729,083	1,729,279	*****	1,729,279		1,729,279	1,729,279		1,729,279	1,729,279	1,729,279		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 397 MEDICAL SERVICES -- CHILDREN'S MEDICAL SERVICES -- STATE
 FUND DGF DHS GRANTS FUND-(710)

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

MEDICAID OVERVIEW

Title XIX of the Social Security Act provides for federal grants to states for medical assistance programs. Title XIX was approved in 1965 and is more familiarly known as Medicaid. The Medicaid program is a joint state and federal program that provides necessary medical services to eligible persons who are not able to pay for such services. Because of the numerous optional programs available under Medicaid, each states Medicaid program is different even though each state participates in the program. Arkansas is unique in that Act 280 of 1939 and Act 416 of 1977 authorized the State to establish and maintain a medical care program for the indigent and directed the Department of Human Services as the responsible agency. The early enactment of Act 280 put Arkansas in the forefront in establishment of services for individuals who could not afford needed medical assistance. The program is currently an entitlement for those deemed eligible and is financed with General Revenues, Title XIX-Medicaid, through the U. S. Department of Health and Human Services, Health Care Financing Administration with Other Funding from The Soft Drink Tax and Transfers from DHS Divisions of Developmental Disabilities, Aging and Adult Services and Children and Family Services as well as The Department of Health, Education and University of Arkansas Medical Sciences. The Soft Drink Tax was created by Act 7 of 1992 for the express purpose of supporting the Medicaid Program. The Arkansas Medicaid Program Trust Fund as authorized in Arkansas Code Annotated § 19-5-985 consists of all revenues derived from taxes levied on soft drinks sold in Arkansas. The Soft Drink Tax was enacted to replace the Medicaid Excise tax on service providers. This was a self imposed tax that the Secretary of the U. S. Department of Health and Human Services determined was not a permissible health care related tax, therefore the tax expired on June 30, 1993. Funds utilized from the Medicaid Trust Fund in FY97 totaled \$37,563,153 and \$49,803,295 in FY98. The DHS is projecting utilization of \$50,328,000 in FY99.

Eligibility for the program is determined at the local level and the DHS County Offices or District Social Security Offices. Medicaid operates as a vendor payment program with payments 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 federal 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. Persons in the following categories are eligible for Medicaid:

- Persons receiving Supplemental Security Income (SSI)-persons 65 years of age and blind or disabled adults and children. (SSI is determined by the Social Security Administration)

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services	Name: Medical Services Various Appropriations	Name: DHS Grants Fund	BUDGET REQUEST	314
Code: 710	Code: 399,401,402,403,404	Code: DGF	BR20	

DHS - MEDICAID PROGRAM - AGENCY REQUEST

PROGRAM/PRIMARY FUNDING SOURCE	FY98 EXPENDITURES	FY99 ALLOCATION	FY00 REQUEST				FY01 REQUEST			
			Base Level	Changes	Total	FY99-00 % Inc	Base Level	Changes	Total	FY00-01 % Inc
Private Nursing Home Care	\$285,533,691	\$297,343,654	\$297,343,654	\$8,272,590	\$305,616,244	2.8%	297,343,654	16,772,354	\$314,116,008	5.6%
FUNDING SOURCES										
General Revenue	64,793,067	80,965,160	80,965,160	3,293,152	84,258,312	4.1%	80,965,160	5,744,937	86,710,097	7.1%
Federal Funds	207,986,327	\$216,366,607	\$216,366,607	\$4,979,438	221,346,045	2.3%	216,366,607	11,027,417	227,394,024	5.1%
Other Funds	12,754,297	11,887	11,887	0	11,887	0.0%	11,887	0	11,887	0.0%
TOTAL FUNDING	\$285,533,691	297,343,654	297,343,654	8,272,590	305,616,244	2.8%	297,343,654	16,772,354	314,116,008	5.6%
Infant Infirmary	\$13,069,680	\$14,517,215	\$14,517,215	\$1,267,144	\$15,784,359	8.7%	14,517,215	1,708,933	\$16,226,148	11.8%
FUNDING SOURCES										
General Revenue	3,148,704	3,929,810	3,929,810	394,464	4,324,274	10.0%	3,929,810	521,423	4,451,233	13.3%
Federal Funds	9,534,076	\$10,587,405	\$10,587,405	\$872,680	11,460,085	8.2%	10,587,405	1,187,510	11,774,915	11.2%
Other Funds	386,900	0	0	0	0	#DIV/0!	0	0	0	#DIV/0!
TOTAL FUNDING	\$13,069,680	14,517,215	14,517,215	1,267,144	15,784,359	8.7%	14,517,215	1,708,933	16,226,148	11.8%
Public Nursing Home Care	\$118,354,581	\$120,665,730	\$120,665,730	\$3,354,507	\$124,020,237	2.8%	120,665,730	6,802,269	\$127,467,999	5.6%
FUNDING SOURCES										
General Revenue	2,233,094	2,202,201	2,202,201	1,335,695	3,537,896	60.7%	2,202,201	2,330,240	4,532,441	105.8%
Federal Funds	86,341,888	\$88,001,517	\$88,001,517	\$2,018,812	90,020,329	2.3%	88,001,517	4,472,029	92,473,546	5.1%
Other Funds	29,779,599	30,462,012	30,462,012	0	30,462,012	0.0%	30,462,012	0	30,462,012	0.0%
TOTAL FUNDING	\$118,354,581	120,665,730	120,665,730	3,354,507	124,020,237	2.8%	120,665,730	6,802,269	127,467,999	5.6%
Prescription Drugs	\$144,601,582	\$165,702,952	\$165,702,952	\$20,176,313	\$185,879,265	12.2%	165,702,952	46,788,856	\$212,491,808	28.2%
FUNDING SOURCES										
General Revenue	26,140,534	39,657,064	39,657,064	6,048,966	45,706,030	15.3%	39,657,064	13,337,074	52,994,138	33.6%
Federal Funds	105,324,708	\$120,845,888	\$120,845,888	\$14,127,347	134,973,235	11.7%	120,845,888	33,451,782	154,297,670	27.7%
Other Funds	12,936,340	5,200,000	5,200,000	0	5,200,000	0.0%	5,200,000	0	5,200,000	0.0%
TOTAL FUNDING	\$144,601,582	165,702,952	165,702,952	20,176,313	185,879,265	12.2%	165,702,952	46,788,856	212,491,808	28.2%
Hospital & Medical Services	\$896,902,204	\$898,982,054	\$898,982,054	\$96,867,594	\$995,849,648	10.8%	898,982,054	161,706,244	\$1,060,688,298	18.0%
FUNDING SOURCES										
General Revenue	196,035,767	173,349,931	173,349,931	34,834,714	208,184,645	20.1%	173,349,931	52,572,464	225,922,395	30.3%
Federal Funds	650,150,065	\$652,214,532	\$652,214,532	\$67,532,880	719,747,412	10.4%	652,214,532	114,633,780	766,848,312	17.6%
Other Funds	50,716,372	73,417,591	73,417,591	(5,500,000)	67,917,591	-7.5%	73,417,591	(5,500,000)	67,917,591	-7.5%
TOTAL FUNDING	\$896,902,204	898,982,054	898,982,054	96,867,594	995,849,648	10.8%	898,982,054	161,706,244	1,060,688,298	18.0%
TOTAL MEDICAID BUDGET	\$1,458,461,738	\$1,497,211,605	\$1,497,211,605	\$129,938,148	\$1,627,149,753	8.7%	\$1,497,211,605	\$233,778,656	\$1,730,990,261	15.6%
TOTAL FUNDING SOURCES										
General Revenue	\$292,351,166	\$300,104,166	\$300,104,166	\$45,906,991	\$346,011,157	15.3%	\$300,104,166	\$74,506,138	\$374,610,304	24.8%
Federal Funds	\$1,059,537,064	\$1,088,015,949	\$1,088,015,949	\$89,531,157	\$1,177,547,106	8.2%	\$1,088,015,949	\$164,772,518	\$1,252,788,467	15.1%
Other Funds	\$106,573,508	\$109,091,490	\$109,091,490	(\$5,500,000)	\$103,591,490	-5.0%	\$109,091,490	(\$5,500,000)	\$103,591,490	-5.0%
TOTAL FUNDING	\$1,458,461,738	\$1,497,211,605	\$1,497,211,605	\$129,938,148	\$1,627,149,753	8.7%	\$1,497,211,605	\$233,778,656	\$1,730,990,261	15.6%
Hospital & Medical includes ARKKidsFirst										

DHS - MEDICAID PROGRAM - EXECUTIVE RECOMMENDATION

PROGRAM/PRIMARY FUNDING SOURCE	FY98 EXPENDITURES	FY99 ALLOCATION	FY00 REQUEST				FY01 REQUEST			
			Base Level	Changes	Total	FY99-00 % Inc	Base Level	Changes	Total	FY00-01 % Inc
Private Nursing Home Care	\$285,533,691	\$297,343,654	\$297,343,654	\$8,272,590	\$305,616,244	2.8%	297,343,654	16,772,354	\$314,116,008	5.6%
FUNDING SOURCES										
General Revenue	64,793,067	80,965,160	80,965,160	2,381,828	83,346,988	2.9%	80,965,160	4,686,964	85,652,124	5.8%
Federal Funds	207,986,327	\$216,366,607	\$216,366,607	\$5,890,762	222,257,369	2.7%	216,366,607	12,085,390	228,451,997	5.6%
Other Funds	12,754,297	11,887	11,887	0	11,887	0.0%	11,887	0	11,887	0.0%
TOTAL FUNDING	\$285,533,691	297,343,654	297,343,654	8,272,590	305,616,244	2.8%	297,343,654	16,772,354	314,116,008	5.6%
Infant Infirmary	\$13,069,680	\$14,517,215	\$14,517,215	\$1,267,144	\$15,784,359	8.7%	14,517,215	1,708,933	\$16,226,148	11.8%
FUNDING SOURCES										
General Revenue	3,148,704	3,929,810	3,929,810	350,908	4,280,718	8.9%	3,929,810	470,722	4,400,532	12.0%
Federal Funds	9,534,076	\$10,587,405	\$10,587,405	\$916,236	11,503,641	8.7%	10,587,405	1,238,211	11,825,616	11.7%
Other Funds	386,900	0	0	0	0	#DIV/0!	0	0	0	#DIV/0!
TOTAL FUNDING	\$13,069,680	14,517,215	14,517,215	1,267,144	15,784,359	8.7%	14,517,215	1,708,933	16,226,148	11.8%
Public Nursing Home Care	\$118,354,581	\$120,665,730	\$120,665,730	\$3,354,507	\$124,020,237	2.8%	120,665,730	6,802,269	\$127,467,999	5.6%
FUNDING SOURCES										
General Revenue	2,233,094	2,202,201	2,202,201	970,075	3,172,276	44.1%	2,202,201	1,905,108	4,107,309	86.5%
Federal Funds	86,341,888	\$88,001,517	\$88,001,517	\$2,384,432	90,385,949	2.7%	88,001,517	4,897,161	92,898,678	5.6%
Other Funds	29,779,599	30,462,012	30,462,012	0	30,462,012	0.0%	30,462,012	0	30,462,012	0.0%
TOTAL FUNDING	\$118,354,581	120,665,730	120,665,730	3,354,507	124,020,237	2.8%	120,665,730	6,802,269	127,467,999	5.6%
Prescription Drugs	\$144,601,582	\$165,702,952	\$165,702,952	\$20,176,313	\$185,879,265	12.2%	165,702,952	46,788,856	\$212,491,808	28.2%
FUNDING SOURCES										
General Revenue	26,140,534	39,657,064	39,657,064	5,553,393	45,210,457	14.0%	39,657,064	12,770,715	52,427,779	32.2%
Federal Funds	105,524,708	\$120,845,888	\$120,845,888	\$14,622,920	135,468,808	12.1%	120,845,888	34,018,141	154,864,029	28.2%
Other Funds	12,936,340	5,200,000	5,200,000	0	5,200,000	0.0%	5,200,000	0	5,200,000	0.0%
TOTAL FUNDING	\$144,601,582	165,702,952	165,702,952	20,176,313	185,879,265	12.2%	165,702,952	46,788,856	212,491,808	28.2%
Hospital & Medical Services	\$896,902,204	\$898,982,054	\$898,982,054	\$103,504,762	\$1,002,486,816	11.5%	898,982,054	168,343,412	\$1,067,325,466	18.7%
FUNDING SOURCES										
General Revenue	196,035,767	173,349,931	173,349,931	34,138,724	207,488,655	19.7%	173,349,931	51,712,310	225,062,241	29.8%
Federal Funds	650,150,065	\$652,214,532	\$652,214,532	\$74,866,038	727,080,570	11.5%	652,214,532	122,131,102	774,345,634	18.7%
Other Funds	50,716,372	73,417,591	73,417,591	(5,500,000)	67,917,591	-7.5%	73,417,591	(5,500,000)	67,917,591	-7.5%
TOTAL FUNDING	\$896,902,204	898,982,054	898,982,054	103,504,762	1,002,486,816	11.5%	898,982,054	168,343,412	1,067,325,466	18.7%
TOTAL MEDICAID BUDGET	\$1,458,461,738	\$1,497,211,605	\$1,497,211,605	\$136,575,316	\$1,633,786,921	9.1%	\$1,497,211,605	\$240,415,824	\$1,737,627,429	16.1%
TOTAL FUNDING SOURCES										
General Revenue	\$292,351,166	\$300,104,166	\$300,104,166	\$43,394,928	\$343,499,094	14.5%	\$300,104,166	\$71,545,819	\$371,649,985	23.8%
Federal Funds	\$1,059,537,064	\$1,088,015,949	\$1,088,015,949	\$98,680,388	\$1,186,696,337	9.1%	\$1,088,015,949	\$174,370,005	\$1,262,385,954	16.0%
Other Funds	\$106,573,508	\$109,091,490	\$109,091,490	(\$5,500,000)	\$103,591,490	-5.0%	\$109,091,490	(\$5,500,000)	\$103,591,490	-5.0%
TOTAL FUNDING	\$1,458,461,738	\$1,497,211,605	\$1,497,211,605	\$136,575,316	\$1,633,786,921	9.1%	\$1,497,211,605	\$240,415,824	\$1,737,627,429	16.1%
Hospital & Medical includes ARKidsFirst										

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

**MEDICAID ISSUES
AGENCY REQUEST - CHANGE LEVELS**

ISSUE	FY2000				FY2001				
	GEN REV	FEDERAL	OTHER	TOTAL	GEN REV	FEDERAL	OTHER	TOTAL	
FUND FY99 SHORTFALL									
Hospital/Medical	\$9,134,777	\$24,610,245	\$0	\$33,745,022	\$9,734,932	\$26,227,138	\$0	\$35,962,070	
CONTINUED FUNDING FOR ARKIDS FIRST									
Hospital/Medical	\$5,500,000	\$0	(\$5,500,000)	\$0	\$5,500,000	\$0	(\$5,500,000)	\$0	
GROWTH									
Hospital/Medical	\$14,424,896	\$38,862,494	\$0	\$53,287,390	5.3%	\$31,373,247	\$84,523,490	\$0	\$115,896,737
Prescription Drugs	\$5,461,728	\$14,714,585	\$0	\$20,176,313	10.9%	\$12,665,744	\$34,123,112	\$0	\$46,788,856
Private Nursing Homes	\$2,239,390	\$6,033,200	\$0	\$8,272,590	2.7%	\$4,540,276	\$12,232,078	\$0	\$16,772,354
Infant Infirmaries	\$109,249	\$294,330	\$0	\$403,579	2.6%	\$222,342	\$599,019	\$0	\$821,361
Public Nursing Homes	\$908,065	\$2,446,442	\$0	\$3,354,507	2.7%	\$1,841,374	\$4,960,895	\$0	\$6,802,269
SUBTOTAL	\$23,143,328	\$62,351,051	\$0	\$85,494,379		\$50,642,983	\$136,438,594	\$0	\$187,081,577
LOSS OF FMAP %									
Hospital/Medical	\$2,969,940	(\$2,969,940)	\$0	\$0		\$3,165,065	(\$3,165,065)	\$0	\$0
Prescription Drugs	\$587,238	(\$587,238)	\$0	\$0		\$671,330	(\$671,330)	\$0	\$0
Private Nursing Homes	\$1,053,762	(\$1,053,762)	\$0	\$0		\$1,204,661	(\$1,204,661)	\$0	\$0
Infant Infirmaries	\$51,448	(\$51,448)	\$0	\$0		\$58,815	(\$58,815)	\$0	\$0
Public Nursing Homes	\$427,630	(\$427,630)	\$0	\$0		\$488,866	(\$488,866)	\$0	\$0
SUBTOTAL	\$5,090,018	(\$5,090,018)	\$0	\$0		\$5,588,737	(\$5,588,737)	\$0	\$0
MENTAL HEALTH PARITY									
Hospital/Medical	\$1,600,000	\$4,218,182	\$0	\$5,818,182		\$1,705,120	\$4,495,317	\$0	\$6,200,437
INFORMATION TECHNOLOGY									
Hospital/Medical	\$1,205,100	\$2,811,900	\$0	\$4,017,000		\$1,094,100	\$2,552,900	\$0	\$3,647,000
ADDITIONAL EASTER SEALS BEDS									
Infant Infirmaries	\$233,767	\$629,798	\$0	\$863,565		\$240,266	\$647,306	\$0	\$887,572
HOSPITAL CO-PAY ADJUSTMENT									
Hospital/Medical	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
TOTALS									
Hospital/Medical	\$34,834,713	\$67,532,881	(\$5,500,000)	\$96,867,594		\$52,572,464	\$114,633,780	(\$5,500,000)	\$161,706,244
Prescription Drugs	\$6,048,966	\$14,127,347	\$0	\$20,176,313		\$13,337,074	\$33,451,782	\$0	\$46,788,856
Private Nursing Homes	\$3,293,152	\$4,979,438	\$0	\$8,272,590		\$5,744,937	\$11,027,417	\$0	\$16,772,354
Infant Infirmaries	\$394,464	\$872,680	\$0	\$1,267,144		\$521,423	\$1,187,510	\$0	\$1,708,933
Public Nursing Homes	\$1,335,695	\$2,018,812	\$0	\$3,354,507		\$2,330,240	\$4,472,029	\$0	\$6,802,269
GRAND TOTAL	\$45,906,991	\$89,531,157	(\$5,500,000)	\$129,938,148		\$74,506,138	\$164,772,518	(\$5,500,000)	\$233,778,656

AGENCY Name: DHS-MEDICAL SERVICES Code: 710	APPROPRIATION Name: VARIOUS APPROPRIATIONS Codes: 399,401,402,403,404	TREASURY FUND Name: DHS Grants Fund Code: DGF	ANALYSIS OF BUDGET REQUEST BR20	PAGE 321
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**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

MEDICAID ISSUES

EXECUTIVE RECOMMENDATION - CHANGE LEVELS

ISSUE	FY2000				FY2001				
	GEN REV	FEDERAL	OTHER	TOTAL	GEN REV	FEDERAL	OTHER	TOTAL	
FUND FY99 SHORTFALL									
Hospital/Medical	\$9,151,650	\$24,593,372	\$0	\$33,745,022	\$9,752,913	\$26,209,157	\$0	\$35,962,070	
CONTINUED FUNDING FOR ARKIDS FIRST									
Hospital/Medical	\$5,500,000	\$0	(\$5,500,000)	\$0	\$5,500,000	\$0	(\$5,500,000)	\$0	
GROWTH									
Hospital/Medical	\$14,451,540	\$38,835,850	\$0	\$53,287,390	5.3%	\$31,431,195	\$84,465,542	\$0	\$115,896,737
Prescription Drugs	\$5,471,816	\$14,704,497	\$0	\$20,176,313	10.9%	\$12,689,138	\$34,099,718	\$0	\$46,788,856
Private Nursing Homes	\$2,243,526	\$6,029,064	\$0	\$8,272,590	2.7%	\$4,548,662	\$12,223,692	\$0	\$16,772,354
Infant Infirmaries	\$109,451	\$294,128	\$0	\$403,579	2.6%	\$222,753	\$598,608	\$0	\$821,361
Public Nursing Homes	\$909,742	\$2,444,765	\$0	\$3,354,507	2.2%	\$1,844,775	\$4,957,494	\$0	\$6,802,269
SUBTOTAL	\$23,186,076	\$62,308,303	\$0	\$85,494,379		\$50,736,524	\$136,345,053	\$0	\$187,081,577
LOSS OF FMAP %									
Hospital/Medical	\$452,543	(\$452,543)	\$0	\$0		\$452,543	(\$452,543)	\$0	\$0
Prescription Drugs	\$81,577	(\$81,577)	\$0	\$0		\$81,577	(\$81,577)	\$0	\$0
Private Nursing Homes	\$138,302	(\$138,302)	\$0	\$0		\$138,302	(\$138,302)	\$0	\$0
Infant Infirmaries	\$7,259	(\$7,259)	\$0	\$0		\$7,259	(\$7,259)	\$0	\$0
Public Nursing Homes	\$60,333	(\$60,333)	\$0	\$0		\$60,333	(\$60,333)	\$0	\$0
SUBTOTAL	\$740,014	(\$740,014)	\$0	\$0		\$740,014	(\$740,014)	\$0	\$0
MENTAL HEALTH PARITY									
Hospital/Medical	\$1,577,891	\$4,240,291	\$0	\$5,818,182		\$1,681,559	\$4,518,878	\$0	\$6,200,437
INFORMATION TECHNOLOGY									
Hospital/Medical	\$1,205,100	\$2,811,900	\$0	\$4,017,000		\$1,094,100	\$2,552,900	\$0	\$3,647,000
ADDITIONAL EASTER SEALS BEDS									
Infant Infirmaries	\$234,199	\$629,366	\$0	\$863,565		\$240,710	\$646,862	\$0	\$887,572
HOSPITAL CO-PAY ADJUSTMENT									
Hospital/Medical	\$1,800,000	\$4,837,168	\$0	\$6,637,168		\$1,800,000	\$4,837,168	\$0	\$6,637,168
TOTALS									
Hospital/Medical	\$34,138,724	\$74,866,038	(\$5,500,000)	\$103,504,762		\$51,712,310	\$122,131,102	(\$5,500,000)	\$168,343,412
Prescription Drugs	\$5,553,393	\$14,622,920	\$0	\$20,176,313		\$12,770,715	\$34,018,141	\$0	\$46,788,856
Private Nursing Homes	\$2,381,828	\$5,890,762	\$0	\$8,272,590		\$4,686,964	\$12,085,390	\$0	\$16,772,354
Infant Infirmaries	\$350,908	\$916,236	\$0	\$1,267,144		\$470,722	\$1,238,211	\$0	\$1,708,933
Public Nursing Homes	\$970,075	\$2,384,432	\$0	\$3,354,507		\$1,905,108	\$4,897,161	\$0	\$6,802,269
GRAND TOTAL	\$43,394,928	\$98,680,388	(\$5,500,000)	\$136,575,316		\$71,545,819	\$174,370,005	(\$5,500,000)	\$240,415,824

AGENCY Name: DHS-MEDICAL SERVICES Code: 710	APPROPRIATION Name: VARIOUS APPROPRIATIONS Codes: 399,401,402,403,404	TREASURY FUND Name: DHS Grants Fund Code: DGF	ANALYSIS OF BUDGET REQUEST BR20	PAGE 322
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**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

The Private Nursing Home Care Appropriation pays expenses for individuals who reside in nursing homes and are eligible to receive Medicaid Benefits. According to data from the Office of Long Term Care, in 1997 there were 241 licensed nursing homes in the state with approximately 25,000 beds and 22,000 persons residing in the facilities. The residents in nursing home facilities have chronic, medical needs. The referring physician must certify medical need with documented evidence of why services are needed in order for a person to be admitted and remain in a nursing home. Funding for this program is derived from the Title XIX – Medicaid, U. S. Department of Health and Human Services, Health Care Financing Administration, General Revenues and Other Funds derived from Training Fees such as Nurse Aide Training for the Health Department.

Base Level is \$297,343,654 each year of the biennium with General Revenue of \$80,965,160. Total Appropriation Authority requested totals \$305,616,244 in FY00 and \$314,116,008 in FY01 with Change Levels as follows:

- FY00 total increase request of \$8,272,590 - General Revenue of \$2,239,39 to accommodate the anticipated growth rate in the program at 2.78% each year and \$1,053,762 to replace the loss of the Federal Medical Assistance Percentage (FMAP%) (total GR \$3,293,152).
- FY01 total increase request of \$16,772,354 - General Revenue of \$4,540,276 to accommodate the anticipated growth rate in the program and \$1,204,661 to replace loss of FMAP% (total GR - \$5,744,937).

The Executive Recommendation provides for Base Level and an Appropriation increase totaling \$8,272,590 in FY00 and General Revenue of \$2,243,526 for program growth and \$138,302 in General Revenue to replace the loss of Federal Medical Assistance Percentage and in FY01 an Appropriation increase of \$16,772,354 in FY01 and General Revenue of \$4,548,662 for program growth and General Revenue of \$138,302 for replacement of the loss of Federal Medical Assistance Percentage.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services	Name: Medical Services Private Nursing Home Care	Name: DHS Grants Fund	BUDGET REQUEST	323
Code: 710	Code: 399	Code: DGF	BR20	

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			98-99 FISCAL YEAR-----			-----99-00 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99							EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	99-00	00-01	99-00	00-01
GRANTS/AIDS	285,533,691	297,343,654	339,556,188	297,343,654	8,272,590	305,616,244	297,343,654	16,772,354	314,116,008	305,616,244	314,116,008		
TOTAL	285,533,691	297,343,654	339,556,188	297,343,654	8,272,590	305,616,244	297,343,654	16,772,354	314,116,008	305,616,244	314,116,008		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	64,793,067	80,965,160	*****	80,965,160	3,293,152	84,258,312	80,965,160	5,744,937	86,710,097	83,346,988	85,652,124		
SPECIAL REVENUES			*****										
FEDERAL FUNDS	207,986,327	216,366,607	*****	216,366,607	4,979,438	221,346,045	216,366,607	11,027,417	227,394,024	222,257,369	228,451,997		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER	12,754,297	11,007	*****	11,007		11,007	11,007		11,007	11,007	11,007		
TOTAL FUNDING	285,533,691	297,343,654	*****	297,343,654	8,272,590	305,616,244	297,343,654	16,772,354	314,116,008	305,616,244	314,116,008		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	285,533,691	297,343,654	*****	297,343,654	8,272,590	305,616,244	297,343,654	16,772,354	314,116,008	305,616,244	314,116,008		

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

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		1999 - 01 BIENNIUM REQUESTS						RECOMMENDATIONS					
					ACTUAL	BUDGETED	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE					
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
000		PWP	710 399	B	285,533,691	297,343,654	297,343,654	0	297,343,654	0				297,343,654	297,343,654			
001		PWP	710 399 400 70 ADMINISTRATIVE SERVICES	C03			8,272,590	0	16,772,354	0				8,272,590	16,772,354			
<p>Growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation. The Growth Rate is influenced by the increase in the Medicaid Eligibility Population, as well as the number and types of services utilized by the population. Our projections, which are based on a five-year trend, provide for a growth rate of 2.78% each year with a General Revenue Funding Requirement of \$2,239,390 in FY2000 and \$4,540,276 in FY2001.</p>																		
002		PWP	710 399 400 70 ADMINISTRATIVE SERVICES	C04			0	0	0	0								
<p>The Federal Medical Assistance Percentage (FMAP%) changes from year to year. The historical shrinkage in the FMAP% has provided a part of the impetus for our moves toward increasing cost efficiency while maintaining program effectiveness. The effect on the Private Nursing Home Program is a potential loss of \$1,053,762 in FY2000 and \$1,204,661 in FY2001 in programming, which corresponds to the Federal Share, that must be replaced by General Revenue Funding to maintain current services to the citizens of Arkansas.</p>																		

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

RANK BY APPROPRIATION
 BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

The Infant Infirmery Nursing Home Appropriation provides for services to infants with special needs. The facilities are licensed as Private Pediatric Intermediate Care Facilities for the Mentally Retarded (ICFs/MR). Facilities receiving reimbursement through this appropriation are Arkansas Pediatric Facility, Brownwood Life Care, Millcreek of Arkansas and Easter Seals Residential Center. In 1997, there were 189 beds available in these four facilities and a total of 240 individuals received services. These programs provide a valuable service in that many children are admitted to one of these programs when discharged from a hospital and need continuing attention and medical oversight but not on-going medical treatment. Funding for this program is derived from General Revenues and Title XIX – Medicaid, U. S. Department of Health and Human Services, Health Care Financing Administration.

Base Level for each year of the Biennium is \$14,517,215 with General Revenue of \$3,929,810. Total Appropriation Authority requested totals \$15,784,359 in FY00 and \$16,226,148 in FY01 with Change Levels as follows:

- FY00 total increase request of \$1,267,144 – General Revenue of \$109,249 to accommodate the anticipated growth rate in the program, \$51,448 to replace loss of the Federal Medical Assistance Percentage (FMAP%) and \$233,767 to fund 15 additional beds at the Easter Seals Residential Facility authorized by Act 1025 of 1997 (total GR-\$394,464);
- FY01 total increase request of \$1,708,933 - General Revenue of \$222,342 to accommodate growth rate, \$58,815 to replace the loss of FMAP%, and \$240,266 to fund 15 additional beds at the Easter Seals Residential Facility (total GR-\$521,423).

The Executive Recommendation provides for Base Level and an Appropriation increase totaling \$1,267,144 in FY00 and General Revenue of \$350,90 and \$1,708,933 in FY01 and General Revenue of \$470,722 in FY01. Specific increases provide for the following:

	<u>FY00</u>		<u>FY01</u>	
	<u>Appropriation</u>	<u>General Revenue</u>	<u>Appropriation</u>	<u>General Revenue</u>
Growth	\$403,579	\$109,451	821,361	\$222,753
Loss of FMAP%		7,259		7,259
Additional Bed/Easter Seals	863,565	234,199	887,572	240,710

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services	Name: Medical Services Infant Infirmery Nursing Home	Name: DHS Grants Fund	BUDGET REQUEST	326
Code: 710	Code: 401	Code: DGF	BR20	

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED							99-00	00-01	99-00	00-01
GRANTS/AIDS	13,069,680	14,517,215	13,653,650	14,517,215	1,267,144	15,784,359	14,517,215	1,708,933	16,226,148	15,784,359	16,226,148		
TOTAL	13,069,680	14,517,215	13,653,650	14,517,215	1,267,144	15,784,359	14,517,215	1,708,933	16,226,148	15,784,359	16,226,148		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	3,148,704	3,929,810	*****	3,929,810	394,464	4,324,274	3,929,810	521,423	4,451,233	4,280,718	4,400,532		
SPECIAL REVENUES			*****										
FEDERAL FUNDS	9,534,076	10,587,405	*****	10,587,405	872,680	11,460,085	10,587,405	1,187,510	11,774,915	11,503,641	11,825,616		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
VARIOUS PROGRAM SUPPORT	386,900		*****										
TOTAL FUNDING	13,069,680	14,517,215	*****	14,517,215	1,267,144	15,784,359	14,517,215	1,708,933	16,226,148	15,784,359	16,226,148		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	13,069,680	14,517,215	*****	14,517,215	1,267,144	15,784,359	14,517,215	1,708,933	16,226,148	15,784,359	16,226,148		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 401 MEDICAL SERVICES -- INFANT INFIRMARY
 FUND PWP DHS-(710)ADMIN PAYING

LINE ITEMS IN WHICH ACTUAL OR BUDGETED AMOUNTS EXCEED THE AUTHORIZED LEVELS HAVE BEEN INCREASED THROUGH THE TRANSFER AUTHORITY GRANTED TO THE DEPARTMENT IN ARKANSAS CODE ANNOTATED § 25-10-112.

APPROPRIATION SUMMARY

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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		1999 - 01 BIENNIIUM REQUESTS						R E C O M M E N D A T I O N S					
					ACTUAL	BUDGETED	FY 1999 - 00		FY 2000 - 01				EXECUTIVE		LEGISLATIVE			
					97-98	98-99	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01		
000		PWP	710 401	B	13,069,680	14,517,215	14,517,215	0						14,517,215	14,517,215			
001		PWP	710 401 400 70 ADMINISTRATIVE SERVICES	C03			403,579	0			821,361	0		403,579	821,361			
<p>Growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation. The Growth Rate is influenced by the increase in the Medicaid Eligibility Population, as well as the number and types of services utilized by the population. Our projections, which are based on a five-year trend, provide for a growth rate of 2.78% each year with a General Revenue Funding Requirement of \$109,249 in FY2000 and \$222,342 in FY2001.</p>																		
002		PWP	710 401 400 70 ADMINISTRATIVE SERVICES	C04			0	0			0	0						
<p>The Federal Medical Assistance Percentage (FMAP%) changes from year to year. The historical shrinkage in the FMAP% has provided a part of the impetus for our moves toward increasing cost efficiency while maintaining program effectiveness. The effect on the ICF Infant Infirmaries Program is a potential loss of \$51,448 in FY2000 and \$58,815 in FY2001 in programming, which corresponds to the Federal Share, that must be replaced by General Revenue Funding to maintain current services to the citizens of Arkansas.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 401 MEDICAL SERVICES -- INFANT INFIRMARY
 FUND PWP DHS-(710)ADMIN PAYING

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		-1999 - 01 BIENNIUM REQUESTS-						-R E C O M M E N D A T I O N S-					
					ACTUAL	BUDGETED	FY 1999 - 00			FY 2000 - 01			EXECUTIVE		LEGISLATIVE			
					97-98	98-99	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01		
003		PWP	710 401 400 70 ADMINISTRATIVE SERVICES	C06			863,565	0			887,572	0			863,565	887,572		

Act 1025 of 1997 authorized 15 additional beds for the Arkansas Easter Seals Residential Facility. Additional appropriation and funding is requested at the blended rate for State Matching to provide for these services. The General Revenue Funding Requirement is \$233,767 in FY2000 and \$240,266 in FY2001.

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 401 MEDICAL SERVICES -- INFANT INFIRMARY
 FUND PWP DHS-(710)ADMIN PAYING

RANK BY APPROPRIATION

BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

The Public Nursing Home Care Appropriation includes Title XIX Medicaid reimbursement for services provided in the six (6) Human Development Centers (Intermediate Care Facilities for the Mentally Retarded-ICFs/MR), the Benton Services Center and the thirty (30) 15 Bed or Less (ICFs/MR) programs across the State. Approximately 1,800 individuals receive services provided in these facilities. Services include 24 hour a day residential, medical, psychological, education and training, life skills training and therapy services needed through staffing and case plan determination. Annual staffings are required to reassess the progress of each individual and adjustments are made in case plans when necessary to help each person attain the goals and objectives established in the case plans. Funding for this program is derived from General Revenues, Title XIX-Medicaid, U. S. Department of Health and Human Services, Health Care Financing Administration and Matching Funds provided by the DHS Division of Developmental Disabilities Services and Division of Mental Health Services. The matching funds support the Human Development Centers, the DDS Small 10 Beds Intermediate Care Facilities for the Mentally Retarded (ICFs/MR), and the Benton Service Center.

Base Level for each year of the Biennium is \$120,665,730 with General Revenue of \$2,202,201. Total Appropriation Authority requested totals \$124,020,237 in FY00 and \$127,467,999 in FY01 with Change Levels as follows:

- FY00 total increase request of \$3,354,507 - General Revenue of \$908,065 to accommodate the anticipated growth rate in the program of 2.78% each year and \$427,630 General Revenue to replace the loss of the Federal Medical Assistance Percentage (FMAP%) (total GR-\$1,335,695); and
- FY01 total increase request of \$6,802,269 - General Revenue of \$1,841,374 to accommodate the anticipated growth rate and \$488,866 General Revenue to replace of the loss of FMAP% (total GR- \$2,330,240).

The Executive Recommendation provides for Base Level and an Appropriation increase totaling \$3,354,507 in FY00 and General Revenue of \$909,742 for growth in the program and \$60,333 to replace the loss of Federal Medical Assistance Percentage and in FY01 an Appropriation increase totaling \$6,802,269 and General Revenue of \$1,844,775 for growth in the program and \$60,333 to replace the loss of the Federal Medical Assistance Percentage.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services	Name: Medical Services Public Nursing Home Care	Name: DHS Grants Fund	BUDGET REQUEST	330
Code: 710	Code: 402	Code: DGF	BR20	

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			98-99			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	99-00		99-00	00-01		00-01	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	99-00	00-01	99-00	00-01			
GRANTS/AIDS	118,354,581	120,665,730	123,888,272	120,665,730	3,354,507	124,020,237	120,665,730	6,802,269	127,467,999	124,020,237	127,467,999					
TOTAL	118,354,581	120,665,730	123,888,272	120,665,730	3,354,507	124,020,237	120,665,730	6,802,269	127,467,999	124,020,237	127,467,999					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES			*****													
GENERAL REVENUES	2,233,094	2,202,201	*****	2,202,201	1,335,695	3,537,896	2,202,201	2,330,240	4,532,441	3,172,276	4,107,309					
SPECIAL REVENUES			*****													
FEDERAL FUNDS	86,341,888	88,001,517	*****	88,001,517	2,018,812	90,020,329	88,001,517	4,472,029	92,473,546	90,385,949	92,898,678					
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
VARIOUS PROGRAM SUPPORT	29,779,599	30,462,012	*****	30,462,012		30,462,012	30,462,012		30,462,012	30,462,012	30,462,012					
TOTAL FUNDING	118,354,581	120,665,730	*****	120,665,730	3,354,507	124,020,237	120,665,730	6,802,269	127,467,999	124,020,237	127,467,999					
EXCESS APPRO/ (FUNDING)			*****													
TOTAL	118,354,581	120,665,730	*****	120,665,730	3,354,507	124,020,237	120,665,730	6,802,269	127,467,999	124,020,237	127,467,999					

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

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		1999 - 01 BIENNIUM REQUESTS				R E C O M M E N D A T I O N S							
					ACTUAL	BUDGETED	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE					
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
000		PWP	710 402	B	118,354,581	120,665,730	120,665,730		120,665,730		120,665,730							
001		PWP	710 402 400 70 ADMINISTRATIVE SERVICES	C03			3,354,507		6,802,269		3,354,507	6,802,269						
<p>Growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation. The Growth Rate is influenced by the increase in the Medicaid Eligibility Population, as well as the number and types of services utilized by the population. Our projections, which are based on a five-year trend, provide for a growth rate of 2.78% each year with a General Revenue Funding Requirement of \$908,065 in FY2000 and \$1,841,374 in FY2001.</p>																		
002		PWP	710 402 400 70 ADMINISTRATIVE SERVICES	C04			0		0									
<p>The Federal Medical Assistance Percentage (FMAP%) changes from year to year. The historical shrinkage in the FMAP% has provided a part of the impetus for our moves toward increasing cost efficiency while maintaining program effectiveness. The effect on the Public Nursing Homes Program is a potential loss of \$427,630 in FY2000 and \$488,866 in FY2001 in programming, which corresponds to the Federal Share, that must be replaced by General Revenue Funding to maintain current services to the citizens of Arkansas.</p>																		

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

RANK BY APPROPRIATION
 BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

The Prescription Drug Program is an optional Medicaid Benefit, however, it vital to over 110,000 average monthly recipients receiving pharmacy services. The Division of Medical Services reports that in 1997, the average prescription cost was \$32.17 and includes an average dispensing fee of \$5.94. 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 the fee for dispensing pharmaceuticals. The Omnibus Budget Reconciliation Act of 1990 authorized rebates from pharmaceutical manufacturers totaling \$20,960,124 in FY97, \$25,461,164 in FY98 and the FY99 projection is \$19,209,457. In addition to the Drug Rebates, funding for this program also is derived from General Revenues and Title XIX-Medicaid, U. S. Department of Health and Human Services, Health Care Financing Administration.

Base Level is \$165,702,952 each year of the Biennium with General Revenue of \$39,657,064. Total Appropriation Authority requested totals \$185,879,265 in FY00 and \$212,491,808 in FY01 with Change Levels as follows:

- FY00 total increase of \$20,176,313 - General Revenue of \$5,461,728 to accommodate the anticipated growth rate in the program of 14.32% each year and \$587,238 to replace the loss of the Federal Medical Assistance Percentage (FMAP%) (total GR \$6,048,966); and
- FY01 total increase of \$46,788,856 – General Revenue of \$12,665,744 growth in the program and \$671,330 to replace the loss of FMAP% (total GR-\$13,337,074).

The Executive Recommendation provides for Base Level and an Appropriation increase totaling \$20,176,313 in FY00 and General Revenue of \$5,471,816 and General Revenue of \$81,577 to replace the loss Federal Medical Assistance Percentage and in FY01 an Appropriation increase totaling \$46,788,856 in FY01 and General Revenue of \$12,689,138 for program growth and \$81,577 for replacement of the loss of Federal Medical Assistance Percentage.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services Code: 710	Name: Medical Services Prescription Drugs Code: 403	Name: DHS Grants Fund Code: DGF	BUDGET REQUEST BR20	333

ARKANSAS BUDGET SYSTEM

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

CHARACTER TITLE	-----EXPENDITURES-----			98-99			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED	98-99 AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE				
										99-00	00-01	99-00	00-01			
GRANTS/AIDS	144,601,582	165,702,952	171,125,068	165,702,952	20,176,313	185,879,265	165,702,952	46,788,856	212,491,808	185,879,265	212,491,808					
TOTAL	144,601,582	165,702,952	171,125,068	165,702,952	20,176,313	185,879,265	165,702,952	46,788,856	212,491,808	185,879,265	212,491,808					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES			*****													
GENERAL REVENUES	26,140,534	39,657,064	*****	39,657,064	6,048,966	45,706,030	39,657,064	13,337,074	52,994,138	45,210,457	52,427,779					
SPECIAL REVENUES			*****													
FEDERAL FUNDS	105,524,708	120,845,888	*****	120,845,888	14,127,347	134,973,235	120,845,888	33,451,782	154,297,670	135,468,808	154,864,029					
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
OTHER	12,936,340	5,200,000	*****	5,200,000		5,200,000	5,200,000		5,200,000	5,200,000	5,200,000					
TOTAL FUNDING	144,601,582	165,702,952	*****	165,702,952	20,176,313	185,879,265	165,702,952	46,788,856	212,491,808	185,879,265	212,491,808					
EXCESS APPRO/ (FUNDING)			*****													
TOTAL	144,601,582	165,702,952	*****	165,702,952	20,176,313	185,879,265	165,702,952	46,788,856	212,491,808	185,879,265	212,491,808					

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 403 MEDICAL SERVICES -- PRESCRIPTION DRUGS
 FUND PWP DHS-(710)ADMIN PAYING

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-----		-----1999 - 01 BIENNIIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					---ACTUAL--- --BUDGETED---		-----FY 1999 - 00-----			-----FY 2000 - 01-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					97-98	98-99	REQUEST-----			REQUEST-----			1999-00	2000-01	1999-00	2000-01		
000		PWP	710 403	B	144,601,582	165,702,952	165,702,952 0			165,702,952 0			165,702,952	165,702,952				
001		PWP	710 403 400 70 ADMINISTRATIVE SERVICES	C03			20,176,313 0			46,788,856 0			20,176,313	46,788,856				
<p>Growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation. The Growth Rate is influenced by the increase in the Medicaid Eligibility Population, as well as the number and types of services utilized by the population. Our projections, which are based on a five-year trend, provide for a growth rate of 14.32% each year with a General Revenue Funding Requirement of \$5,461,728 in FY2000 and \$12,665,744 in FY2001.</p>																		
002		PWP	710 403 400 70 ADMINISTRATIVE SERVICES	C04			0 0			0 0								
<p>The Federal Medical Assistance Percentage (FMAP%) changes from year to year. The historical shrinkage in the FMAP% has provided a part of the impetus for our moves toward increasing cost efficiency while maintaining program effectiveness. The effect on the Prescription Drug Program is a potential loss of \$587,238 in FY2000 and \$671,330 in FY2001 in programming, which corresponds to the Federal Share, that must be replaced by General Revenue Funding to maintain current services to the citizens of Arkansas.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 403 MEDICAL SERVICES -- PRESCRIPTION DRUGS
 FUND PWP DHS-(710)ADMIN PAYING

RANK BY APPROPRIATION
 BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

The Hospital and Medical Appropriation is one of several federally supported and state administered assistance programs within the Medicaid program and consists of many services including inpatient and outpatient hospital, community mental health centers, community health centers, rural health clinics, home health, private duty nursing, personal care, hospice, practitioners such as physicians, dentists, audiologist, psychologist, speech, occupational and physical therapists, maternity clinics, family planning, laboratory and x-ray services, case management, transportation and Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for children under 21 years of age which is the Child Health Services Program. Waiver services are also included in this appropriation. Waiver services are those that the Health Care Financing Administration (HCFA) have waived traditional provisions of the Medicaid regulations and allow deviations in how and where the services are provided and include programs such as Elderchoices, DDS-Non-institutional Waiver, and Adults with Physical Disabilities. Payments are made directly to providers for services for individuals who are eligible for Medicaid services. The State establishes reimbursement rates and the methodology for rate setting, however, the HCFA 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 \$898,982,054 each year of the Biennium with General Revenue of \$173,349,931. Total Appropriation authority requested totals \$995,849,648 in FY00 and \$1,060,688,298 in FY01 with Change Levels as follows:

- FY00 total increase request of \$96,867,594 – General Revenue of \$9,134,777 to provide adequate funding for the current population and utilization levels at a growth rate of 6.57% for FY99; \$5,500,000 for the ARKids First Program to replace the one-time funding provided for the program when it was established; \$1,600,000 for ARKids First Program expansion to include Mental Health inpatient treatment services; \$14,424,896 to accommodate the anticipated growth rate in the program at 6.57% each year, \$2,969,940 to replace the loss of the Federal Medical Assistance Percentage (FMAP%), and \$1,205,100 for Information Technology which includes hardware, software, programming services, new and upgraded microcomputers (total GR-\$34,834,714);
- FY01 total increase request of \$161,706,244 - General Revenue of \$9,734,932 to provide adequate funding for the current population and utilization levels for FY99; \$5,500,000 for the ARKids First Program; \$1,705,120 for ARKids First Program expansion for Mental Health inpatient treatment services; \$31,373,247 to accommodate the anticipated growth rate; \$3,165,065 to replace the loss of the FMAP%; and \$1,094,100 for Information Technology (total GR-\$52,572,464).

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services	Name: Medical Services Hospital and Medical Services	Name: DHS Grants Fund	BUDGET REQUEST	336
Code: 710	Code: 404	Code: DGF	BR20	

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

The Executive Recommendation provides for Base Level and an Appropriation increase of \$103,504,762 in FY00 with additional General Revenue of \$34,138,724 and Appropriation of \$168,343,412 in FY01 with additional General Revenue of \$51,712,310. Specific increases provide for the following:

	<u>FY00</u>		<u>FY01</u>	
	<u>Appropriation</u>	<u>General Revenue</u>	<u>Appropriation</u>	<u>General Revenue</u>
FY99 Shortfall	\$33,745,022	\$9,151,650	\$35,962,070	\$9,752,913
ARKids First		5,500,000		5,500,000
Growth	53,287,390	14,451,540	115,896,737	31,431,195
Loss of FMAP%		452,543		452,543
Mental Health Parity	5,818,182	1,577,891	6,200,437	1,681,559
Information Technology	4,017,000	1,205,100	3,647,000	1,094,100
Reduced Hospital Co-Pay	6,637,168	1,800,000	6,637,168	1,800,000

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services	Name: Medical Services Hospital and Medical Services	Name: DHS Grants Fund	BUDGET REQUEST	337
Code: 710	Code: 404	Code: DGF	BR20	

ARKANSAS BUDGET SYSTEM

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

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							99-00	00-01	99-00	00-01
GRANTS/AIDS	896,902,204	898,982,054	1101,749,449	898,982,054	96,867,594	995,849,648	898,982,054	161,706,244	1060,688,298	1002,486,816	1067,325,466		
TOTAL	896,902,204	898,982,054	1101,749,449	898,982,054	96,867,594	995,849,648	898,982,054	161,706,244	1060,688,298	1002,486,816	1067,325,466		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	196,935,767	173,349,931	*****	173,349,931	34,834,714	208,184,645	173,349,931	52,572,464	225,922,395	207,488,655	225,062,241		
SPECIAL REVENUES			*****										
FEDERAL FUNDS	650,150,065	652,214,532	*****	652,214,532	67,532,800	719,747,412	652,214,532	114,633,780	766,848,312	727,080,570	774,345,634		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
PROGRAM SUPPORT	50,716,372	73,417,591	*****	73,417,591	(5,500,000)	67,917,591	73,417,591	(5,500,000)	67,917,591	67,917,591	67,917,591		
TOTAL FUNDING	896,902,204	898,982,054	*****	898,982,054	96,867,594	995,849,648	898,982,054	161,706,244	1060,688,298	1002,486,816	1067,325,466		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	896,902,204	898,982,054	*****	898,982,054	96,867,594	995,849,648	898,982,054	161,706,244	1060,688,298	1002,486,816	1067,325,466		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 404 MEDICAL SERVICES -- HOSPITAL AND MEDICAL SERVICES

APPROPRIATION SUMMARY

BR 215

FUND PWP DHS-(710)ADMIN PAYING

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-----		-----1999 - 01 BIENNIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					ACTUAL 97-98	BUDGETED 98-99	-----FY 1999 - 00-----		-----FY 2000 - 01-----		-----EXECUTIVE-----		-----LEGISLATIVE-----					
							REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
000		PWP	710 404	B	896,902,204	898,982,054	898,982,054					898,982,054	898,982,054					
000		PWP	710 404 400 70 ADMINISTRATIVE SERVICES	C07			0				0	6,637,168	6,637,168					
<p>The Executive Recommendation provides for additional appropriation of \$6,637,168 and General Revenue totaling \$1,800,000 each year of the biennium to help offset the increased hospital co-payments.</p>																		
001		PWP	710 404 400 70 ADMINISTRATIVE SERVICES	C01			33,745,022				35,962,070	33,745,022	35,962,070					
<p>Additional General Revenue Funding and the associated Appropriation is required to adequately fund the Medicaid Program for the current population and program utilization levels for the Current Fiscal Year. Since the Current Fiscal Year Budget translates in to the Base Level for the Biennium, this portion of the request is necessary to provide for estimated Medicaid Program expenditures for FY99, at the projected growth rate of 6.57% for each year. General Revenue Funding of \$9,134,777 for FY2000 and \$9,734,932 for FY2001 is estimated at the State Match Rate of 27.07%.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 404 MEDICAL SERVICES -- HOSPITAL AND MEDICAL SERVICES
 FUND PWP DHS-(710)ADMIN PAYING

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-----				-----1999 - 01 BIENNIUM REQUESTS-----				-----R E C O M M E N D A T I O N S-----					
					---ACTUAL---		---BUDGETED---		-----FY 1999 - 00-----		-----FY 2000 - 01-----		-----EXECUTIVE-----		-----LEGISLATIVE-----			
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
002		PWP	710 404 400 70 ADMINISTRATIVE SERVICES	C02				0				0						
<p>The ARKids First Program was implemented in the Fall of 1997, and has made Arkansas a leader in health care coverage for children. The initial funding for the ARKids First Program came from one-time monies that are not factored in the Base Level for the Medicaid Program Funding. This portion of our request is for General Revenue Funding (no additional appropriation is necessary) to restore dollars lost in the "Other" Category of Base Level Funding, in the amount of \$5.5 million each year.</p>																		
003		PWP	710 404 400 70 ADMINISTRATIVE SERVICES	C03				53,287,390				115,896,737			53,287,390	115,896,737		
<p>Growth in the Medicaid Program is influenced by a number of factors that extend beyond normal inflation. The Growth Rate is influenced by the increase in the Medicaid Eligibility Population, as well as the number and types of services utilized by the population. Our projections, which are based on a five-year trend, provide for a growth rate of 6.57% each year with a General Revenue Funding Requirement of \$14,424,896 in FY2000 and \$31,373,247 in FY2001.</p>																		
004		PWP	710 404 400 70 ADMINISTRATIVE SERVICES	C04				0				0						
<p>The Federal Medical Assistance Percentage (FMAP%) changes from year to year. The historical shrinkage in the FMAP% has provided a part of the impetus for our moves toward increasing cost efficiency while maintaining program effectiveness. The effect on the Hospital/Medical Program is a potential loss of \$2,969,940 in FY2000 and \$3,165,065 in FY2001 in programming, which corresponds to the Federal Share, that must be replaced by General Revenue Funding to maintain current services to the citizens of Arkansas.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 404 MEDICAL SERVICES -- HOSPITAL AND MEDICAL SERVICES
 FUND PWP DHS-(710)ADMIN PAYING

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-----		-----1999 - 01 BIENNIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					97-98	98-99	-----FY 1999 - 00-----		-----FY 2000 - 01-----				-----EXECUTIVE-----		-----LEGISLATIVE-----			
							REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
005		PWP	710 404 400 70 ADMINISTRATIVE SERVICES	C05			5,818,182 0				6,200,437 0			5,818,182	6,200,437			
<p>The benefits package for the current ARKids First Program includes only \$2,500 of outpatient Mental Health Services per year. Inpatient treatment is not covered. This portion of the request will make mental health coverage, both outpatient and inpatient, a covered service to the extent that the "medical necessity" of the treatment can be proven. This is the same test for medical coverage under the Medicaid State Plan. The additional General Revenue Funding Requirement totals \$1,600,000 in FY2000 and \$1,705,120 in FY2001.</p>																		
006		PWP	710 404 400 70 ADMINISTRATIVE SERVICES	C08			4,017,000 0				3,647,000 0			4,017,000	3,647,000			
<p>The Division of Medical Services' Plan for Information Technology has been developed with assistance from Electronic Data Systems and the Department of Information Services. The Plan includes a Contingency Pool for Federal Mandates requiring additional hardware, software, and programming services, new microcomputers and software, and upgrading the existing microcomputers and software. The General Revenue Funding Requirement for Information Technology totals \$1,205,100 in FY2000 and \$1,094,100 in FY2001.</p>																		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 404 MEDICAL SERVICES -- HOSPITAL AND MEDICAL SERVICES
 FUND PWP DHS-(710)ADHIN PAYING

RANK BY APPROPRIATION
 BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

Arkansas Code Annotated § 20-78-104 authorized Arkansas Children's Hospital to provide administration for The Child Health and Family Life Institute (CHFLI). Children's Hospital and UAMS, Department of Pediatrics act in conjunction by either contract or cooperative agreement for necessary activities in the delivery of services through the CHFLI. The mission of the institute is "an initiated state effort to explore, develop, and evaluate new and better ways to address medically, socially, and economically interrelated health and developmental needs of children with special health care needs and their families. Utilizing a multidisciplinary collaboration of professionals, the Institute's priorities include wellness and prevention, screening and diagnosis, treatment and intervention, training and education, service access, public policy and advocacy, research and evaluation". Programs include such services as KIDS FIRST - a pediatric day health treatment program for preschool age children at risk for developmental delay; CO-MEND Councils of volunteer/local community activities with pooled resources to assist families; Outreach offers specialized health care at the local level for children who live in areas without specialized care available; Community Pediatrics-a support system with a pediatric team available to provide services in medically underserved areas; Children-at-Risk - diagnostic and treatment for children who have been abused and their families; Pediatric Psychology; Developmental/Physical Medicine and Rehabilitation for children with severe disabilities; and Adolescent Medicine. Children's Hospital is specifically to fund the KIDS FIRST Program as a priority when considering program funding decisions within the Institute. The Department of Pediatrics is the administrative oversight entity for cooperative agreements or contracts for the delivery of services. The KIDS FIRST program is to be advanced statewide and to that end, there are twelve (12) sites statewide as of June, 1998. According to the CHFLI, the Institute serves over forty thousand children and families statewide annually.

The Agency is requesting continuation of the Base Level of \$2,100,00 General Revenue for each year of the Biennium. There are no Change Level requests above Base Level.

The Executive Recommendation provides for the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: DHS-Division of Medical Services Code: 710	Name: Division of Medical Services Child/Family Life Institute Code: 406	Name: DHS Grants Fund Code: DGF	BUDGET REQUEST BR20	342

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	EXPENDITURES			99-00 FISCAL YEAR			00-01 FISCAL YEAR			R E C O M M E N D A T I O N S			
	97-98	98-99	98-99	99-00		00-01		00-01		EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	99-00	00-01	99-00	00-01
GRANTS/AIDS	2,100,000	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	2,100,000	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			*****										
FUND BALANCES			*****										
GENERAL REVENUES	2,100,000	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			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	2,100,000	2,100,000	*****	2,100,000		2,100,000	2,100,000		2,100,000	2,100,000	2,100,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	2,100,000	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
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 406 MEDICAL SERVICES -- CHILD/FAMILY LIFE INSTITUTE
 FUND PWP DHS-(710)ADMIN PAYING

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

This appropriation is a companion to the State Children's Medical Services (CMS) Appropriation 397 and provides for community-based services for children who have special health care needs and have chronic illnesses and physical disabilities. Examples of services that may be provided include therapies, medications, transportation, medical treatments or equipment. The community based offices allow for more rapid responses to the children and their family's needs. A total of approximately 9,000 children receive services through Children's Medical Services annually. This appropriation supports the programs and services detailed in the State CMS program appropriation.

This appropriation is 100% federally funded through the U. S. Department of Health and Human Services, Maternal and Child Health Block Grant. The Base Level is \$1,377,338 each year of the Biennium and represents the Agency Request. There are no Change Level requests submitted.

The Executive Recommendation provides for the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: DHS-Division of Medical Services Code: 710	Name: Medical Services-Children's Medical Services - Federal Code: 408	Name: DHS-Federal Code: FWF	BR20	344

ARKANSAS BUDGET SYSTEM

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

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED	98-99 AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										99-00	00-01	99-00	00-01
GRANTS/AIDS	357,557	1,377,338	2,038,338	1,377,338	0	1,377,338	1,377,338	0	1,377,338	1,377,338	1,377,338		
TOTAL	357,557	1,377,338	2,038,338	1,377,338	0	1,377,338	1,377,338	0	1,377,338	1,377,338	1,377,338		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS	357,557	1,377,338	*****	1,377,338		1,377,338	1,377,338		1,377,338	1,377,338	1,377,338		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	357,557	1,377,338	*****	1,377,338		1,377,338	1,377,338		1,377,338	1,377,338	1,377,338		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	357,557	1,377,338	*****	1,377,338		1,377,338	1,377,338		1,377,338	1,377,338	1,377,338		

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

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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 expenditure in FY98 was to refund a penalty that was paid twice by a nursing home. Base Level is \$50,000 each year and represents the Agency Request. There are no Change Level requests submitted.

The Executive Recommendation provides for the 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	346
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-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED	98-99 AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										99-00	00-01	99-00	00-01
EXPENSES	450	50,000	50,000	50,000	0	50,000	50,000	0	50,000	50,000	50,000		
TOTAL	450	50,000	50,000	50,000	0	50,000	50,000	0	50,000	50,000	50,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
VARIOUS PROGRAM SUPPORT	450	50,000	*****	50,000		50,000	50,000		50,000	50,000	50,000		
TOTAL FUNDING	450	50,000	*****	50,000		50,000	50,000		50,000	50,000	50,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	450	50,000	*****	50,000		50,000	50,000		50,000	50,000	50,000		

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 876 MEDICAL SERVICES -- NURSING HOME CLOSURE COSTS
 FUND TLT LONG-TERM CARE TRUST-(710)

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

As authorized by Arkansas Code Annotated § 20-10-916 the Long Term Care Facility Receivership Appropriation is used to pay the expenses of receivers appointed, if a nursing home is placed in receivership. Payment may not be made from this account until a court of law has found that a nursing home has insufficient funds to pay a receiver after all other operating expenses of the facility have been paid. The funding for this appropriation is from reimbursement for services provided by the Agency. The Base Level is \$100,000 each year and represents the Agency Request. There are no Change Levels submitted for this appropriation.

The Executive Recommendation is the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	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	BR20	348

ARKANSAS BUDGET SYSTEM

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

CHARACTER TITLE	-----EXPENDITURES-----			98-99 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED	98-99 AUTHORIZED APPRO	99-00 BASE	99-00 CHANGE LEVEL	99-00 TOTAL REQUEST	00-01 BASE	00-01 CHANGE LEVEL	00-01 TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										99-00	00-01	99-00	00-01
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

ARKANSAS BUDGET SYSTEM

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

CHARACTER TITLE	-----EXPENDITURES-----			98-99			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE				
										99-00	00-01	99-00	00-01			
GRANTS/AIDS	0	0	44,000,000	0	0	0	0	0	0	0	0					
THIS APPROPRIATION IS NOT REQUESTED FOR THE NEW BIENNIUM																
TOTAL	0	0	44,000,000	0	0	0	0	0	0							
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES			*****													
GENERAL REVENUES			*****													
SPECIAL REVENUES			*****													
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
OTHER			*****													
TOTAL FUNDING			*****													
EXCESS APPRO/ (FUNDING)			*****													
TOTAL			*****													

DEPT 019 DEPARTMENT OF HUMAN SERVICES
 AGY 710 DEPARTMENT OF HUMAN SERVICES
 APPRO 1EY ARKIDSFIRST

 FUND PWD DHS-(710)DELAY DRAW GRANTS

This Appropriation has been combined with
 Appropriation 404 - Hospital and Medical Services

APPROPRIATION SUMMARY

BR 215