

HEALTH SERVICES PERMIT AGENCY

Enabling Laws

Act 279 of 2012

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

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

History and Organization

Health Services Permit Agency

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

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

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

Developmental Disabilities Council

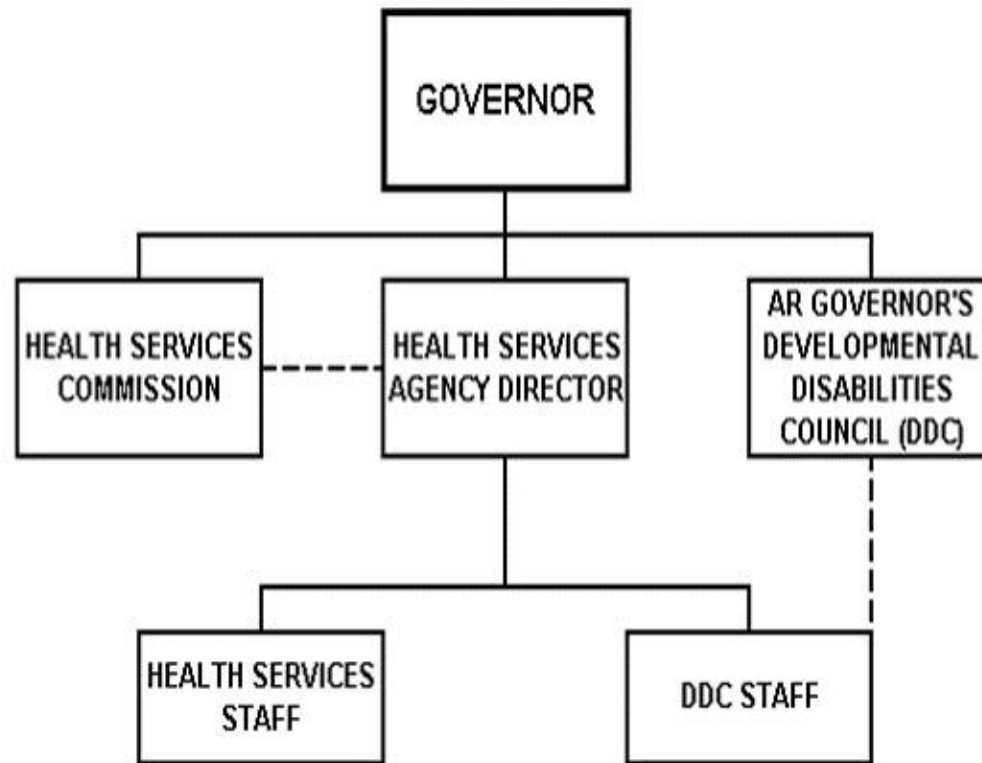
Vision: We envision a world where everyone has an equal and real opportunity to lead a meaningful life.

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

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

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

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



Agency Commentary

The Agency is requesting Base Level on all appropriations and funding for the 2013-2015 Biennium. This level will allow continuation of the Agency's mission.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
HEALTH SERVICES PERMIT AGENCY
FOR THE YEAR ENDED JUNE 30, 2010

Findings	Recommendations
None	None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	1	3	4	44 %
Black Employees	0	4	4	44 %
Other Racial Minorities	0	1	1	12 %
Total Minorities			5	56 %
Total Employees			9	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Arkansas Permit of Approval Rulebook	A.C.A. 2-8-104	N	N	4	Distributed by request and published on agency web site to keep the public informed of the Rules and Regulations regarding Permits of Approval, and of the changes to those rules.
Health Care Facilities and Services Need	A.C.A. 20-8-104	N	N	4	Distributed by request and published on agency web site to keep the public informed of the need for health services in the State.
Health Services Permit Agency Annual Report	A.C.A. 20-8-110	Y	Y	3	Distributed by request, to keep the public, Governor, and General Assembly informed of activities of agency.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
844 Health Serv Permit Agency-State	332,040	4	377,100	4	418,077	4	385,927	4	385,927	4	385,927	4	385,934	4	385,934	4	385,934	4
845 Dev Disabilities Plng Council-State	29,044	1	37,108	1	38,140	1	37,055	1	37,055	1	37,055	1	37,082	1	37,082	1	37,082	1
846 Dev Disabilities Plng Council-Fed	451,255	4	1,443,772	6	1,402,924	6	1,445,430	6	1,445,430	6	1,445,430	6	1,446,189	6	1,446,189	6	1,446,189	6
Total	812,339	9	1,857,980	11	1,859,141	11	1,868,412	11	1,868,412	11	1,868,412	11	1,869,205	11	1,869,205	11	1,869,205	11

Funding Sources			%		%			%		%		%		%		%		%
Fund Balance	4000005	207,347	19.8	232,335	11.3		189,994	9.5	189,994	9.5	189,994	9.5	121,568	6.3	121,568	6.3	121,568	6.3
General Revenue	4000010	313,243	30.0	313,243	15.3		316,556	15.9	316,556	15.9	316,556	15.9	316,615	16.5	316,615	16.5	316,615	16.5
Federal Revenue	4000020	451,255	43.2	1,443,772	70.5		1,445,430	72.6	1,445,430	72.6	1,445,430	72.6	1,446,189	75.2	1,446,189	75.2	1,446,189	75.2
Merit Adjustment Fund	4000055	0	0.0	4,624	0.2		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Permit of Approval Fees	4000375	72,829	7.0	54,000	2.6		38,000	1.9	38,000	1.9	38,000	1.9	38,000	2.0	38,000	2.0	38,000	2.0
Total Funds		1,044,674	100.0	2,047,974	100.0		1,989,980	100.0	1,989,980	100.0	1,989,980	100.0	1,922,372	100.0	1,922,372	100.0	1,922,372	100.0
Excess Appropriation/(Funding)		(232,335)		(189,994)			(121,568)		(121,568)		(121,568)		(53,167)		(53,167)		(53,167)	
Grand Total		812,339		1,857,980			1,868,412		1,868,412		1,868,412		1,869,205		1,869,205		1,869,205	

FY13 Budget amount exceeds the authorized amount in Appropriation 846 due to salary and matching rate adjustments during the 2011-2013 Biennium.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
11	8	3	11	0	27.27 %	11	9	2	11	0	18.18 %	11	9	2	11	0	18.18 %

Analysis of Budget Request

Appropriation: 844 - Health Serv Permit Agency-State

Funding Sources: HUA - General Revenue/Fees

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$385,927 in FY14 and \$385,934 in FY15 with four (4) budgeted base level positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 844 - Health Serv Permit Agency-State

Funding Sources: HUA - General Revenue/Fees

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	217,786	225,150	260,325	231,440	231,440	231,440	231,443	231,443	231,443
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	62,276	68,782	74,584	71,319	71,319	71,319	71,323	71,323	71,323
Operating Expenses	5020002	38,172	60,627	60,627	60,627	60,627	60,627	60,627	60,627	60,627
Conference & Travel Expenses	5050009	0	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274
Professional Fees	5060010	13,806	17,267	17,267	17,267	17,267	17,267	17,267	17,267	17,267
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		332,040	377,100	418,077	385,927	385,927	385,927	385,934	385,934	385,934

Funding Sources										
Fund Balance	4000005	207,347	232,335		189,994	189,994	189,994	121,568	121,568	121,568
General Revenue	4000010	284,199	276,135		279,501	279,501	279,501	279,533	279,533	279,533
Merit Adjustment Fund	4000055	0	4,624		0	0	0	0	0	0
Permit of Approval Fees	4000375	72,829	54,000		38,000	38,000	38,000	38,000	38,000	38,000
Total Funding		564,375	567,094		507,495	507,495	507,495	439,101	439,101	439,101
Excess Appropriation/(Funding)		(232,335)	(189,994)		(121,568)	(121,568)	(121,568)	(53,167)	(53,167)	(53,167)
Grand Total		332,040	377,100		385,927	385,927	385,927	385,934	385,934	385,934

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2012 TO FISCAL YEAR 2013**

Agency: Health Services Permit Agency

Program: Health Serv Permit Agency-State

Act #: 1100 Section(s) #: 2 & 5

Estimated Carry Forward Amount \$ 242,500.00 Funding Source: Miscellaneous Agencies

Accounting Information:

Business Area: 0665 Funds Center: 844 Fund: HUA Functional Area: HHS

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

These funds are necessary for the operations of the Agency. The funds are generated from fees and fines collected pursuant to A.C.A. 20-8-108 and deposited into the Miscellaneous Agencies Fund. The funds will carry forward into FY13.

Actual Funding Carry Forward Amount \$ 232,355.33

Current status of carry forward funding:

The funds will be used to support the operations of the Agency for FY13.

Deborah Frazier

Director

08-23-2012

Date

Analysis of Budget Request

Appropriation: 845 - Dev Disabilities Plng Council-State

Funding Sources: HUA - General Revenue

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$37,055 in FY14 and \$37,082 in FY15 with one (1) budgeted base level position.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 845 - Dev Disabilities Plng Council-State

Funding Sources: HUA - General Revenue

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	22,810	28,845	29,446	28,676	28,676	28,676	28,694	28,694	28,694
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	6,234	8,263	8,694	8,379	8,379	8,379	8,388	8,388	8,388
Total		29,044	37,108	38,140	37,055	37,055	37,055	37,082	37,082	37,082
Funding Sources										
General Revenue	4000010	29,044	37,108		37,055	37,055	37,055	37,082	37,082	37,082
Total Funding		29,044	37,108		37,055	37,055	37,055	37,082	37,082	37,082
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		29,044	37,108		37,055	37,055	37,055	37,082	37,082	37,082

The Base Level amount is less than the Budget amount due to flexibility in the authorization of all positions through one salary section in the appropriation act.

Analysis of Budget Request

Appropriation: 846 - Dev Disabilities Plng Council-Fed

Funding Sources: FKM - Health Services - DDPC Federal

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$1,445,430 in FY14 and \$1,446,189 in FY15 with six (6) budgeted base level positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 846 - Dev Disabilities Plng Council-Fed

Funding Sources: FKM - Health Services - DDPC Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	196,647	273,148	246,690	273,078	273,078	273,078	273,696	273,696	273,696
#Positions		4	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	71,485	89,827	75,437	91,555	91,555	91,555	91,696	91,696	91,696
Operating Expenses	5020002	104,347	259,025	259,025	259,025	259,025	259,025	259,025	259,025	259,025
Conference & Travel Expenses	5050009	10,032	10,843	10,843	10,843	10,843	10,843	10,843	10,843	10,843
Professional Fees	5060010	0	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	68,744	690,929	690,929	690,929	690,929	690,929	690,929	690,929	690,929
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		451,255	1,443,772	1,402,924	1,445,430	1,445,430	1,445,430	1,446,189	1,446,189	1,446,189
Funding Sources										
Federal Revenue	4000020	451,255	1,443,772		1,445,430	1,445,430	1,445,430	1,446,189	1,446,189	1,446,189
Total Funding		451,255	1,443,772		1,445,430	1,445,430	1,445,430	1,446,189	1,446,189	1,446,189
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		451,255	1,443,772		1,445,430	1,445,430	1,445,430	1,446,189	1,446,189	1,446,189

FY13 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2011-2013 Biennium.