

HEALTH SERVICES PERMIT AGENCY

Enabling Laws

Act 250 of 2014

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

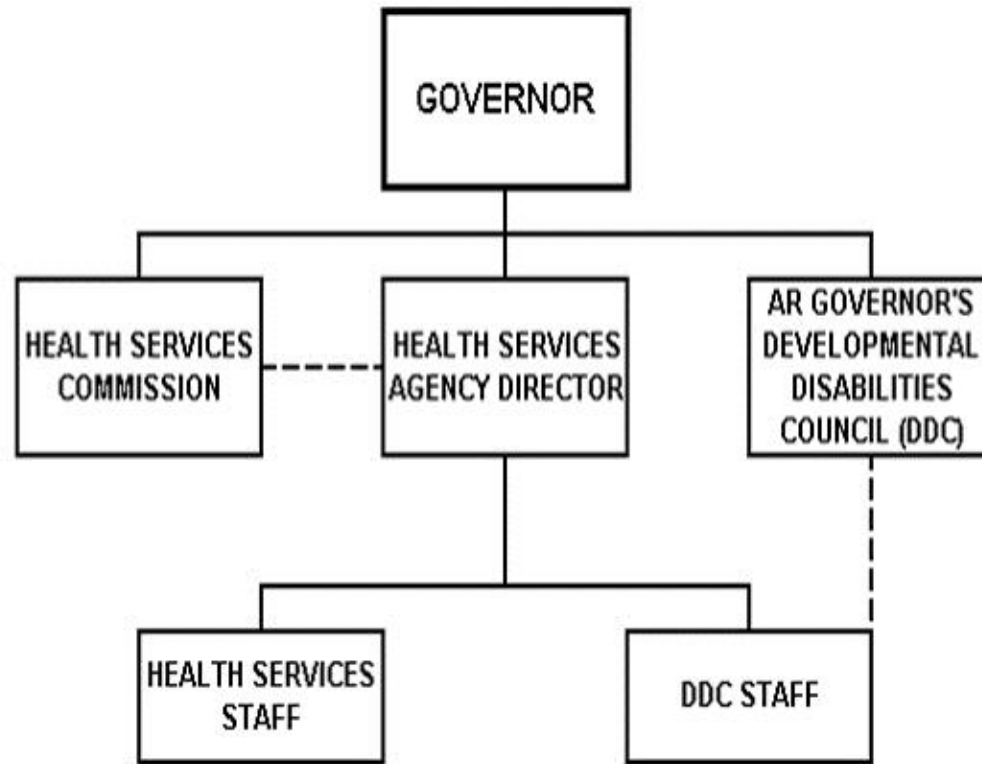
Vision: We envision a world where everyone has an equal and real opportunity to lead a meaningful life.

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

Health Services Permit Agency is requesting a Change Level 10 request for two existing positions. The reclassification request is for the Health Program Specialist III position to be reclassified to a Grants Manager. The reclassification request is also for the Agency Fiscal Manger position to be reclassified to a Fiscal Division Manager. The purpose of the reclassification is to propose position title(s) that are appropriate for the position(s) responsibilities to be performed. Internal research was required to determine a comparable job and title based on similar positions within the Arkansas Classification and Compensation Pay System and the relevant job market. The proposed reclassification range is appropriate based on the following: Position responsibilities are in line with proposed Arkansas Classification and Compensation, Proposed pay grade is in line with career service salary structure, i.e. the level of job responsibilities for proposed position is similar to other positions within the Arkansas classification and compensation job titles which have the same pay grade assignment, and proposed pay grades are in

line with the pay for the same or similar positions in the external market. The proposed reclassification to the existing positions is in line with the pay of other state employees in the same position(s) who have similar education/experience levels within the State of Arkansas. As a result of these reclassifications, these positions will have more interaction with interested parties and the agencies and facilities that are governed by the Permit of Approval and the Arkansas Developmental Disabilities Council.

The Agency requests Change Level 4 on Appropriation 844 and funding for the 2015-2017 Biennium. The Agency is requesting \$3,000 appropriation reallocation from Conference & Travel to Professional Fees. This request is to ensure proper coverage for the increased expense to contracted services provided by the University of Arkansas at Little Rock.

The Agency will continue its role in implementing the policies and procedures adopted by the Health Services Permit Commission and reviewing all Permit of Approval applications.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
HEALTH SERVICES PERMIT AGENCY
FOR THE YEAR ENDED JUNE 30, 2012

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	2	4	6	67 %
Black Employees	0	3	3	33 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			3	33 %
Total Employees			9	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		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.	0	0.00
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.	0	0.00
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.	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	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	352,168	4	373,708	4	389,136	4	376,288	4	378,394	4	376,288	4	376,288	4	378,394	4	376,288	4
845 Dev Disabilities Plng Council-State	35,151	1	37,950	1	38,327	1	38,254	1	46,691	1	38,254	1	38,254	1	46,691	1	38,254	1
846 Dev Disabilities Plng Council-Fed	682,223	5	1,379,712	6	1,451,213	6	1,382,380	6	1,384,495	6	1,382,380	6	1,382,380	6	1,384,495	6	1,382,380	6
Total	1,069,542	10	1,791,370	11	1,878,676	11	1,796,922	11	1,809,580	11	1,796,922	11	1,796,922	11	1,809,580	11	1,796,922	11

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	254,622	18.8	287,737	14.1	250,693	12.5	250,693	12.4	250,693	12.5	216,622	10.9	214,516	10.8	216,622	10.9
General Revenue	4000010	316,841	23.3	320,614	15.7	326,471	16.2	326,471	16.2	326,471	16.2	326,471	16.5	326,471	16.5	326,471	16.5
Federal Revenue	4000020	682,223	50.3	1,379,712	67.6	1,382,380	68.7	1,384,495	68.7	1,382,380	68.7	1,382,380	69.8	1,384,495	69.9	1,382,380	69.8
Permit of Approval Fees	4000375	103,593	7.6	54,000	2.6	54,000	2.7	54,000	2.7	54,000	2.7	54,000	2.7	54,000	2.7	54,000	2.7
Total Funds		1,357,279	100.0	2,042,063	100.0	2,013,544	100.0	2,015,659	100.0	2,013,544	100.0	1,979,473	100.0	1,979,482	100.0	1,979,473	100.0
Excess Appropriation/(Funding)		(287,737)		(250,693)		(216,622)		(206,079)		(216,622)		(182,551)		(169,902)		(182,551)	
Grand Total		1,069,542		1,791,370		1,796,922		1,809,580		1,796,922		1,796,922		1,809,580		1,796,922	

Variance in fund balances is due to unfunded appropriation balances in the following appropriations: 845- Developmental Disabilities Planning Council-State.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
11	9	2	11	0	18.18 %	11	10	1	11	0	9.09 %	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 include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Base Level request for this appropriation is \$376,288 each year of the 2015-2017 biennium with four (4) budgeted base level positions.

The Agency's Change Level Request is \$2,106 each year and consists of the following:

- One (1) reclassification request: Agency Fiscal Manager Grade C121 position to be reclassified to a Fiscal Division Manager Grade C127 position.
- Reallocation of \$3,000 from Conference & Travel to Professional Fees. This request is to ensure proper coverage for the increased expense to contracted services provided by the University of Arkansas at Little Rock.

The Executive Recommendation provides for the Agency Request, with the exception of the position reclassification.

Appropriation Summary

Appropriation: 844 - Health Serv Permit Agency-State

Funding Sources: HUA - General Revenue/Fees

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	226,803	220,604	234,413	222,179	223,883	222,179	222,179	223,883	222,179
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	70,957	69,936	71,555	70,941	71,343	70,941	70,941	71,343	70,941
Operating Expenses	5020002	42,408	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	2,274	2,274	5,274	2,274	2,274
Professional Fees	5060010	12,000	17,267	17,267	17,267	20,267	20,267	17,267	20,267	20,267
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		352,168	373,708	389,136	376,288	378,394	376,288	376,288	378,394	376,288
Funding Sources										
Fund Balance	4000005	254,622	287,737		250,693	250,693	250,693	216,622	214,516	216,622
General Revenue	4000010	281,690	282,664		288,217	288,217	288,217	288,217	288,217	288,217
Permit of Approval Fees	4000375	103,593	54,000		54,000	54,000	54,000	54,000	54,000	54,000
Total Funding		639,905	624,401		592,910	592,910	592,910	558,839	556,733	558,839
Excess Appropriation/(Funding)		(287,737)	(250,693)		(216,622)	(214,516)	(216,622)	(182,551)	(178,339)	(182,551)
Grand Total		352,168	373,708		376,288	378,394	376,288	376,288	378,394	376,288

Change Level by Appropriation

Appropriation: 844 - Health Serv Permit Agency-State
Funding Sources: HUA - General Revenue/Fees

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	376,288	4	376,288	100.0	376,288	4	376,288	100.0
C04	Reallocation	0	0	376,288	100.0	0	0	376,288	100.0
C10	Reclass	2,106	0	378,394	100.6	2,106	0	378,394	100.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	376,288	4	376,288	100.0	376,288	4	376,288	100.0
C04	Reallocation	0	0	376,288	100.0	0	0	376,288	100.0
C10	Reclass	0	0	376,288	100.0	0	0	376,288	100.0

Justification

C04	This request is to reallocate \$3,000 from Conference & Travel to be moved to Professional Fees. This reallocation will cover additional expenses for UALR contracted services effective 07/01/2015.
C10	The reclassification request is for the Agency Fiscal Manager position to be reclassified to a Fiscal Division Manager. The purpose of the reclassification is to propose position titles that are appropriate for the position responsibilities to be performed. Internal research was required to determine a comparable job and title based on similar positions within the Arkansas Classification and Compensation Pay System and the relevant job market. The proposed reclassification range is appropriate based on the following: Position responsibilities are in line with proposed Arkansas Classification and Compensation, Proposed pay grade is in line with career service salary structure, i.e. the level of job responsibilities for proposed position is similar to other positions within the Arkansas classification and compensation job titles which have the same pay grade assignment, and Proposed pay grades are in line with the pay for the same or similar positions in the external market.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2014 TO FISCAL YEAR 2015**

Agency: Health Services Permit Agency

Program: Health Serv Permit Agency-State

Act #: 216 of 2013 Section(s) #: 2 & 5

Estimated Carry Forward Amount \$ 214,302.00 Funding Source: Special Revenue

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 fines and fees collected pursuant to A.C.A. 20-8-108 and deposited into the Miscellaneous Agencies Fund. They will carry forward into FY15.

Actual Funding Carry Forward Amount \$ 287,737.12

Current status of carry forward funding:

The funds will be used to support the operations of the Agency for FY15.

James Luker

Director

08-04-2014

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

The Agency Base Level request for this appropriation is \$38,254 each year of the 2015-2017 biennium with one (1) budgeted base level position.

The Agency's Change Level request is \$8,437 each year for additional Regular Salaries and Personal Services Matching associated with the reclassification of the Agency Fiscal Manager Grade C121 position to a Fiscal Division Manager Grade C127 position. No additional general revenue funding is being requested.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 845 - Dev Disabilities Plng Council-State

Funding Sources: HUA - General Revenue

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	26,668	28,324	29,379	28,470	35,287	28,470	28,470	35,287	28,470
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	8,483	9,626	8,948	9,784	11,404	9,784	9,784	11,404	9,784
Total		35,151	37,950	38,327	38,254	46,691	38,254	38,254	46,691	38,254
Funding Sources										
General Revenue	4000010	35,151	37,950		38,254	38,254	38,254	38,254	38,254	38,254
Total Funding		35,151	37,950		38,254	38,254	38,254	38,254	38,254	38,254
Excess Appropriation/(Funding)		0	0		0	8,437	0	0	8,437	0
Grand Total		35,151	37,950		38,254	46,691	38,254	38,254	46,691	38,254

Change Level by Appropriation

Appropriation: 845 - Dev Disabilities PIng Council-State
Funding Sources: HUA - General Revenue

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	38,254	1	38,254	100.0	38,254	1	38,254	100.0
C10	Reclass	8,437	0	46,691	122.1	8,437	0	46,691	122.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	38,254	1	38,254	100.0	38,254	1	38,254	100.0
C10	Reclass	0	0	38,254	100.0	0	0	38,254	100.0

Justification

C10	The reclassification request is for the Agency Fiscal Manger position to be reclassified to a Fiscal Division Manager. The purpose of the reclassification is to propose position titles that are appropriate for the position responsibilities to be performed. Internal research was required to determine a comparable job and title based on similar positions within the Arkansas Classification and Compensation Pay System and the relevant job market. The proposed reclassification range is appropriate based on the following: Position responsibilities are in line with proposed Arkansas Classification and Compensation, Proposed pay grade is in line with career service salary structure, i.e. the level of job responsibilities for proposed position is similar to other positions within the Arkansas classification and compensation job titles which have the same pay grade assignment, and Proposed pay grades are in line with the pay for the same or similar positions in the external market.
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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 include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Base Level request for this appropriation is \$1,382,380 each year of the 2015-2017 biennium with six (6) budgeted base level positions.

The Agency's Change Level Request is \$2,115 each year for additional Regular Salaries and Personal Services Matching associated with the reclassification of the Health Program Specialist III Grade C119 position to a Grants Manager Grade C121 position.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 846 - Dev Disabilities Plng Council-Fed

Funding Sources: FKM - Health Services - DDPC Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	150,707	219,403	277,816	220,853	222,558	220,853	220,853	222,558	220,853
#Positions		5	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	65,903	79,512	92,600	80,730	81,140	80,730	80,730	81,140	80,730
Operating Expenses	5020002	152,493	259,025	259,025	259,025	259,025	259,025	259,025	259,025	259,025
Conference & Travel Expenses	5050009	4,376	10,843	10,843	10,843	10,843	10,843	10,843	10,843	10,843
Professional Fees	5060010	24,875	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	283,869	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		682,223	1,379,712	1,451,213	1,382,380	1,384,495	1,382,380	1,382,380	1,384,495	1,382,380
Funding Sources										
Federal Revenue	4000020	682,223	1,379,712		1,382,380	1,384,495	1,382,380	1,382,380	1,384,495	1,382,380
Total Funding		682,223	1,379,712		1,382,380	1,384,495	1,382,380	1,382,380	1,384,495	1,382,380
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		682,223	1,379,712		1,382,380	1,384,495	1,382,380	1,382,380	1,384,495	1,382,380

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,382,380	6	1,382,380	100.0	1,382,380	6	1,382,380	100.0
C10	Reclass	2,115	0	1,384,495	100.2	2,115	0	1,384,495	100.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,382,380	6	1,382,380	100.0	1,382,380	6	1,382,380	100.0
C10	Reclass	0	0	1,382,380	100.0	0	0	1,382,380	100.0

Justification

C10	The reclassification request is for the Health Program Specialist III position to be reclassified to a Grants Manager. The purpose of the reclassification is to propose position titles that are appropriate for the position responsibilities to be performed. Internal research was required to determine a comparable job and title based on similar positions within the Arkansas Classification and Compensation Pay System and the relevant job market. The proposed reclassification range is appropriate based on the following: Position responsibilities are in line with proposed Arkansas Classification and Compensation, Proposed pay grade is in line with career service salary structure, i.e. the level of job responsibilities for proposed position is similar to other positions within the Arkansas classification and compensation job titles which have the same pay grade assignment, and Proposed pay grades are in line with the pay for the same or similar positions in the external market.
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