

HEALTH SERVICES PERMIT AGENCY

Enabling Laws

Act 322 of 2007

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.

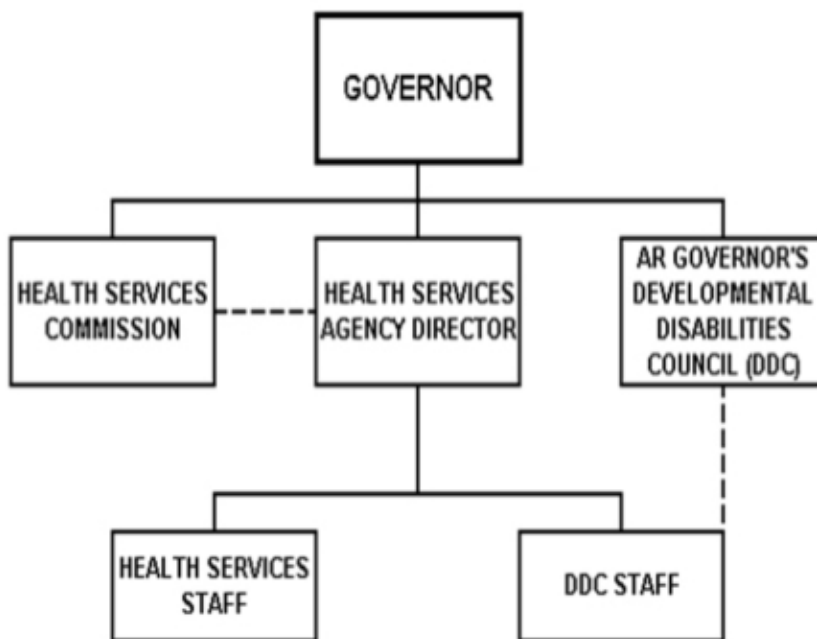
Mission Statement: The Arkansas Governor's Developmental Disabilities Council Supports people with developmental disabilities in achieving independence, productivity, integration and inclusion into the community through advocating and promoting service systems that enhance their lives. The Council believes 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 2009-2011 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, 2006

Findings	Recommendations
None	None

Employment Summary

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

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Arkansas Permit of Approval Rulebook	A.C.A. 2-8-104	N	N	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	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	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	326,345	4	391,522	5	377,533	5	406,606	5	406,606	5	406,606	5	412,066	5	412,066	5	412,066	5
845 Dev Disabilities Plng Council-State	36,880	1	51,692	1	54,672	1	53,519	1	53,519	1	53,519	1	53,901	1	53,901	1	53,901	1
846 Dev Disabilities Plng Council-Fed	823,711	5	1,354,759	5	1,325,335	5	1,375,628	5	1,375,628	5	1,375,628	5	1,380,815	5	1,380,815	5	1,380,815	5
Total	1,186,936	10	1,797,973	11	1,757,540	11	1,835,753	11	1,835,753	11	1,835,753	11	1,846,782	11	1,846,782	11	1,846,782	11

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	359,560	23.7	330,444	16.4			218,257	11.2	218,257	11.2	218,257	11.2	120,255	6.4	120,255	6.4
General Revenue	4000010	292,233	19.3	296,027	14.7			307,123	15.7	307,123	15.7	307,123	15.7	310,485	16.6	310,485	16.6
Federal Revenue	4000020	823,711	54.3	1,354,759	67.2			1,375,628	70.3	1,375,628	70.3	1,375,628	70.3	1,380,815	74.0	1,380,815	74.0
Permit of Approval Fees	4000375	41,876	2.8	35,000	1.7			55,000	2.8	55,000	2.8	55,000	2.8	55,000	2.9	55,000	2.9
Total Funds		1,517,380	100.0	2,016,230	100.0			1,956,008	100.0	1,956,008	100.0	1,956,008	100.0	1,866,555	100.0	1,866,555	100.0
Excess Appropriation/(Funding)		(330,444)		(218,257)				(120,255)		(120,255)		(120,255)		(19,773)		(19,773)	
Grand Total		1,186,936		1,797,973				1,835,753		1,835,753		1,835,753		1,846,782		1,846,782	

The Fund Center 844 & 846 FY09 Budgeted amounts in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium. The Fund Center 846 FY08 Actual exceeds Authorized due to the distribution of the fiscal officer salary among appropriations authorized by a single salary section in the agency's act.

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	8	3	11	0	27.27 %	11	7	4	11	0	36.36 %

Analysis of Budget Request

Appropriation: 844 - Health Serv Permit Agency-State

Funding Sources: HUA - General Revenue/Fees

The Agency reviews all applications for permits of approval, for nursing homes, residential care facilities, etc., addressing such issues as need, staffing, and economic feasibility. 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 salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Request is for Base Level.

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		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	200,783	236,197	226,034	244,839	244,839	244,839	249,327	249,327	249,327
#Positions		4	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	62,216	72,157	68,331	78,599	78,599	78,599	79,571	79,571	79,571
Operating Expenses	5020002	42,941	60,627	60,627	60,627	60,627	60,627	60,627	60,627	60,627
Conference & Travel Expenses	5050009	3,405	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274
Professional Fees	5060010	17,000	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		326,345	391,522	377,533	406,606	406,606	406,606	412,066	412,066	412,066
Funding Sources										
Fund Balance	4000005	359,560	330,444		218,257	218,257	218,257	120,255	120,255	120,255
General Revenue	4000010	255,353	244,335		253,604	253,604	253,604	256,584	256,584	256,584
Permit of Approval Fees	4000375	41,876	35,000		55,000	55,000	55,000	55,000	55,000	55,000
Total Funding		656,789	609,779		526,861	526,861	526,861	431,839	431,839	431,839
Excess Appropriation/(Funding)		(330,444)	(218,257)		(120,255)	(120,255)	(120,255)	(19,773)	(19,773)	(19,773)
Grand Total		326,345	391,522		406,606	406,606	406,606	412,066	412,066	412,066

The FY09 Budgeted Regular Salaries and Personal Services Matching exceed authorized due to increases in salaries from the merit pay system.

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Health Services Permit Agency

Program: Health Serv Permit Agency-State

Act #: 322 of 2007 Section(s) #: 2, 3 & 5

Estimated Carry Forward Amount \$ 317,227.00 Appropriation Funds

Funding Source: Miscellaneous Agencies

Accounting Information:

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

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Total		\$ 0.00	\$ 0.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

The Funds are necessary to support the operations of the Agency. Funds generated by fees and fines (A.C.A. 20-8-103) are deposited into the Miscellaneous Agencies Fund Account and are the funds to be carried forward.

Actual Funding Carry Forward Amount \$ 330,433.78

Current status of carry forward appropriation/funding:

The Agency will use the funding to support the continuing operations.

Deborah Frazier
Director

08-13-2008
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 salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Request is for Base Level.

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		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	23,116	36,443	36,986	37,403	37,403	37,403	37,716	37,716	37,716
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	9,416	10,901	13,338	11,768	11,768	11,768	11,837	11,837	11,837
Grants and Aid	5100004	4,348	4,348	4,348	4,348	4,348	4,348	4,348	4,348	4,348
Total		36,880	51,692	54,672	53,519	53,519	53,519	53,901	53,901	53,901
Funding Sources										
General Revenue	4000010	36,880	51,692		53,519	53,519	53,519	53,901	53,901	53,901
Total Funding		36,880	51,692		53,519	53,519	53,519	53,901	53,901	53,901
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		36,880	51,692		53,519	53,519	53,519	53,901	53,901	53,901

Analysis of Budget Request

Appropriation: 846 - Dev Disabilities Plng Council-Fed

Funding Sources: FKM - 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 salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Request is for Base Level.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 846 - Dev Disabilities Plng Council-Fed

Funding Sources: FKM - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	173,832	206,943	182,558	220,132	220,132	220,132	224,394	224,394	224,394
#Positions		5	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	60,811	67,019	61,980	74,699	74,699	74,699	75,624	75,624	75,624
Operating Expenses	5020002	209,765	259,025	259,025	259,025	259,025	259,025	259,025	259,025	259,025
Conference & Travel Expenses	5050009	6,559	10,843	10,843	10,843	10,843	10,843	10,843	10,843	10,843
Professional Fees	5060010	41,592	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	331,152	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		823,711	1,354,759	1,325,335	1,375,628	1,375,628	1,375,628	1,380,815	1,380,815	1,380,815
Funding Sources										
Federal Revenue	4000020	823,711	1,354,759		1,375,628	1,375,628	1,375,628	1,380,815	1,380,815	1,380,815
Total Funding		823,711	1,354,759		1,375,628	1,375,628	1,375,628	1,380,815	1,380,815	1,380,815
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		823,711	1,354,759		1,375,628	1,375,628	1,375,628	1,380,815	1,380,815	1,380,815

The FY09 Budgeted Regular Salaries and Personal Services Matching exceed authorized due to increases in salaries from the merit pay system. FY08 Actual exceeds Authorized due to the distribution of the fiscal officer salary among appropriations authorized by a single salary section in the agency's act.