

HEALTH SERVICES PERMIT AGENCY

Enabling Laws

Act 41 of 2010

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

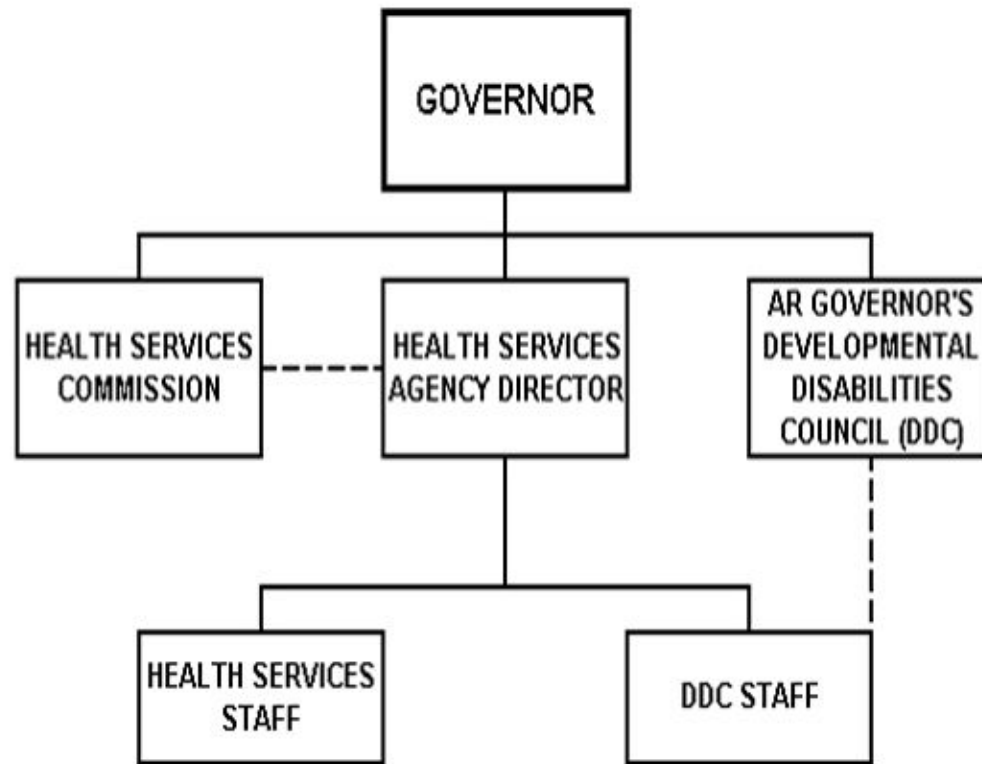
Vision: We envision a world where everyone has an equal and real opportunity to lead a meaningful life.

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 2011-2013 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, 2008

| Findings | Recommendations |
|----------|-----------------|
| None | None |

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 2 | 2 | 4 | 57 % |
| Black Employees | 0 | 2 | 2 | 29 % |
| Other Racial Minorities | 0 | 1 | 1 | 14 % |
| Total Minorities | | | 3 | 43 % |
| 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. |

A.C.A. 25-1-204

| Name | Statutory Authorization | Required for | | # of Copies | Reason(s) for Continued Publication and Distribution |
|---|-------------------------|--------------|------------------|-------------|---|
| | | Governor | General Assembly | | |
| 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 | | 2009-2010 | | 2010-2011 | | 2010-2011 | | 2011-2012 | | | | | | 2012-2013 | | | | | |
|---------------|-------------------------------------|-----------|-----|-----------|-----|------------|-----|------------|-----|-----------|-----|-----------|-----|------------|-----|-----------|-----|-----------|-----|
| | | 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 | 355,548 | 4 | 401,787 | 5 | 412,066 | 5 | 404,545 | 5 | 404,545 | 5 | 404,545 | 5 | 404,545 | 5 | 404,545 | 5 | 404,545 | 5 |
| 845 | Dev Disabilities Plng Council-State | 34,774 | 1 | 36,061 | 1 | 53,901 | 1 | 35,824 | 1 | 35,824 | 1 | 35,824 | 1 | 35,824 | 1 | 35,824 | 1 | 35,824 | 1 |
| 846 | Dev Disabilities Plng Council-Fed | 913,226 | 3 | 1,399,972 | 6 | 1,380,815 | 5 | 1,387,406 | 6 | 1,387,406 | 6 | 1,387,406 | 6 | 1,387,406 | 6 | 1,387,406 | 6 | 1,387,406 | 6 |
| Total | | 1,303,548 | 8 | 1,837,820 | 11 | 1,846,782 | 11 | 1,827,775 | 11 | 1,827,775 | 11 | 1,827,775 | 11 | 1,827,775 | 11 | 1,827,775 | 11 | 1,827,775 | 11 |

| Funding Sources | | | % | | % | | | % | | % | | % | | % | | % | | % |
|--------------------------------|---------|-----------|-------|-----------|-------|--|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|
| Fund Balance | 4000005 | 301,086 | 19.6 | 231,414 | 11.7 | | 136,051 | 7.3 | 136,051 | 7.3 | 136,051 | 7.3 | 43,925 | 2.5 | 43,925 | 2.5 | 43,925 | 2.5 |
| General Revenue | 4000010 | 281,062 | 18.3 | 310,485 | 15.7 | | 313,243 | 16.7 | 313,243 | 16.7 | 313,243 | 16.7 | 313,243 | 17.6 | 313,243 | 17.6 | 313,243 | 17.6 |
| Federal Revenue | 4000020 | 913,226 | 59.5 | 1,399,972 | 70.9 | | 1,387,406 | 74.1 | 1,387,406 | 74.1 | 1,387,406 | 74.1 | 1,387,406 | 78.0 | 1,387,406 | 78.0 | 1,387,406 | 78.0 |
| Permit of Approval Fees | 4000375 | 39,588 | 2.6 | 32,000 | 1.6 | | 35,000 | 1.9 | 35,000 | 1.9 | 35,000 | 1.9 | 35,000 | 2.0 | 35,000 | 2.0 | 35,000 | 2.0 |
| Total Funds | | 1,534,962 | 100.0 | 1,973,871 | 100.0 | | 1,871,700 | 100.0 | 1,871,700 | 100.0 | 1,871,700 | 100.0 | 1,779,574 | 100.0 | 1,779,574 | 100.0 | 1,779,574 | 100.0 |
| Excess Appropriation/(Funding) | | (231,414) | | (136,051) | | | (43,925) | | (43,925) | | (43,925) | | 48,201 | | 48,201 | | 48,201 | |
| Grand Total | | 1,303,548 | | 1,837,820 | | | 1,827,775 | | 1,827,775 | | 1,827,775 | | 1,827,775 | | 1,827,775 | | 1,827,775 | |

Budgeted numbers of positions exceed the authorized number due to cost sharing and the flexibility inherent in the authorization of all positions through one salary section in the appropriation act.
The FY11 Budget amount in Developmental Disabilities Planning Council-Federal (846) exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.

Agency Position Usage Report

| FY2008 - 2009 | | | | | | FY2009 - 2010 | | | | | | FY2010 - 2011 | | | | | |
|-------------------------|----------|----------|-------|---------------------|------------------------------|-------------------------|----------|----------|-------|---------------------|------------------------------|-------------------------|----------|----------|-------|---------------------|------------------------------|
| 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 | 7 | 4 | 11 | 0 | 36.36 % | 11 | 8 | 3 | 11 | 0 | 27.27 % | 11 | 8 | 3 | 11 | 0 | 27.27 % |

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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum.

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 | | 2009-2010 | 2010-2011 | 2010-2011 | 2011-2012 | | | 2012-2013 | | |
|--------------------------------|---------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 221,241 | 246,560 | 249,327 | 248,732 | 248,732 | 248,732 | 248,732 | 248,732 | 248,732 |
| #Positions | | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Personal Services Matching | 5010003 | 67,487 | 72,059 | 79,571 | 72,645 | 72,645 | 72,645 | 72,645 | 72,645 | 72,645 |
| Operating Expenses | 5020002 | 46,503 | 60,627 | 60,627 | 60,627 | 60,627 | 60,627 | 60,627 | 60,627 | 60,627 |
| Conference & Travel Expenses | 5050009 | 3,492 | 5,274 | 5,274 | 5,274 | 5,274 | 5,274 | 5,274 | 5,274 | 5,274 |
| Professional Fees | 5060010 | 16,825 | 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 | | 355,548 | 401,787 | 412,066 | 404,545 | 404,545 | 404,545 | 404,545 | 404,545 | 404,545 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 301,086 | 231,414 | | 136,051 | 136,051 | 136,051 | 43,925 | 43,925 | 43,925 |
| General Revenue | 4000010 | 246,288 | 274,424 | | 277,419 | 277,419 | 277,419 | 277,419 | 277,419 | 277,419 |
| Permit of Approval Fees | 4000375 | 39,588 | 32,000 | | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| Total Funding | | 586,962 | 537,838 | | 448,470 | 448,470 | 448,470 | 356,344 | 356,344 | 356,344 |
| Excess Appropriation/(Funding) | | (231,414) | (136,051) | | (43,925) | (43,925) | (43,925) | 48,201 | 48,201 | 48,201 |
| Grand Total | | 355,548 | 401,787 | | 404,545 | 404,545 | 404,545 | 404,545 | 404,545 | 404,545 |

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Health Services Permit Agency

Program: Health Serv Permit Agency-State

Act #: 41 Section(s) #: 2, 3 & 5

Estimated Carry Forward Amount \$ 263,638.00 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:

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

Actual Funding Carry Forward Amount \$ 231,414.14

Current status of carry forward funding:

The funds are being used to support FY11 operations of the agency.

Note from DFA – Office of Budget: The portion of Special Language that requires this report is no longer necessary.

Deborah Frazier
Director

08-26-2010
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 and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

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 | | 2009-2010 | 2010-2011 | 2010-2011 | 2011-2012 | | | 2012-2013 | | |
|--------------------------------|---------|-----------|-----------|------------|------------|----------|-----------|------------|----------|-----------|
| | | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 23,583 | 27,694 | 37,716 | 27,485 | 27,485 | 27,485 | 27,485 | 27,485 | 27,485 |
| #Positions | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Personal Services Matching | 5010003 | 6,843 | 8,367 | 11,837 | 8,339 | 8,339 | 8,339 | 8,339 | 8,339 | 8,339 |
| Grants and Aid | 5100004 | 4,348 | 0 | 4,348 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 34,774 | 36,061 | 53,901 | 35,824 | 35,824 | 35,824 | 35,824 | 35,824 | 35,824 |
| Funding Sources | | | | | | | | | | |
| General Revenue | 4000010 | 34,774 | 36,061 | | 35,824 | 35,824 | 35,824 | 35,824 | 35,824 | 35,824 |
| Total Funding | | 34,774 | 36,061 | | 35,824 | 35,824 | 35,824 | 35,824 | 35,824 | 35,824 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 34,774 | 36,061 | | 35,824 | 35,824 | 35,824 | 35,824 | 35,824 | 35,824 |

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 and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

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 | | 2009-2010 | 2010-2011 | 2010-2011 | 2011-2012 | | | 2012-2013 | | |
|--------------------------------|---------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 172,420 | 249,937 | 224,394 | 233,334 | 233,334 | 233,334 | 233,334 | 233,334 | 233,334 |
| #Positions | | 3 | 6 | 5 | 6 | 6 | 6 | 6 | 6 | 6 |
| Personal Services Matching | 5010003 | 58,745 | 69,238 | 75,624 | 73,275 | 73,275 | 73,275 | 73,275 | 73,275 | 73,275 |
| Operating Expenses | 5020002 | 246,073 | 259,025 | 259,025 | 259,025 | 259,025 | 259,025 | 259,025 | 259,025 | 259,025 |
| Conference & Travel Expenses | 5050009 | 9,696 | 10,843 | 10,843 | 10,843 | 10,843 | 10,843 | 10,843 | 10,843 | 10,843 |
| Professional Fees | 5060010 | 11,987 | 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 | 414,305 | 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 | | 913,226 | 1,399,972 | 1,380,815 | 1,387,406 | 1,387,406 | 1,387,406 | 1,387,406 | 1,387,406 | 1,387,406 |
| | | | | | | | | | | |
| Funding Sources | | | | | | | | | | |
| Federal Revenue | 4000020 | 913,226 | 1,399,972 | | 1,387,406 | 1,387,406 | 1,387,406 | 1,387,406 | 1,387,406 | 1,387,406 |
| Total Funding | | 913,226 | 1,399,972 | | 1,387,406 | 1,387,406 | 1,387,406 | 1,387,406 | 1,387,406 | 1,387,406 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 913,226 | 1,399,972 | | 1,387,406 | 1,387,406 | 1,387,406 | 1,387,406 | 1,387,406 | 1,387,406 |

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.

Budgeted numbers of positions exceed the authorized number due to flexibility inherent in the authorization of all positions through one salary section in the appropriation act.