

I) AGENCY SUMMARY & REVENUE SOURCES**MISSION**

The Arkansas Department of Health (ADH) is the state agency charged with the responsibility of protecting and improving the health of the people of Arkansas by: assessment of health status and needs, leadership for the development of public health policy and plans, promotion of community-based system of preventive and primary health care, enforcement of regulations for environmental health protection and assurance of quality health care, and provision of quality health services.

TOTAL BIENNIAL BUDGET

The total budget of the 2009-11 biennium is \$638,483,470 the first year and \$415,854,970 the second year.

FUNDING SOURCES

The budget is funded by General Revenue (14.7%), Federal Revenue (38.3%), Special Revenue (3.8%), Third Party Reimbursement (21.7%), other funds (21.5%).

II) SIGNIFICANT CHANGES

- **Revenue Stabilization Act** allocated additional General Revenue of \$2.6 million for the Executive Recommendation and \$46.5 million for Healthcare Initiative components funded from the tobacco tax increase for a total General Revenue increase of \$49.1 million and total General Revenue of \$103,870,829 for FY2010.
- The **Tobacco Prevention & Cessation Program** appropriation, funded by Tobacco Settlement Proceeds, provides a total appropriation of \$22,590,119 in FY10 and \$22,042,774 in FY11 including change levels of \$7,028,201 in FY10 and \$6,433,135 in FY11, which include:
 1. 11 new positions {1 Program/Field Audit Specialist, 6 Health Program Specialist I, 3 Registered Nurse, and 1 Administrative Specialist III}
 2. Regular Salaries increased by \$361,471 in FY10 and \$369,778 in FY11 for the new positions.
 3. Extra Help increased by \$25,000 each year with no new positions.
 4. Personal Services Matching increased by \$127,009 in FY10 and \$128,593 in FY11 for matching requirements for new positions.
 5. Operating Expenses increased by \$157,345 in FY10 and \$167,465 in FY11 for increased special purpose supplies expenses needed by new employees.
 6. Conference & Travel Expenses increased by \$13,043 in FY10 and \$14,078 in FY11 for conference and seminar fees.
 7. Professional Fees increased by \$1,042,835 in FY10 and \$1,084,235 in FY11 to better align the State with the Federal Center for Disease Control (CDC) and Prevention's Best Practices for Comprehensive Tobacco Control Program.
 8. Refunds/Transfers decreased by \$500,000 each year as it is no longer required due to new transfer authority special language approval.
 9. Juvenile Drug Court Treatment Programs line item established by adding \$500,000 in FY10 and \$1,000,000 in FY11 to allow funding for juvenile substance abuse treatment of tobacco addiction.
 10. Tobacco Prevention & Cessation Expenses increased by \$3,801,498 in FY10 and \$4,143,986 in FY11 to better align the State with the Federal CDC and Prevention's Best Practices for Comprehensive Tobacco Control Program.
 11. Drug Court Substance Abuse Treatment Program line item established by adding \$1.5 million in FY10 to allow funding for adult substance abuse treatment of tobacco addiction.
- The **Operations** appropriation, funded by General Revenue, Federal Revenue, Special Revenue, Third Party Reimbursement, and other support, provides a total appropriation of \$409,789,944 in FY10 and \$276,508,789 in FY11, including change levels of \$159,941,352 in FY10 and \$23,718,768 in FY11, which include:
 1. {10 Positions transferred from the Cosmetology Board along with total appropriation of \$764,561 in FY10 and \$773,725 in FY11 included within various operational line items below.}
 2. Restoration of 36 positions, 64 unfunded positions, and 19 new federally funded positions along with the associated increases in Regular Salaries of \$14,752,533 in FY10 and \$4,858,022 in FY11 and Personal Services Matching of \$4,553,936 in FY10 and \$1,454,354 in FY11.
 3. Extra Help increased by \$671,000 in FY10 and \$171,000 in FY11 with no new positions.
 4. Overtime increased by \$75,000 in FY10 for various operational support.

5. Extra Salaries decreased by \$830,474 each year as the line item is not needed.
6. Operating Expenses increased by \$33,244,582 in FY10 and \$11,910,091 in FY11 for the Coordinated School Health program, Infant Mortality/Teen Pregnancy Prevention program, Health Literacy program, Autopsy Review, Flu Vaccines, federal grants and Reallocation of Contingency appropriation.
7. Conference & Travel Expenses increased by \$338,365 in FY10 and \$139,365 in FY11 for mileage and travel expenses related to new positions.
8. Professional Fees increased by \$46,906,410 in FY10 and \$1,606,410 in FY11 for existing and new programs including: Health Literacy, Coordinated School Health, TB and STD Prevention, and Medicaid Reimbursement Efficiency, Autopsy Review, Flu Vaccines, federal grants and Reallocation of Contingency appropriation.
9. Capital Outlay increased by \$20,230,000 in FY10 and \$2,210,000 in FY11 for purchase of computer equipment and vehicles, Autopsy Review, Flu Vaccines, federal grants and Reallocation of Contingency appropriation.
10. Contingency Appropriation increased by \$2,200,000 in FY11 for the In-Home Services Program.
11. American Recovery and Reinvestment Act of 2009 appropriation of \$40,000,000 in FY10 added for federal grants and stimulus funding.

- The **Trauma System** appropriation, funded by General Revenues, provides a new total appropriation of \$25 million in FY10 for personal services and operating expenses of the Trauma System, including 18 additional Trauma System positions.
- The **Grants to Service Providers** appropriation, funded by General Revenue, Federal Revenue, and fee income, provides a total appropriation of \$63,295,984 in FY10 and \$20,995,984 in FY11 including change levels of \$51,275,000 in FY10 and \$8,975,000 in FY11, which include:
 1. Grants and Aid increased by \$31,275,000 in FY10 and \$975,000 in FY11 for the development of the Coordinated School Health Program, Health Literacy Program, reallocation of the Contingency line item, and Healthcare Initiative components.
 2. American Recovery and Reinvestment Act of 2009 appropriation of \$20,000,000 in FY10 added for federal grants and stimulus funding.
 3. Contingency appropriation line item established by \$8,000,000 in FY11 to provide flexibility to any program needs for unanticipated and unknown program, rules, regulations, State and Federal Mandates.
- The **Health Building & Local Health Grant Trust** appropriation, funded by Special Revenues, provides a Base Level appropriation of \$1,318,000 each year with no change levels.
- The **Emergency Medical Services & Trauma** appropriation, funded by various program support, provides a Base Level appropriation of \$9,728 each fiscal year with no change levels.
- The **Information Technology Initiatives** appropriation, funded by Special Revenues, provides a total appropriation of \$1,196,640 each fiscal year including a change level of \$600,000 each year in appropriation only to spend fund balances for the Department's Vital Records Information Technology Project contained in their IT plan.
- The **Nuclear Planning Grants** appropriation, funded by Special Revenue, provides a Base Level appropriation of \$375,000 each year with no change levels.
- The **Rural Health Facilities** appropriation, funded by General Improvement and other funds, provides a total appropriation of \$1,551,558 each year including a change level of \$970,000 each year in General Improvement appropriation only to increase rural grant awards and improve local health care systems regarding Chronic Disease Prevention.
- The **Emergency Medical Services** appropriation, funded by certification and renewal fees, provides a Base Level appropriation of \$42,000 each year with no change levels.
- The **Rural Physician Incentives** appropriation, funded by General Improvement and other funds, provides a total appropriation of \$990,000 each year

including a change level of \$855,000 each year in General Improvement appropriation only.

- The **WIC Food Instruments** appropriation, funded by Federal Funds and Manufacturer Rebates, provides a total appropriation of \$112,274,497 in FY10 and \$90,774,497 in FY11 including change levels of \$54,500,000 in FY10 and \$33,000,000 in FY11, which includes:
 1. Restored appropriation of \$14,000,000 each year from the 2007-2009 biennium to continue operations at current levels.
 2. New appropriation of \$20,500,000 in FY10 and \$19,000,000 in FY11 to allow for services to be provided to a larger population and cover increasing prices in food for existing clients and to expend expected increased Federal funding.
 3. American Recovery and Reinvestment Act of 2009 appropriation of \$20,000,000 in FY10 added for federal grants and stimulus funding.
- The **Breast Cancer** appropriation, funded by Cash Funds, provides a total appropriation of \$50,000 each year including a change level of \$43,715 each year to provide appropriation for increased funding from the Komen Foundation.

III) ADDITIONAL POSITIONS

Total Positions for the 2009-11 biennium: 3,193

Total Base Level Positions for FY 2009-2011: 3,045 {10 Cosmetology Board Positions Transferred}

Increase/(Decrease): 148

36 Position Restorations

64 Unfunded Positions

19 New Federally Funded Positions

11 New Tobacco Settlement Positions

18 New Trauma System Positions

IV) SPECIAL LANGUAGE

- **TECHNOLOGY REVIEW:** ADH shall seek approval of the state Chief Information Officer and the review and advice of the Joint Committee on Advance Communications and Information Technology prior to entering into any technology contract or project. **REVISED**
- **PATIENT CARE PROVIDERS:** Allows ADH to pay wages and required withholding for patient care providers, which are independent contractors, from the Professional Fees and Services appropriation. Also, compensation is not to include state retirement or health benefits.
- **TRANSFER OF FUNDS - HOME HEALTH:** Allows ADH to transfer all unexpended funds relative to Home Health Services reimbursements with reporting requirements. Allows ADH to transfer funds from the Home Health Fund Balance with approval of ALC or JBC. **REVISED**
- **HOME HEALTH POSITION POOL:** Provides 250 pool positions for in-home services, which may be utilized with approval by Dept. of Finance & Administration and Legislative Council.
- **HOME HEALTH ON-CALL AND VISIT PAY:** Identifies positions eligible to receive \$75 per visit and \$60 per day on call pay for being available outside routine working hours on weekdays, weekends, and/or holidays. **REVISED**
- **NUCLEAR DISASTER PLANNING GRANTS:** Establishes eligibility requirements for applicants for Nuclear Disaster Planning Grants and provides that a minimum of \$5,000 must be used for County Emergency Services Offices. The language further states that Pope, Johnson, Yell, Conway and Logan Counties' EMO shall receive an equal distribution of these funds on a quarterly installment.
- **PARKING FEES:** On July 1 of each year, parking fees of \$50,000 are to be paid from the Operations appropriation by the Department of Health from non-general revenue to the War Memorial Stadium Commission.
- **INFORMATION TECHNOLOGY INITIATIVES:** The Department is prohibited from transferring general revenue for expenditures payable from the Information Technology Initiatives appropriation.
- **INDIRECT COST ALLOCATION FUND TRANSFERS:** Division of Health is authorized to

transfer funds to the Public Health Fund from other program funds for reimbursement.

- DEVELOPMENT RESTRICTIONS: Division of Engineering shall consider the effect of the plan on future development or zoning or adjoining properties.
- NURSING/DIRECT CARE EDUCATION STIPEND PROGRAM: ADH is authorized to provide \$5,000 per person per year to Registered or Licensed Practical Nursing students. If accepted, student is under an employment commitment and required to work full-time equal to the number of years of acceptance. If defaulted, repayment of stipend is required. **NEW**
- CARRY FORWARD OF FUNDS: Funds remaining in the Public Health Fund for support of the Trauma System can be carried forward into the next fiscal year. **NEW**
- COMMUNITY HEALTH CENTERS: Funding for CHC's shall be prioritized to ensure proper allocation with federal, state and local guidance. In addition, CHC's are to report on certain performance indicators determined by ADH. ADH is also instructed to institute a procurement process and allow up to 90 days for the completion of private provider requirements. **NEW**
- STATE FUND RESTRICTIONS: No state funds are to be used for abortion referrals or services in public schools. **NEW**

TOBACCO PREVENTION & CESSATION

- TRANSFER RESTRICTIONS: Appropriations shall only be transferred as allowed in this Act.
- TRANSFER OF APPROPRIATIONS: If any budget classifications of maintenance and general operation in this act are found to be inadequate, then a modification of amounts of the budget classification can be requested with approval from ALC and the Chief Fiscal Officer of the State.
- POSITIONS: Nothing in this act shall be construed as a commitment of the State to continue funding any position paid from the proceeds of the Tobacco Settlement funds in the event that the Tobacco Settlement funds are not sufficient to finance the position and shall be disclosed and included to all positions.
- ADVERTISING: No advertising targeting the prevention or reduction of tobacco shall include the name, voice or likeness of any elected official or their immediate family.
- TOBACCO FUND TRANSFER: ADH is authorized to transfer \$500,000 from the Prevention and Cessation Program Account to the Breast Cancer Control Fund to provide for State Medicaid match requirements. **NEW**
- DRUG COURT SUBSTANCE ABUSE TREATMENT SERVICES: ADH shall provide funding of \$500,000 to DHS-Behavioral Health for Juvenile Drug Courts and \$1,500,000 to the Department of Community Corrections for Adult Drug Courts to be used for substance abuse treatment services including nicotine use and dependence. **NEW**
- COMPLIANCE WITH OTHER LAWS: Disbursement of funds shall be limited to the appropriation made available by law.
- LEGISLATIVE INTENT: Any funds disbursed in this act shall be in compliance with Initiated Act 1 of 2000.