

**October 16, 2019**

The Honorable Karen Fann  
Arizona State Senate  
1700 W. Washington  
Phoenix, AZ 85007

The Honorable Russell “Rusty” Bowers  
Speaker of the House  
Arizona House of Representatives  
1700 W. Washington  
Phoenix, AZ 85007

**SUBJECT: FY 2019 13<sup>th</sup> Month Appropriation Status Report**

Dear President Fann and Speaker Bowers:

Pursuant to A.R.S. §’s 36-2920 and 36-2994, enclosed is the Arizona Health Care Cost Containment System’s (AHCCCS) Appropriation Status Report (ASR) for the period ended June 99, 2019.

**Status Summary** – The annual appropriation amount has been adjusted for the \$36.6 million General Fund reversion from Laws 2019 First Regular Session, Chapter 263 and is now reporting a final FY 2019 surplus of \$351.7 million Total Fund (\$47.0 million Hospital Assessment expenditure authority, \$8.6 million CHIP Fund, and \$296.1 million Federal and other expenditure authority).

This report reflects expenditures and transfers through the “13<sup>th</sup> Month”. AHCCCS will be utilizing surplus funding to administratively adjust other expenditures with dates of service from FY 2019.

If you have any questions about this report, please do not hesitate to call me at (602) 417-4111 or Jeffery Tegen at (602) 417-4705.

Sincerely,



Jami Snyder  
Director

Enclosure

The Honorable Karen Fann  
The Honorable Russell "Rusty" Bowers  
October 16, 2019  
Page 2

cc: The Honorable Douglas A. Ducey, Governor  
The Honorable, David Gowan, Chairman, Senate Appropriations Committee  
The Honorable Regina E. Cobb, Chairman, House Appropriations Committee  
The Honorable Kate Brophy McGee, Chairman, Senate Health and Human Services  
Committee  
The Honorable Nancy Barto, Chairman, House Health and Human Services Committee  
Matthew Gress, Director, Governor's Office of Strategic Planning and Budgeting  
Richard Stavneak, Director, Joint Legislative Budget Committee



# Appropriation Status Report (ASR)

Fiscal Year 2019

Through June 99, 2019

Prepared by: Division of Business and Finance

# Appropriation Status Report

## Table of Contents

<b>APPROPRIATED SOURCES AND USES OF FUNDS</b>	Page
Summary of Appropriated Expenditures for SFY 2019.....	2
Appropriated Expenditures by Funding Source.....	3
Appropriated Revenue Received Detail Schedule.....	5
<b>FOOTNOTES.....</b>	<b>7</b>



# Appropriation Status Report

Appropriated Sources and  
Uses of Funds

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM**  
**FY 2019 APPROPRIATION STATUS REPORT**  
For the Period Ending June 99, 2019  
**SUMMARY OF APPROPRIATED EXPENDITURES**

	(A)	(B)	(A) - (B)		
ANNUAL APPROPRIATION	EXPENDITURE PLAN YTD	EXPENDITURES YTD	VARIANCE YTD	PROJECTED ANNUAL EXPENDITURES	ANNUALIZED VARIANCE
<b>APPROPRIATIONS:</b>					
<b>ADMINISTRATION</b>					
AHCCCS Operating Lump Sum	\$ 89,534,800	\$ 108,941,500	\$ 81,851,010	\$ 27,090,490	\$ -
AHCCCS Prop 204 Administration	24,421,600	14,110,500	18,462,963	(4,352,463)	-
DES Eligibility	91,874,500	92,034,200	85,422,028	6,612,172	-
DES Prop 204 Eligibility	44,358,700	44,358,700	31,908,625	12,450,075	-
ADOA Data Center	18,703,500	19,325,800	12,347,555	6,978,245	2,755,900
School District Suicide Prevention Coordinator	100,000	85,400	63,262	22,138	-
<b>TOTAL ADMINISTRATION</b>	<u>268,993,100</u>	<u>278,856,100</u>	<u>230,055,443</u>	<u>48,800,657</u>	<u>2,755,900</u>
Traditional Medicaid Services	5,320,631,000	5,345,876,100	5,199,955,743	145,920,357	135,827,178
Proposition 204 Services	3,953,396,600	3,866,396,500	3,857,309,562	9,086,938	96,081,540
ACA Adult Expansion	525,675,000	565,674,900	467,352,405	98,322,495	58,322,300
KidsCare Services	81,846,900	81,846,900	73,208,388	8,638,512	8,638,463
ALTCS Services	1,630,757,300	1,605,757,300	1,595,819,887	9,937,413	34,652,897
Disproportionate Share Payments	5,087,100	5,087,100	4,202,300	884,800	-
Rural Hospitals	28,612,400	28,612,400	28,612,316	84	-
Voluntary Political Subdivision Programs	356,848,000	342,580,700	342,580,726	(26)	-
CMDP	193,216,900	199,914,500	177,737,924	22,176,576	15,478,900
Behavioral Health Services - in Schools	9,943,700	9,943,700	9,943,700	-	-
Targeted Investment Program	70,000,000	70,000,000	65,903,463	4,096,537	-
Non Medicaid Seriously Mentally Ill Services	77,646,900	77,646,900	75,622,842	2,024,058	-
Supported Housing	5,324,800	5,324,800	4,724,800	600,000	-
Crisis Services	16,391,300	16,391,300	16,306,300	85,000	-
<b>TOTAL PROGRAMMATIC</b>	<u>12,275,377,900</u>	<u>12,221,053,100</u>	<u>11,919,280,357</u>	<u>301,772,743</u>	<u>349,001,278</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 12,544,371,000</u>	<u>\$ 12,499,909,200</u>	<u>\$ 12,149,335,800</u>	<u>\$ 350,573,400</u>	<u>\$ 351,757,178</u>

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM**

**FY 2019 APPROPRIATION STATUS REPORT**

For the Period Ending June 99, 2019

**APPROPRIATED EXPENDITURES BY FUNDING SOURCE**

	(A)	(B)	(A) - (B)			
	EXPENDITURE	EXPENDITURES	VARIANCE	PROJECTED	ANNUALIZED	
ANNUAL APPROPRIATION	PLAN YTD	YTD	YTD	ANNUAL EXPENDITURES	VARIANCE	
<b>STATE - GENERAL FUND</b>						
Administrative Expenditures	\$ 58,526,700	\$ 66,965,800	\$ 54,043,855	12,921,945	\$ 58,526,700	\$ -
Proposition 204 - Administrative Expenditures	22,936,100	21,685,900	13,676,689	8,009,211	22,936,100	-
Programmatic Expenditures						
Traditional Medicaid Services	1,188,738,500	1,217,983,500	1,202,435,003	15,548,497	1,188,738,500	-
Proposition 204 Services	102,608,900	102,608,900	102,608,900	-	102,608,900	-
ACA Adult Expansion	6,461,300	6,461,300	6,461,300	-	6,461,300	-
KidsCare Services	-	-	(50)	50	-	-
ALTCS Services	198,722,900	198,722,900	198,475,760	247,140	198,722,900	-
DSH and Rural Hospitals	8,905,100	8,905,100	8,638,000	267,100	8,905,100	-
CMDP	53,516,300	60,213,900	53,516,260	6,697,640	53,516,300	-
Behavior Health Services - in Schools	3,000,000	3,000,000	3,000,000	-	3,000,000	-
Non Medicaid Seriously Mentally Ill Services	77,646,900	77,646,900	75,622,842	2,024,058	77,646,900	-
Supported Housing	5,324,800	5,324,800	4,724,800	600,000	5,324,800	-
Crisis Services	14,141,100	14,141,100	14,056,100	85,000	14,141,100	-
<b>TOTAL GF EXPENDITURES</b>	<b>1,740,528,600</b>	<b>1,783,660,100</b>	<b>1,737,259,460</b>	<b>46,400,640</b>	<b>1,740,528,600</b>	<b>-</b>
<b>FEDERAL</b>						
Administrative Expenditures	141,025,200	152,699,300	125,255,478	27,443,822	138,269,300	2,755,900
Proposition 204 - Administrative Expenditures	42,027,100	33,027,100	33,494,063	(466,963)	42,027,100	-
Programmatic Expenditures						
Traditional Medicaid Services	3,257,608,700	3,348,640,000	3,123,709,322	224,930,678	3,123,709,322	133,899,378
Proposition 204 Services	3,424,557,600	3,424,557,600	3,374,848,903	49,708,697	3,374,854,400	49,703,200
ACA Adult Expansion	490,669,800	530,669,800	434,535,374	96,134,426	434,535,700	56,134,100
KidsCare Services	69,695,600	69,695,600	64,660,605	5,034,995	64,660,605	5,034,995
ALTCS Services and Nursing Facility Assessment	1,010,134,200	985,134,200	995,197,563	(10,063,363)	995,147,800	14,986,400
DSH and Rural Hospitals	24,794,400	24,794,400	24,176,616	617,784	24,794,400	-
CMDP	139,700,600	139,700,600	124,221,664	15,478,936	124,221,700	15,478,900
Behavior Health Services - in Schools	6,943,700	6,943,700	6,943,700	-	6,943,700	-
Targeted Investment Program	48,226,900	48,226,900	49,945,588	(1,718,688)	48,226,900	-
Voluntary Political Subdivision Programs - See Note 5	248,603,700	237,951,200	237,951,185	15	248,603,700	-
<b>TOTAL FEDERAL EXPENDITURES</b>	<b>8,903,987,500</b>	<b>9,002,040,400</b>	<b>8,594,940,060</b>	<b>407,100,340</b>	<b>8,625,994,627</b>	<b>277,992,873</b>
<b>COUNTY</b>						
Administrative Expenditures Proposition 204 - BNCF	3,756,200	3,756,200	3,139,935	616,265	3,756,200	-
Programmatic Expenditures						
Traditional Medicaid Services Acute Care	46,512,900	46,512,900	46,512,900	-	46,512,900	-
ALTCS Services	268,554,800	268,554,800	266,618,897	1,935,903	268,554,800	-
<b>TOTAL COUNTY EXPENDITURES</b>	<b>318,823,900</b>	<b>318,823,900</b>	<b>316,271,732</b>	<b>2,552,168</b>	<b>318,823,900</b>	<b>-</b>

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM**

**FY 2019 APPROPRIATION STATUS REPORT**

For the Period Ending June 99, 2019

**APPROPRIATED EXPENDITURES BY FUNDING SOURCE**

	(A) ANNUAL EXPENDITURE PLAN YTD	(B) EXPENDITURES YTD	(A) - (B) VARIANCE YTD	PROJECTED ANNUAL EXPENDITURES	ANNUALIZED VARIANCE
<b>TOBACCO FUNDS</b>					
Programmatic Expenditures					
Traditional Medicaid Services - Medically Needed	68,040,500	66,143,919	1,896,481	66,143,900	1,896,600
Proposition 204 Services - Emergency Health Services	17,966,100	17,469,249	496,751	17,469,249	496,851
Proposition 204 Services - Proposition 204 Protection	37,728,900	36,685,426	1,043,474	36,685,426	1,043,474
Proposition 204 Services - ATLSF	87,000,000	87,000,000	-	87,000,000	-
<b>TOTAL TOBACCO EXPENDITURES</b>	<b>210,735,500</b>	<b>207,298,593</b>	<b>3,436,707</b>	<b>207,298,575</b>	<b>3,436,925</b>
<b>OTHER</b>					
Administrative Expenditures					
Prescription Drug Rebate Program	721,800	445,423	276,377	721,800	-
Programmatic Expenditures					
Traditional Medicaid Services - IGA Fund	10,260,700	10,260,700	-	10,260,700	-
Acute Care - Prescription Drug Rebate Program State Match	140,158,600	140,158,600	-	140,158,600	-
Acute Care - Prescription Drug Rebate Program Federal Authority	609,085,200	609,085,200	(94,999,900)	609,085,200	-
Long Term Care - Prescription Drug Rebate Program State Match	7,578,400	7,578,400	-	7,578,400	-
Long Term Care - Prescription Drug Rebate Program Federal Authority	36,422,000	35,151,988	1,270,012	35,152,000	1,270,000
Proposition 204 Services - Hospital Assessment	281,603,200	236,765,185	(42,161,985)	236,765,185	44,838,015
Proposition 204 Services - IGA Fund	1,931,900	1,931,900	-	1,931,900	-
ACA Adult Expansion - Hospital Assessment	28,420,100	26,231,931	2,188,069	26,231,900	2,188,200
ACA Adult Expansion - IGA Fund	123,800	123,800	-	123,800	-
Traditional Medicaid Services - TPL	194,700	1,552,152	(1,357,452)	194,700	-
ALTCS Services - TPL	-	1,848,777	(1,848,777)	-	-
ALTCS Services - Nursing Facility Assessment	109,345,000	90,948,503	18,396,497	90,948,503	18,396,497
Targeted Investment Program	21,773,100	15,957,875	5,815,225	21,773,100	-
KidsCare Services Premiums	12,151,300	8,547,832	3,603,468	8,547,832	3,603,468
Freedom to Work Premiums	31,200	97,948	(97,948)	-	31,200
Crisis Services - Substance Abuse Services Fund	2,250,200	2,250,200	-	2,250,200	-
Voluntary Political Subdivision Programs - See Note 5	108,244,300	104,629,541	(41)	108,244,300	-
<b>TOTAL OTHER EXPENDITURES</b>	<b>1,370,295,500</b>	<b>1,293,565,955</b>	<b>(108,916,455)</b>	<b>1,299,968,120</b>	<b>70,327,400</b>
<b>TOTAL</b>					
Administrative Expenditures	268,993,100	230,055,443	48,800,657	266,237,200	2,755,900
Acute Care	10,644,620,600	10,323,460,470	291,835,330	10,330,272,219	314,348,381
Long Term Care	1,630,757,300	1,595,819,888	9,937,412	1,596,104,403	34,652,897
<b>TOTAL EXPENDITURES</b>	<b>\$ 12,544,371,000</b>	<b>\$ 12,149,335,801</b>	<b>\$ 350,573,399</b>	<b>\$ 12,192,613,822</b>	<b>\$ 351,757,178</b>



**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM**  
**FY 2019 APPROPRIATION STATUS REPORT**  
**APPROPRIATED REVENUE AND OTHER COLLECTIONS RECEIVED DETAIL SCHEDULE**  
For the Period Ending June 99, 2019

	BUDGET	BUDGET YTD	RECEIPTS YTD
<b>GENERAL FUND:</b>			
Traditional Medicaid Services & Administrative	\$ 1,265,631,600	\$ 1,303,315,700	\$ 1,268,116,858
Proposition 204 Services & Administrative	125,545,000	124,294,800	118,217,489
KidsCare Services	-	-	(50)
ALTCS Services	198,722,900	198,722,900	198,475,760
Behavioral Health Traditional Medicaid Services	150,629,100	157,326,700	147,920,002
<b>TOTAL</b>	<u>1,740,528,600</u>	<u>1,783,660,100</u>	<u>1,732,730,060</u>
<b>FEDERAL:</b>			
Acute & Administrative	7,684,457,100	7,807,510,000	7,582,243,513
KidsCare Services	69,695,600	69,695,600	68,555,324
ALTCS Services	1,010,134,200	985,134,200	1,097,250,890
Behavioral Health Traditional Medicaid Services	139,700,600	139,700,600	131,155,431
<b>TOTAL</b>	<u>8,903,987,500</u>	<u>9,002,040,400</u>	<u>8,879,205,158</u>
<b>COUNTY:</b>			
Acute & Administrative	50,269,100	50,269,100	50,232,840
ALTCS Services	268,554,800	268,554,800	268,554,800
<b>TOTAL</b>	<u>318,823,900</u>	<u>318,823,900</u>	<u>318,787,640</u>
<b>TOBACCO FUNDS:</b>			
Traditional Medicaid Services	68,040,500	68,040,400	66,143,919
Proposition 204 Services	142,695,000	142,694,900	141,154,675
<b>TOTAL</b>	<u>210,735,500</u>	<u>210,735,300</u>	<u>207,298,593</u>
<b>OTHER:</b>			
Administrative	721,800	721,800	384,523
Traditional Medicaid Services - IGA Fund	10,260,700	10,260,700	
Acute Care - Prescription Drug Rebate Program	749,243,800	654,243,900	749,243,800
Long Term Care - Prescription Drug Rebate Program	44,000,400	44,000,400	42,730,388
Hospital Assessment	312,079,000	225,078,900	286,200,739
ALTCS - Nursing Facility Assessment	109,345,000	109,345,000	306,160
Acute TPL - Note 1	194,700	194,700	1,552,152
LTC TPL - Note 1	-	-	1,848,777
KidsCare TPL - Note 1	-	-	(202.00)
Member Premiums - CHIP	12,151,300	12,151,300	8,547,832
Member Premiums - Freedom to Work	31,200	-	97,948
Targeted Investment Program	21,773,100	21,773,100	71,678,504
Behavioral Health Traditional Medicaid Services	2,250,200	2,250,200	2,095,681
Voluntary Political Subdivision - State Match	108,244,300	104,629,500	203,088,533
<b>TOTAL</b>	<u>1,370,295,500</u>	<u>1,184,649,500</u>	<u>1,367,774,836</u>
<b>TOTAL REVENUE</b>	<u><u>\$ 12,544,371,000</u></u>	<u><u>\$ 12,499,909,200</u></u>	<u><u>\$ 12,505,796,287</u></u>

# Appropriation Status Report

## Footnotes

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM**  
**FY 2019 APPROPRIATION STATUS REPORT**  
For the Period Ending June 99, 2019

Note 1: Third Party Liability Collections:

Gross Collections:

	June 99, 2019	June 99, 2018	July 1, 2018 June 99, 2019	July 1, 2017 June 99, 2018
Acute	\$ 1,273,979	\$ 1,238,874	\$ 15,985,291	\$ 11,352,519
LTC	852,568	717,841	8,297,156	6,018,573
KidsCare	1,063	7	13,172	8,149
Total TPL Collections	<u>\$ 2,127,610</u>	<u>\$ 1,956,722</u>	<u>\$ 24,295,619</u>	<u>\$ 17,379,241</u>

AHCCCS Net Collections (Net of Federal Share):

Expenditure Offsets:

Acute	\$ 101,590	\$ 115,436	\$ 1,552,152	\$ 1,081,786
LTC	175,684	154,464	1,848,777	1,354,169
KidsCare	(45)	-	(202)	1,143
Total Expenditure Offsets	<u>\$ 277,229</u>	<u>\$ 269,900</u>	<u>\$ 3,400,727</u>	<u>\$ 2,437,098</u>

**FY 19 Total**

Note 2: Authorized Positions

1,188.0

Actual Positions as of June 99, 2019

1,114.0

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM**  
**FY 2019 APPROPRIATION STATUS REPORT**  
**For the Period Ending June 99, 2019**

Note 3: Intergovernmental Service Agreement - State of Hawaii:

Beginning Balance July 1, 2018	\$ 3,749,445
Revenues	10,837,938
Transfers-In	<u>737,754</u>
Total Revenues	<u>11,575,692</u>
Expenditures	9,307,693
Transfers-out	<u>758,453</u>
Total Expenditures	<u>10,066,146</u>
Ending Balance June 99, 2019	<u>\$ 5,258,991</u>

Of the \$5,258,991 ending balance, \$2,319,905 represents restricted cash for prepaid expenses from the State of Hawaii for the projected expenditures through July 2019.

Note 4: Summary of Voluntary Political Subdivision Contribution Expenditures:

	<b>As of June 99, 2019</b>		
	<b>Expenditures</b>		
	<u>State Match</u>	<u>Federal</u>	<u>Total</u>
DSH Voluntary	\$ 2,938,291	\$ 4,501,468	\$ 7,439,758
GME Voluntary	101,691,250	233,449,717	335,140,967
<b>Total Voluntary Political Subdivision Program Expenditures</b>	<u>\$ 104,629,541</u>	<u>\$ 237,951,185</u>	<u>\$ 342,580,726</u>

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM**  
**FY 2019 APPROPRIATION STATUS REPORT**  
For the Period Ending June 99, 2019

Note 5: The following is a summary of \$311,537,256 Total Fund (\$66,698,799 General Fund, ALTCS EPD General Fund/County ALTCS contribution state match and \$4,595,792 Hospital Assessment Fund) administrative adjustment transactions for medical service claims processed through December 2018 that either pay for or transfer expenditures with dates of service prior to June 30, 2018.

	<b>FY 2018 YTD June 99, 2019</b>			
	<b>State Match Funds</b>	<b>Expenditure Authority Funds</b>	<b>ALTCS Fund</b>	<b>Total Fund</b>
Traditional Medicaid Services	\$ 60,319,599	\$ 164,261,008	\$ -	\$ 224,580,607
Proposition 204 Services	5,911,016	47,833,788	-	53,744,804
ACA Adult Expansion	(121,765)	18,421,146	-	18,299,381
KidsCare - Children Services	1,054	1,481,518	-	1,482,572
Long Term Care	-	-	13,429,892	13,429,892
<b>Total</b>	<b>\$ 66,109,904</b>	<b>\$ 231,997,460</b>	<b>\$ 13,429,892</b>	<b>\$ 311,537,256</b>