

September 9, 2016

The Honorable Andy Biggs, President
Arizona State Senate
1700 West Washington
Phoenix, AZ 85007

The Honorable David M. Gowan Sr., Speaker
Arizona House of Representatives
1700 West Washington
Phoenix, AZ 85007

SUBJECT: FY 2016 13th Month Appropriation Status Report

Dear President Biggs and Speaker Gowan:

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, 2016.

Status Summary – AHCCCS is currently forecasting a FY 2016 surplus of \$123.4 million Total Fund (\$12.0 million General Fund) on a total FY 2016 appropriation of \$9.0 billion Total Fund (\$1.205 billion General Fund).

This report reflects expenditures paid through the "13th Month". AHCCCS will be utilizing surplus funding to administratively adjust other expenditures with dates of service from FY 2016. The projected surplus amounts in this report include projections of those administrative adjustments.

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,



Thomas J. Betlach
Director

Enclosure

The Honorable Andy Biggs
The Honorable David M. Gowan, Sr.
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cc: The Honorable Douglas A. Ducey, Governor
The Honorable Don Shooter, Chairman, Senate Appropriations Committee
The Honorable Justin Olson, Chairman, House Appropriations Committee
The Honorable Nancy Barto, Chairman, Senate Health and Human Services Committee
The Honorable Heather Carter, Chairman, House Health Committee
Lorenzo Romero, Director, Governor's Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



Appropriation Status Report (ASR)

Fiscal Year 2016

Through June 99, 2016

Prepared by: Division of Business and Finance

Appropriation Status Report

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Appropriation Status Report

Appropriated Sources and
Uses of Funds

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
FY 2016 APPROPRIATION STATUS REPORT
For the Period Ending June 99, 2016
SUMMARY OF APPROPRIATED EXPENDITURES

	(A)	(B)	(A) - (B)		
	EXPENDITURE	EXPENDITURES	VARIANCE	PROJECTED	ANNUALIZED
ANNUAL	PLAN	EXPENDITURES	VARIANCE	ANNUAL	VARIANCE
APPROPRIATION	YTD	YTD	YTD	EXPENDITURES	
APPROPRIATIONS:					
ADMINISTRATION					
AHCCCS Operating Lump Sum	\$ 84,375,000	\$ 75,225,400	\$ 78,107,577	\$ (2,882,177)	\$ 84,375,000
AHCCCS Prop 204 Administration	16,294,400	14,970,800	11,200,408	3,770,392	16,294,400
DES Eligibility	95,874,500	71,874,500	72,084,454	(209,954)	95,874,500
DES Prop 204 Eligibility	44,358,700	41,358,700	38,269,396	3,089,304	44,358,700
TOTAL ADMINISTRATION	<u>240,902,600</u>	<u>203,429,400</u>	<u>199,661,836</u>	<u>3,767,564</u>	<u>-</u>
Traditional Medicaid Services	3,802,161,800	3,782,135,000	3,619,103,832	163,031,168	3,710,647,220
Proposition 204 Services	2,576,524,700	2,666,524,500	2,479,614,680	186,909,820	2,552,045,133
ACA Adult Expansion	424,683,800	406,683,600	403,521,565	3,162,035	422,200,424
Children's Rehabilitative Services	266,339,100	251,839,100	250,450,501	1,388,599	265,633,522
KidsCare Services	6,295,200	6,295,200	2,050,724	4,244,476	2,060,240
ALTCS Services	1,398,588,900	1,398,588,900	1,301,216,699	97,372,201	1,398,588,900
Disproportionate Share Payments	5,087,100	5,087,100	-	5,087,100	5,087,100
Rural Hospitals	22,650,000	22,650,000	21,988,610	661,390	22,650,000
Voluntary Political Subdivision Programs	362,398,800	321,165,600	321,165,641	(41)	362,398,800
TOTAL PROGRAMMATIC	<u>8,864,729,400</u>	<u>8,860,969,000</u>	<u>8,399,112,253</u>	<u>461,856,747</u>	<u>8,741,311,339</u>
TOTAL EXPENDITURES	<u>\$ 9,105,632,000</u>	<u>\$ 9,064,398,400</u>	<u>\$ 8,598,774,089</u>	<u>\$ 465,624,311</u>	<u>\$ 123,418,061</u>

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
FY 2016 APPROPRIATION STATUS REPORT
For the Period Ending June 99, 2016
APPROPRIATED EXPENDITURES BY FUNDING SOURCE

	(A) ANNUAL APPROPRIATION	(A) EXPENDITURE PLAN YTD	(B) EXPENDITURES YTD	(A) - (B) VARIANCE YTD	PROJECTED ANNUAL EXPENDITURES	ANNUALIZED VARIANCE
Administrative Expenditures	\$ 60,716,300	\$ 51,537,900	\$ 52,282,402	(744,502)	\$ 60,716,300	\$ -
Proposition 204 - Administrative Expenditures	21,604,300	20,280,700	17,013,739	3,266,961	21,604,300	-
Programmatic Expenditures						
Traditional Medicaid Services	875,321,100	800,322,800	835,869,950	(35,547,150)	863,979,264	11,341,836
Proposition 204 Services	-	90,000,100	(196,865)	90,196,965	-	-
Children's Rehabilitative Services	76,987,200	72,487,000	72,399,170	87,830	76,691,069	296,131
KidsCare Services	338,000	338,000	158,270	179,730	(90,208)	428,208
ALTCS Services	162,880,800	162,880,800	162,880,752	48	162,880,800	-
DSH and Rural Hospitals	7,314,600	7,314,600	6,378,210	936,390	7,314,600	-
TOTAL GF EXPENDITURES	1,205,162,300	1,205,161,900	1,146,785,627	58,376,273	1,193,096,125	12,066,175
Administrative Expenditures	118,970,200	95,114,000	97,507,417	(2,393,417)	118,970,200	-
Proposition 204 - Administrative Expenditures	35,565,900	32,565,900	29,843,891	2,722,009	35,565,900	-
Programmatic Expenditures						
Traditional Medicaid Services	2,408,194,400	2,463,024,900	2,264,278,801	198,746,099	2,328,021,656	80,172,744
Proposition 204 Services	2,166,808,800	2,166,808,400	2,096,846,688	69,961,712	2,156,526,673	10,282,128
ACA Adult Expansion	424,683,800	406,683,600	403,521,565	3,162,035	422,200,424	2,483,376
Children's Rehabilitative Services	189,351,900	179,352,100	178,051,331	1,300,769	188,942,454	409,446
KidsCare Services	5,587,200	5,602,200	1,892,454	3,709,746	1,780,447.63	3,806,752
ALTCS Services and Nursing Facility Assessment	931,056,600	931,056,600	856,450,794	74,605,806	931,056,600	-
DSH and Rural Hospitals	20,422,500	20,422,500	15,610,400	4,812,100	20,422,500	-
Voluntary Political Subdivision Programs - See Note 5	246,916,600	214,658,700	214,658,659	41	246,916,600	-
TOTAL FEDERAL EXPENDITURES	6,547,557,900	6,515,288,900	6,158,662,000	356,626,900	6,450,403,454	97,154,446
Administrative Expenditures Proposition 204 - BNCF	3,482,900	3,482,900	2,612,175	870,725	3,482,900	-
Programmatic Expenditures						
Traditional Medicaid Services Acute Care	49,879,700	49,879,700	49,879,700	-	49,879,700	-
ALTCS Services	249,234,600	249,234,600	231,070,442	18,164,158	249,234,600	-
TOTAL COUNTY EXPENDITURES	302,597,200	302,597,200	283,562,317	19,034,883	302,597,200	-
TOBACCO FUNDS						
Programmatic Expenditures						
Traditional Medicaid Services Acute Care - Medically Needy	34,498,500	34,498,500	34,498,500	-	34,498,500	-
Proposition 204 Services - Emergency Health Services	18,162,200	23,259,100	18,162,200	5,096,900	18,162,200	-
Proposition 204 Services - Proposition 204 Protection	41,492,900	36,396,000	41,492,900	(5,096,900)	41,492,900	-
Proposition 204 Services - ATLSF	100,000,000	100,000,000	98,906,897	1,093,103	98,906,897	1,093,103
TOTAL TOBACCO EXPENDITURES	194,153,600	194,153,600	193,060,497	1,093,103	193,060,497	1,093,103
OTHER						
Administrative Expenditures						
Prescription Drug Rebate Program	563,000	448,000	402,212	45,788	563,000	-
Programmatic Expenditures						
Acute Care - Prescription Drug Rebate Program State Match	99,840,000	99,954,700	99,840,000	114,700	99,840,000	-
Acute Care - Prescription Drug Rebate Program Federal Authority	334,202,200	334,202,200	334,202,200	(400)	334,202,200	-
Long Term Care - Prescription Drug Rebate Program State Match	5,475,800	5,475,800	5,475,800	-	5,475,800	-
Long Term Care - Prescription Drug Rebate Program Federal Authority	26,574,200	26,574,200	26,574,200	-	26,574,200	-
Proposition 204 Services - Hospital Assessment	250,060,800	250,060,800	224,402,860	25,657,940	236,956,463	13,104,337
Traditional Medicaid Services - TPL	194,700	194,700	482,752	(288,052)	194,700	-
ALTCS Services - TPL	-	-	780,010	(780,010)	-	-
ALTCS Services - Nursing Facility Assessment	23,366,900	23,366,900	17,984,701	5,382,199	23,366,900	-
KidsCare Services Premiums	370,000	355,000	-	355,000	370,000	-
Freedom to Work Premiums	31,200	57,900	51,929	5,971	31,200	-
Voluntary Political Subdivision Programs - See Note 5	115,482,200	106,507,000	106,506,982	18	115,482,200	-
TOTAL OTHER EXPENDITURES	856,161,000	847,196,800	816,703,646	30,493,154	843,056,663	13,104,300
TOTAL						
Administrative Expenditures	240,902,600	203,429,400	199,661,836	3,767,564	240,902,600	-
Acute Care	7,466,140,500	7,462,380,100	7,097,895,554	364,484,546	7,342,722,439	123,418,061
Long Term Care	1,398,588,900	1,398,588,900	1,301,216,699	97,372,201	1,398,588,900	-
TOTAL EXPENDITURES	\$ 9,105,632,000	\$ 9,064,398,400	\$ 8,598,774,088	\$ 466,824,312	\$ 8,982,213,939	\$ 123,418,061

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
FY 2016 APPROPRIATION STATUS REPORT
APPROPRIATED REVENUE AND OTHER COLLECTIONS RECEIVED DETAIL SCHEDULE
For the Period Ending June 99, 2016

	BUDGET	BUDGET YTD	RECEIPTS YTD
GENERAL FUND:			
Traditional Medicaid Services & Administrative	\$ 1,020,339,200	\$ 931,662,300	\$ 966,929,732
Proposition 204 Services & Administrative	21,604,300	110,280,800	16,816,873
KidsCare Services	338,000	338,000	158,270
ALTCS Services	162,880,800	162,880,800	162,880,752
TOTAL	<u>1,205,162,300</u>	<u>1,205,161,900</u>	<u>1,146,785,627</u>
FEDERAL:			
Acute & Administrative	5,610,914,100	5,578,630,100	5,439,570,052
KidsCare Services	5,587,200	5,602,200	2,967,542
ALTCS Services	931,056,600	931,056,600	902,830,232
TOTAL	<u>6,547,557,900</u>	<u>6,515,288,900</u>	<u>6,345,367,826</u>
COUNTY:			
Acute & Administrative	53,362,600	53,362,600	53,309,674
ALTCS Services	249,234,600	249,234,600	249,234,600
TOTAL	<u>302,597,200</u>	<u>302,597,200</u>	<u>302,544,274</u>
TOBACCO FUNDS:			
Traditional Medicaid Services	34,498,500	34,498,500	34,498,500
Proposition 204 Services	159,655,100	159,655,100	158,561,997
TOTAL	<u>194,153,600</u>	<u>194,153,600</u>	<u>193,060,497</u>
OTHER:			
Administrative	563,000	448,000	402,212
Acute Care - Prescription Drug Rebate Program	434,042,200	434,156,500	434,042,200
Long Term Care - Prescription Drug Rebate Program	32,050,000	32,050,000	32,050,000
Hospital Assessment	250,060,800	250,060,800	250,192,571
ALTCS - Nursing Facility Assessment	23,366,900	23,366,900	231,353
Acute TPL - Note 1	194,700	194,700	482,752
LTC TPL - Note 1	-	-	780,010
KidsCare TPL - Note 1	-	-	26,508
Member Premiums - CHIP	370,000	355,000	303,676
Member Premiums - Freedom to Work	31,200	57,900	51,929
Voluntary Political Subdivision - State Match	115,482,200	106,507,000	171,635,998
TOTAL	<u>856,161,000</u>	<u>847,196,800</u>	<u>890,199,209</u>
TOTAL REVENUE	<u>\$ 9,105,632,000</u>	<u>\$ 9,064,398,400</u>	<u>\$ 8,877,957,434</u>

Appropriation Status Report

Footnotes

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
FY 2016 APPROPRIATION STATUS REPORT
For the Period Ending June 99, 2016

Note 1: Third Party Liability Collections:

Gross Collections:

	June 99, 2016	June 99, 2015	July 1, 2015 June 99, 2016	July 1, 2014 June 99, 2015
Acute	\$ -	\$ -	\$ 5,490,063	\$ 5,597,091
LTC	-	-	3,339,609	3,205,896
KidsCare	-	-	133,263	40,431
Total TPL Collections	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,962,935</u>	<u>\$ 8,843,418</u>

AHCCCS Net Collections (Net of Federal Share):

Expenditure Offsets:

Acute	\$ -	-	\$ 482,752	\$ 762,353
LTC	-	-	780,010	725,893
KidsCare	-	-	26,508	6,367
Total Expenditure Offsets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,289,270</u>	<u>\$ 1,494,613</u>

FY 16 Total

Note 2: Authorized Positions

1,029.2

Actual Positions as of June 30, 2016

1,006.0

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
FY 2016 APPROPRIATION STATUS REPORT
For the Period Ending June 99, 2016

Note 3: Intergovernmental Service Agreement - State of Hawaii:

Beginning Balance July 1, 2015	\$	2,853,728
Revenues		6,302,524
Transfers-In		<u>560,709</u>
Total Revenues		<u>6,863,233</u>
Expenditures		6,741,330
Transfers-out		<u>1,042,471</u>
Total Expenditures		<u>7,783,801</u>
Ending Balance June 99, 2016	\$	<u>1,933,160</u>

Of the \$1,933,160 ending balance, \$740,149 represents restricted cash for prepaid expenses from the State of Hawaii for the projected expenditures through July 2016.

Note 4: Summary of HHS Office of Inspector General Questioned Costs.

Schedule of Outstanding Liabilities
As of June 99, 2016

Description	Amount	Type
School Based Claiming Medicaid Administrative Costs	18,941,355	HHS-OIG & AHCCCS Self Reported
School Based Claiming Direct Services Costs	19,923,489	HHS-OIG
	<u>38,864,844</u>	

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
FY 2016 APPROPRIATION STATUS REPORT
For the Period Ending June 99, 2016

Note 5: Summary of Voluntary Political Subdivision Contribution Expenditures.

	As of June 99, 2016		
	State Match	Federal	Total
DSH Voluntary	\$ 12,713,241	\$ 26,141,866	\$ 38,855,107
GME Voluntary	52,396,919	111,328,965	163,725,884
Safety Net Care Pool	41,396,821	77,187,829	118,584,650
Total Voluntary Political Subdivision Program Expenditures	\$ 106,506,982	\$ 214,658,659	\$ 321,165,641

Note 6: The following is a summary of \$218,889,592 Total Fund (\$39,394,210 General Fund and \$9,525,344 Hospital Assessment Fund) administrative adjustment transactions processed through December 2015 that either pay for or transfer expenditures with dates of service prior to June 30, 2015.

	FY 2015 YTD June 99, 2016			
	State Match Funds	Expenditure Authority Funds	ALTCS Fund	Total Fund
Traditional Medicaid Services	\$ 38,289,534	\$ 83,762,109	\$ -	\$ 122,051,643
Proposition 204 Services	9,525,344	35,416,308	-	44,941,652
ACA Adult Expansion	-	6,518,930	-	6,518,930
KidsCare - Children Services	55,321	345,660	-	400,981
Children's Rehabilitative Services	1,049,356	1,880,510	-	2,929,866
Long Term Care	-	-	42,046,521	42,046,521
Total	\$ 48,919,554	\$ 127,923,518	\$ 42,046,521	\$ 218,889,592