

Department of Health Services

	FY 2021 ACTUAL	FY 2022 ESTIMATE	FY 2023 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	1,125.0	1,135.5	1,135.5 ^{1/}
Personal Services	19,707,300	23,425,500	24,525,000
Employee Related Expenditures	7,828,500	9,553,000	10,008,800
Professional and Outside Services	1,067,400	1,213,100	1,222,600
Travel - In State	341,800	401,200	435,200
Travel - Out of State	0	81,500	86,500
Other Operating Expenditures	14,311,600	19,598,100	18,094,300
Equipment	709,800	477,100	522,100
OPERATING SUBTOTAL	43,966,400	54,749,500	54,894,500
SPECIAL LINE ITEMS			
Arizona State Hospital-Operating	65,659,200	64,188,000	64,188,000 ^{2/}
Arizona State Hospital-Restoration to Competency	820,000	900,000	900,000 ^{3/}
Arizona State Hospital-Sexually Violent Persons	9,931,100	9,736,100	9,736,100 ^{4/}
Adult Cystic Fibrosis Care	78,900	105,200	105,200
AIDS Reporting and Surveillance	988,300	1,000,000	1,000,000
Alzheimer's Disease Research	1,125,000	3,625,000	3,625,000 ^{5/}
Biomedical Research Support	1,500,600	2,000,000	2,000,000 ^{6/}
Breast and Cervical Cancer and Bone Density Screening	900,400	1,369,400	1,369,400
County Tuberculosis Provider Care and Control	407,400	590,700	590,700
Emergency Medical Services Local Allocation	347,200	0	0
Family Health Pilot Program	0	1,500,000	1,500,000 ^{7/}
Folic Acid Program	355,900	400,000	400,000
High Risk Perinatal Services	2,138,200	2,343,400	2,343,400
Homeless Pregnant Women Services	50,000	200,000	200,000 ^{8/}
Medical Student Loan Fund Deposit	0	2,000,000	0
Newborn Screening Program	6,613,200	13,074,900	12,132,300
Nonrenal Disease Management	132,700	198,000	198,000 ^{9/}
Nursing Care Special Projects	68,400	100,000	100,000
Poison Control Centers Funding	656,800	990,000	990,000
Renal Dental Care and Nutrition Supplements	225,000	300,000	300,000
Renal Transplant Drugs	137,300	183,000	183,000
Rural Prenatal Services	403,400	500,000	0
State Loan Repayment Program	926,200	0	0
Radiation Regulation	1,862,900	2,305,000	0
Nuclear Emergency Management Program	600,100	0	0
AGENCY TOTAL	139,894,600	162,358,200	156,755,600 ^{10/11/}
FUND SOURCES			
General Fund	93,627,700	103,419,200	99,759,200
<u>Other Appropriated Funds</u>			
Arizona State Hospital Fund	2,364,100	2,883,600	2,883,600
ASH Land Earnings Fund	601,800	650,000	650,000
Child Fatality Review Fund	78,800	196,500	196,500
Disease Control Research Fund	988,300	1,000,000	1,000,000
Emergency Medical Services Operating Fund	4,075,600	3,831,300	3,831,300
Environmental Laboratory Licensure Revolving Fund	516,100	933,300	933,300
Federal Child Care and Development Fund Block Grant	878,000	1,884,100	884,100
Health Services Licensing Fund	12,695,200	15,570,600	15,570,600
Health Services Lottery Monies Fund	50,000	200,000	200,000
Indirect Cost Fund	10,561,000	11,302,100	11,302,100

	FY 2021 ACTUAL	FY 2022 ESTIMATE	FY 2023 BASELINE
Newborn Screening Program Fund	6,642,100	13,507,700	12,565,100
Nuclear Emergency Management Fund	600,100	0	0
Nursing Care Institution Resident Protection Revolving Fund	79,100	138,200	138,200
Prescription Drug Rebate Fund	0	2,500,000	2,500,000
Tobacco Tax and Health Care Fund - Health Research Account	2,500,600	0	0
Tobacco Tax and Health Care Fund - Medically Needy Account	580,900	700,000	700,000
Vital Records Electronic Systems Fund	3,055,200	3,641,600	3,641,600
SUBTOTAL - Other Appropriated Funds	46,266,900	58,939,000	56,996,400
SUBTOTAL - Appropriated Funds	139,894,600	162,358,200	156,755,600
Other Non-Appropriated Funds	94,434,000	90,508,800	92,596,000
Federal Funds	621,465,700	682,584,800	583,291,300
TOTAL - ALL SOURCES	855,794,300	935,451,800	832,642,900

AGENCY DESCRIPTION — The Department of Health Services (DHS) is responsible for the provision of most public health programs not administered by AHCCCS, the Arizona State Hospital (ASH), emergency medical services, state laboratory support, vital records maintenance, disease control, epidemiological monitoring, and radiation regulation.

FOOTNOTES

- 1/ Includes 730 GF and 24.1 OF FTE Positions funded from Special Line Items in FY 2023.
- 2/ In addition to the appropriation for the department of health services, earnings on state lands and interest on the investment of the permanent state land funds are appropriated to the Arizona state hospital in compliance with the enabling act and the Constitution of Arizona. (General Appropriation Act footnote)
- 3/ The Arizona State Hospital - Restoration to Competency line item includes monies for direct costs associated with the Restoration to Competency program. All other indirect costs are included in the Arizona State Hospital - Operating line item.
- 4/ The Arizona State Hospital - Sexually Violent Persons line item includes monies for direct costs associated with the Sexually Violent Persons program. All other indirect costs are included in the Arizona State Hospital - Operating line item.
- 5/ The department of health services shall distribute monies appropriated for Alzheimer's disease research through a grant to a charitable organization that is qualified under section 501(c)(3) of the internal revenue code and that meets the following criteria:
 1. Is headquartered in this state.
 2. Has been operating in this state for at least the last ten years.
 3. Has participating member institutions that work together to end Alzheimer's disease within a statewide collaborative model by using their complementary strengths in brain imaging, computer science, genomics, basic and cognitive neurosciences and clinical and neuropathology research.
 4. Has participating member institutions that educate residents of this state about Alzheimer's disease, research progress and resources to help patients, families and professionals manage the disease.

The terms of the grant made to the charitable organization may not impose any requirements that were not imposed in prior grant agreements entered into between the department of health services and the charitable organization. (General Appropriation Act footnote)
- 6/ The department of health services shall distribute monies appropriated for the biomedical research support line item to a nonprofit medical research institute headquartered in this state that specializes in biomedical research focusing on applying genomic technologies and sequencing to clinical care, that has served as a resource to this state to conduct molecular epidemiologic analyses to assist with disease outbreak investigations and that collaborates with universities, hospitals and health science research centers and other public and private bioscience and related industries in this state. The recipient of these monies shall commission an audit of the expenditure of these monies and shall submit a copy of the audit to the department of health services on or before February 1, 2024. (General Appropriation Act footnote)
- 7/ The department of health services shall distribute the monies appropriated for the family health pilot program line item to at least two nonprofit organizations to implement a statewide system to provide direct services, support services, social services case management and referrals to the biological or adoptive parents of children under two years of age,

including unborn children. The purpose of the statewide system is to encourage healthy childbirth, support childbirth as an alternative to abortion, promote family formation, aid successful parenting and increase families' economic self-sufficiency. The statewide system services must be available to all residents of this state in both urban and rural areas. Monies may not be used for abortion referral services or distributed to entities that promote, provide referrals for or perform abortions. A nonprofit organization that receives the monies must demonstrate both:

1. Experience in marketing and serving the eligible patient population.
2. That the organization can begin serving clients statewide within sixty days after receiving monies pursuant to this section.

When determining which nonprofit organizations will participate in the family health pilot program, the department shall give preference to nonprofit organizations that are working and providing services in this state.

Each nonprofit organization that participates in the family health pilot program shall submit to the department of health services on a form prescribed by the department a quarterly report of the services and referrals the nonprofit organization provides, including all of the following information:

1. The number of clients served, either by referral or direct services.
2. The number of direct services provided and referrals made.
3. The number of women referred for medical services or medical care.
4. The number of women who received prenatal care.
5. The number of women who were referred for prenatal care.
6. The number of women who received nutrition services.
7. The number of women who were referred for nutrition services.
8. The number of individuals who received adoption services.
9. The number of individuals who were referred for adoption services.
10. The number of individuals who received educational and employment services. (General Appropriation Act footnote)

8/ The department of health services shall distribute monies appropriated for homeless pregnant women services to nonprofit organizations that are located in a county with a population of more than three million persons and whose primary function is to provide shelter, food, clothing, transportation for health services and support to homeless pregnant women and their children who are under one year of age. Monies may not be granted for abortion referral services or distributed to entities that promote, refer or perform abortions. (General Appropriation Act footnote)

9/ The department of health services may use up to four percent of the amount appropriated for nonrenal disease management for the administrative costs to implement the program. (General Appropriation Act footnote)

10/ The department of health services shall electronically forward to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee a monthly report comparing total expenditures for the month and year to-date as compared to prior-year totals on or before the thirtieth of the following month. The report shall include an estimate of potential shortfalls in programs, potential federal and other monies, such as the statewide assessment for indirect costs, that may be available to offset these shortfalls, and a plan, if necessary, for eliminating any shortfall without a supplemental appropriation. (General Appropriation Act footnote)

11/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

Operating Budget

The Baseline includes \$54,894,500 and 381.4 FTE Positions in FY 2023 for the operating budget. These amounts consist of:

	FY 2023
General Fund	\$18,064,000
Child Fatality Review Fund	196,500
Emergency Medical Services (EMS) Operating Fund	3,831,300
Environmental Laboratory Licensure Revolving Fund	933,300
Federal Child Care and Development Fund (CCDF) Block Grant	884,100

Health Services Licensing Fund	15,570,600
DHS Indirect Cost Fund	11,302,100
Newborn Screening Program Fund	432,800
Nursing Care Institution Resident Protection Revolving Fund	38,200
Vital Records Electronic Systems Fund	3,641,600

FY 2023 adjustments are as follows:

Remove One-Time Caregiver Modules

The Baseline includes a decrease of \$(160,000) from the General Fund in FY 2023 to remove one-time funding for cognitive decline and caregiver modules for Arizona's Behavioral Risk Factor Surveillance Survey.

Remove One-Time IT Upgrades

The Baseline includes a decrease of \$(1,000,000) from the General Fund in FY 2023 to remove one-time funding for upgrades to the vital records IT system to allow the department to release birth records that were sealed due to an adoption pursuant to Laws 2021, Chapter 384.

Remove One-Time Licensing System Funding

The Baseline includes a decrease of \$(1,000,000) from the Federal CCDF Block Grant in FY 2023 to remove one-time funding for development costs of a child care services licensing system.

Consolidate Funding

The Baseline includes an increase of \$2,305,000 and 29 FTE Positions from the Health Services Licensing Fund in FY 2023 to consolidate the Radiation Regulation line item into the operating budget to simplify the budget display.

Arizona State Hospital

ASH - Operating

The Baseline includes \$64,188,000 and 616.5 FTE Positions in FY 2023 for the ASH operating budget. These amounts consist of:

General Fund	61,554,400
ASH Fund	1,983,600
ASH Land Earnings Fund	650,000

These amounts are unchanged from FY 2022.

Background – This line item funds inpatient psychiatric hospitalization services for adult SMI residents. ASH residents that are subject to court-ordered treatment are treated in ASH’s civil hospital and residents charged with, or serving a sentence for committing, a crime are treated in ASH’s forensic hospital. In FY 2021, ASH had an average daily census of 98 patients in its civil commitment unit, 113 patients in its forensic unit, and 95 Sexually Violent Persons (SVPs), for a total of 306 patients.

ASH - Restoration to Competency

The Baseline includes \$900,000 from the ASH Fund in FY 2023 for ASH - Restoration to Competency. This amount is unchanged from FY 2022.

Background – ASH provides treatment to restore to competency individuals who are found incompetent to stand trial. In FY 2021, there was an average daily census of 6 RTC patients treated at ASH. RTC patients are treated in ASH’s forensic unit.

The FY 2023 Baseline continues a provision to exempt county expenditures on Restoration to Competency from county expenditure limitations.

ASH - Sexually Violent Persons

The Baseline includes \$9,736,100 and 112.5 FTE Positions from the General Fund in FY 2023 for ASH - Sexually Violent Persons. These amounts are unchanged from FY 2022.

Background – After serving their prison sentence, some persons convicted of sexually violent crimes may be remanded by the courts for further confinement and treatment. These individuals are housed at the Arizona State Hospital. In FY 2021, ASH had an average daily census of 95 Sexually Violent Persons (SVPs).

Public Health/Family Health

Adult Cystic Fibrosis Care

The Baseline includes \$105,200 from the General Fund in FY 2023 for Adult Cystic Fibrosis Care. This amount is unchanged from FY 2022.

This line item provides contracted care and treatment services through Phoenix Children’s Hospital for 20 individuals with cystic fibrosis.

AIDS Reporting and Surveillance

The Baseline includes \$1,000,000 from the Disease Control Research Fund in FY 2023 for AIDS Reporting and Surveillance. This amount is unchanged from FY 2022.

The line item provides \$125,000 for a database system administered by Maricopa and Pima Counties to track the incidence of Acquired Immune Deficiency Syndrome (AIDS) and AIDS-related conditions. The program also includes \$875,000 to provide medications under the Arizona AIDS Drug Assistance Program (ADAP), which also receives Federal Funds for the medications. The ADAP program served approximately 2,915 clients in FY 2021.

Alzheimer’s Disease Research

The Baseline includes \$3,625,000 in FY 2023 for Alzheimer’s Disease Research. This amount consists of:

General Fund	1,125,000
Prescription Drug Rebate Fund - State	2,500,000

These amounts are unchanged from FY 2022.

The FY 2022 budget included a one-time increase of \$2,500,000 from the Prescription Drug Rebate Fund - State for Alzheimer's Disease research funding. The 3-year budget plan also included \$2,500,000 in one-time funding in FY 2023. This funding will be removed in FY 2024.

Background – DHS distributes funding in the line item to the Arizona Alzheimer's Consortium (AAC). The AAC provides dollar-for-dollar matching grants to universities, hospitals, and research centers for research on the causes of Alzheimer's disease.

Biomedical Research Support

The Baseline includes \$2,000,000 from the General Fund in FY 2023 for Biomedical Research Support. This amount is unchanged from FY 2022.

Background – This line item funds a nonprofit medical research institute headquartered in Arizona that specializes in biomedical research focusing on applying genomic technologies and sequencing to clinical care, assists with disease outbreak investigations, and collaborates with universities, hospitals, and other bioscience and related industries in this state.

DHS distributes monies in this line item to the Translational Genomics Research Institute (TGen), a nonprofit medical research institution. In addition to these monies, the budget includes \$3,000,000 from the General Fund to Northern Arizona University (NAU) for biotechnology. *(Please see the NAU narrative for more information.)*

Breast and Cervical Cancer and Bone Density Screening

The Baseline includes \$1,369,400 and 1 FTE Position from the General Fund in FY 2023 for Breast and Cervical Cancer and Bone Density Screening. These amounts are unchanged from FY 2022.

The Well Woman Healthcheck program provides contracted cancer screenings for women over age 40 who lack health insurance and have incomes less than 250% of the FPL. Women who are diagnosed with breast and cervical cancer through this program are eligible to receive treatment through AHCCCS.

County Tuberculosis Provider Care and Control

The Baseline includes \$590,700 from the General Fund in FY 2023 for County Tuberculosis Provider Care and Control. This amount is unchanged from FY 2022.

This line item provides reimbursement to hospitals and physicians for the care of hospitalized tuberculosis patients and for assistance to all county health departments for local tuberculosis control programs.

Family Health Pilot Program

The Baseline includes \$1,500,000 from the General Fund in FY 2023 for a Family Health Pilot Program. This amount is unchanged from FY 2022.

The FY 2022 budget included \$1,500,000 in initial funding from the General Fund for a Family Health Pilot Program. The 3-year budget plan also included \$1,500,000 in one-time funding in FY 2023. This funding will be removed in FY 2024.

The department is required to distribute these monies to non-profit organizations to implement a statewide system to provide direct services, support services, social services case management and referrals to the biological or adoptive parents of children under 2 years of age, including unborn children.

Folic Acid Program

The Baseline includes \$400,000 from the TTHCF - Medically Needy Account in FY 2023 for the Folic Acid Program. This amount is unchanged from FY 2022.

This line item provides funding for the distribution of folic acid to women of childbearing age to help prevent birth defects. In FY 2021, 32,499 women received folic acid education and multivitamins.

High Risk Perinatal Services

The Baseline includes \$2,343,400 from the General Fund in FY 2023 for High Risk Perinatal Services. This amount is unchanged from FY 2022.

This line item provides contracted transport services for high risk perinatal care, hospital services, inpatient physician follow-up services, and community health nurse visits for newborns who spent at least 5 days in a neonatal intensive care unit. The purpose of the visits is to identify developmental issues and provide early intervention services to ensure school readiness by age 5.

Homeless Pregnant Women Services

The Baseline includes \$200,000 from the Health Services Lottery Monies Fund in FY 2023 for Homeless Pregnant

Women Services. This amount is unchanged from FY 2022.

DHS is required to use monies in this line item to provide grants to non-profit organizations located in a county with more than 3 million persons and whose primary function is to provide shelter, food, clothing, and transportation services to homeless pregnant women and their children who are under the age of one.

The FY 2023 Baseline continues a provision to permit the department to use the Health Services Lottery Monies Fund for Homeless Pregnant Women Services.

Medical Student Loan Fund Deposit

The Baseline includes no funding from the General Fund in FY 2023 for a Medical Student Loan Fund Deposit. FY 2023 adjustments are as follows:

Remove One-Time Fund Deposit

The Baseline includes a decrease of \$(2,000,000) from the General Fund in FY 2023 to remove a one-time deposit to the Medical Student Loan Fund. The fund is used by the Board of Medical Student Loans to distribute financial aid to qualified resident medical students pursuant to A.R.S. 15-1723 and § 15-1724.

The Medical Student Loan Fund has been administered by DHS since FY 2013. Laws 2021, Chapter 442 transfers administration of the fund back to the Board of Medical Student Loans.

Newborn Screening Program

The Baseline includes \$12,132,300 and 24.1 FTE Positions from the Newborn Screening Program Fund in FY 2023 for the Newborn Screening Program. FY 2023 adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(942,600) from the Newborn Screening Program Fund in FY 2023 to remove one-time equipment and start-up costs associated with expanding the number of conditions on the state's newborn screening panel.

The FY 2022 Health Budget Reconciliation Bill (BRB) requires DHS to add Spinal Muscular Atrophy and X-Linked Adrenoleukodystrophy by December 31, 2022. The remaining 29 conditions included on the U.S. Department of Health and Human Services Recommended Uniform Screening Panel (RUSP) are required to be added by December 31, 2023.

Background – This line item funds the centralized testing of all newborns in the state for a standard set of 30 disorders, which will be increased to 61 by December 31, 2023. In FY 2021, the program provided screening for 74,693 newborns. The program also provides follow-up counseling for the parents of affected newborns. The State Health Laboratory is the designated laboratory for testing, but DHS may designate other laboratories as testing facilities for conditions or tests added to the screening program.

Nonrenal Disease Management

The Baseline includes \$198,000 from the General Fund in FY 2023 for Nonrenal Disease Management. This amount is unchanged from FY 2022.

This line item provides funding for medication and other transplant-related services for nonrenal transplant patients who are ineligible for other public assistance programs.

Nursing Care Special Projects

The Baseline includes \$100,000 from the Nursing Care Institution Resident Protection Revolving Fund in FY 2023 for special projects related to long-term care facilities. This amount is unchanged from FY 2022.

Background – The Nursing Care Institution Resident Protection Revolving Fund receives deposits from civil penalties paid by nursing care institution administrators and assisted living facility managers for violations of their licenses or certifications. Historically, DHS' operating budget has included an ongoing appropriation of \$38,200 from this fund for emergency patient relocation and patient personal property replacement.

Poison Control Centers Funding

The Baseline includes \$990,000 from the General Fund in FY 2023 for Poison Control Centers. This amount is unchanged from FY 2022.

A.R.S. § 36-1161 requires 2 poison control centers to be maintained in Arizona. DHS allocated \$647,300 to the University of Arizona Poison Information Center and \$342,700 to the Banner Poison Control Center in FY 2021. A.R.S. § 32-1907 allows the Board of Pharmacy to transfer up to \$1,000,000 from the Arizona State Board of Pharmacy Fund to the University of Arizona (UA) Poison Control Information Center. However, this amount is not reflected in the table at the beginning of this narrative.

The Board of Pharmacy transferred \$200,000 to the UA Poison Control Center in FY 2021.

Renal Dental Care and Nutrition Supplements

The Baseline includes \$300,000 from the TTHCF - Medically Needy Account in FY 2023 for Renal Dental Care and Nutrition Supplements. This amount is unchanged from FY 2022.

This line item provides pre-operative dental care and ongoing nutritional assistance for low-income renal disease patients. Funding in this line item treats kidney disease and associated kidney damage and provides transportation services for dialysis appointments.

Renal Transplant Drugs

The Baseline includes \$183,000 from the General Fund in FY 2023 for Renal Transplant Drugs. This amount is unchanged from FY 2022.

This line item provides funding for anti-rejection medications for renal transplant patients who cannot be listed for transplant because they cannot afford the cost of medications. In FY 2021, 38 people received anti-rejection medication assistance.

Rural Prenatal Services

The Baseline includes no funding from the General Fund in FY 2023 for Rural Prenatal Services. FY 2023 adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(500,000) from the General Fund in FY 2023 to remove one-time funding for rural prenatal services. The funding provided medical student loan repayment options for rural prenatal health care providers practicing in medically underserved areas of the state. The FY 2020 General Appropriation Act appropriated these monies one-time in FY 2021 and FY 2022.

DHS used these monies to fund a portion of 2-year contracts for 24 prenatal care providers currently enrolled in the State Loan Repayment Program. In exchange for loan repayment assistance, the providers will work in a medically underserved area of the state for 2 years.

Bureau of Radiation Control

Radiation Regulation

The Baseline includes no funding in FY 2023 for Radiation Regulation. FY 2023 adjustments are as follows:

Consolidate Funding

The Baseline includes a decrease of \$(2,305,000) and (29) FTE Positions from the Health Services Licensing Fund in FY 2023 to consolidate the Radiation Regulation line item into the operating budget to simplify the budget display.

Radiation regulation includes oversight of the use, storage, and disposal of sources of radiation.

Other Issues

Statutory Changes

The Baseline would:

- As session law, continue to exempt county expenditures on Restoration to Competency treatment at the Arizona State Hospital from county expenditure limitations.
- As session law, continue to notwithstanding A.R.S. § 5-572 and A.R.S. § 36-108.01 to allow the Health Services Lottery monies to be used for homeless pregnant women services. (*See Homeless Pregnant Women Services for more information.*)

Proposition 207 – Recreational Marijuana

Proposition 207, approved by voters in the November 2020 general election, legalizes the sale and consumption of marijuana and marijuana products for adults 21 years of age and older. The initiative established the Smart and Safe Arizona Fund, which receives monies from a 16.0% excise tax on all recreational marijuana.

We estimate that excise tax collections will be approximately \$120,142,800 in FY 2022, increasing to \$132,157,000 in FY 2023 and \$145,372,700 in FY 2024. These estimates are based on recreational marijuana sales in the first quarter of FY 2022. Actual collections will ultimately depend on total sales generated at full implementation of the program.

Before any distributions are made from the fund, DHS, the Department of Revenue, the Supreme Court, the Department of Public Safety, and the State Treasurer receive monies based on self-determined "actual and

reasonable" costs associated with certain requirements of the initiative. Agencies have not yet determined how much will be used for administrative costs.

After state agency distributions, the remaining funds are distributed accordingly:

- 33.0% to community college districts, including:
- 31.4% to municipal police and fire departments, divided according to the number of individuals from

each department enrolled in the Public Safety Personnel Retirement System.

- 25.4% to the Highway User Revenue Fund.
- 10.0% to the Justice Reinvestment Fund, including:
- 0.2% to the Attorney General for enforcement.

Since agencies have not yet determined FY 2023 administrative costs, we are not able to estimate how much will be distributed to each recipient.

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Alzheimer’s Disease Research Fund (HSA2255/A.R.S. § 36-123.02)		Non-Appropriated
Source of Revenue: Revenues from special plate fees and renewals. Of the \$25 fee, \$8 is for administrative costs deposited to the State Highway Fund and \$17 is deposited to the Alzheimer's Disease Research Fund.		
Purpose of Fund: To distribute monies to charitable organizations in Arizona that have been operating for at least 10 years and have member institutions working to end Alzheimer's Disease and educate Arizona residents about Alzheimer's Disease.		
Funds Expended	0	60,000
Year-End Fund Balance	5,400	5,400
Arizona State Hospital Charitable Trust Fund (HSA9985/A.R.S. § 36-218)		Non-Appropriated
Source of Revenue: Monies received from contracts and lease agreements on Arizona State Hospital property.		
Purpose of Fund: To benefit persons with mental illness in this state.		
Funds Expended	74,300	90,000
Year-End Fund Balance	50,300	50,300
Arizona State Hospital Fund (HSA3120/A.R.S. § 36-545.08)		Appropriated
Source of Revenue: State monies and matching federal monies for disproportionate share payments at the Arizona State Hospital, Medicaid reimbursement for services provided at the Arizona State Hospital, county payments, and other monies collected for services to clients at the state hospital.		
Purpose of Fund: To provide treatment of patients at the Arizona State Hospital or to place Arizona State Hospital patients in the community.		
Funds Expended	2,364,100	2,883,600
Year-End Fund Balance	4,783,100	4,988,000
ASH Land Earnings Fund (HSA3128/A.R.S. § 36-211)		Appropriated
Source of Revenue: Monies received from interest on the Arizona State Hospital's Permanent Land Fund, as established through Arizona's Enabling Act, Section 25, and the monies derived from the lease of these lands and miscellaneous revenue.		
Purpose of Fund: For the benefit and support of the Arizona State Hospital.		
Funds Expended	601,800	650,000
Year-End Fund Balance	2,072,200	1,491,500
Breast and Cervical Cancer Screening and Diagnostic Special Plate Fund (HSA2513/A.R.S. § 36-119)		Non-Appropriated
Source of Revenue: Revenues from special plate fees and renewals. Of the \$25 fee, \$8 is for administrative costs deposited to the State Highway Fund and \$17 is deposited into the Breast and Cervical Cancer Screening and Diagnostic Special Plate Fund.		
Purpose of Fund: For breast and cervical cancer screening and diagnostic and outreach services.		
Funds Expended	33,300	555,000
Year-End Fund Balance	894,100	457,600

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Child Fatality Review Fund (HSA3036/A.R.S. § 36-3504)		Appropriated
Source of Revenue: A \$1 surcharge on fees collected on all certified copies of death certificates, up to \$100,000. Any revenue collected in excess of \$100,000 is transferred from the fund to the Child Abuse Prevention Fund in the Department of Child Safety.		
Purpose of Fund: To organize county child fatality review teams and to study data collected by these teams to determine ways to reduce the state's child mortality rate.		
Funds Expended	78,800	196,500
Year-End Fund Balance	271,400	274,100
Congenital Heart Defect Special Plate Fund (HSA2258/A.R.S. § 36-123.03)		Non-Appropriated
Source of Revenue: Revenues from special plate fees and renewals. Of the \$25 fee, \$8 is for administrative costs deposited to the State Highway Fund and \$17 is deposited to the Congenital Heart Defect Special Plate Fund.		
Purpose of Fund: Distribution to a foundation that supports a hospital with a focus on pediatric patient care and has a heart center.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Coronavirus Relief Fund (HSA2975/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Monies received by the state from the federal COVID-19 response legislation. Arizona received \$1.86 billion from the Coronavirus Relief Fund established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act based on the state's share of the population.		
Purpose of Fund: Monies are allocated by the Governor to supplement costs of the state's COVID-19 response, including necessary expenditures incurred by the state due to the public health emergency from March 1, 2020 to December 30, 2020.		
Funds Expended	250,126,700	99,293,500
Year-End Fund Balance	39,293,500	0
Crisis Contingency and Safety Net Fund (HSA3240/A.R.S. § 41-110)		Non-Appropriated
Source of Revenue: Legislative appropriations, public or private gifts, grants and donations. Expenditures are not displayed to avoid double counting the General Fund.		
Purpose of Fund: Monies in the fund may only be used by the Governor for the following forms of economic assistance during a state of emergency: 1) housing assistance; 2) services for homeless persons; 3) economic assistance to small businesses with less than 50 employees, non-profit organizations, and health care providers; and 4) monies for food bank operations.		
Funds Expended	0	0
Year-End Fund Balance	100,000	0
Disease Control Research Fund (HSA2090/A.R.S. § 36-274)		Appropriated
Source of Revenue: Monies appropriated by the Legislature and any gifts, contributions or other monies received by the Disease Control Research Commission from any other source, including Proposition 204.		
Purpose of Fund: To provide funding for AIDS Reporting and Surveillance. Please see the Non-Appropriated portion of the fund for additional information.		
Funds Expended	988,300	1,000,000
Year-End Fund Balance	3,733,600	2,039,100
Disease Control Research Fund (HSA2090/A.R.S. § 36-274)		Non-Appropriated
Source of Revenue: Monies appropriated by the Legislature and any gifts, contributions or other monies received by the Disease Control Research Commission from any other source, including Proposition 204.		
Purpose of Fund: To be used for projects or services that may advance research in the causes, epidemiology and prevention of disease, including discovery and development. Please see the Appropriated portion of the fund for additional information.		
Funds Expended	2,244,400	3,644,500
Year-End Fund Balance	3,733,600	2,039,100

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Donations - DHS (HSA3010/2025/A.R.S. § 36-132)		Non-Appropriated
Source of Revenue: Individual donations for various health related purposes.		
Purpose of Fund: For specific purposes as designated by the donors. Monies donated pursuant to A.R.S. § 36-213 and A.R.S. § 36-204 for the Arizona State Hospital are accounted for separately.		
Funds Expended	4,860,000	2,000,000
Year-End Fund Balance	2,837,000	1,737,000
Donations - Statewide (HSA2025/A.R.S. § 36-132)		Non-Appropriated
Source of Revenue: Individual donations from employee recognition events.		
Purpose of Fund: Employee recognition purposes.		
Funds Expended	2,500	0
Year-End Fund Balance	9,300	9,300
Drug Disposal Education and Awareness Fund (HSA2230/A.R.S. § 36-123.01)		Non-Appropriated
Source of Revenue: Donations and contributions from private persons and organizations.		
Purpose of Fund: To pay for the cost of administering an education and awareness program regarding the disposal of prescription drugs, including controlled substances, nonprescription drugs, needles, and sharps.		
Funds Expended	0	0
Year-End Fund Balance	10,000	10,000
Emergency Medical Services Operating Fund (HSA2171/A.R.S. § 36-2218)		Appropriated
Source of Revenue: The fund receives 48.9% of the Medical Services Enhancement Fund revenues, which are collected from a 13% surcharge on fines charged for criminal offenses and civil motor vehicle statute violations.		
Purpose of Fund: To fund local and state emergency medical services systems.		
Funds Expended	4,075,600	3,831,300
Year-End Fund Balance	765,000	833,700
Environmental Laboratory Licensure Revolving Fund (HSA3017/A.R.S. § 36-495.15)		Appropriated
Source of Revenue: Fees collected for environmental lab licensure, fees derived from department-sponsored workshops, and monies from gifts, grants, and donations.		
Purpose of Fund: For costs associated with licensing environmental laboratories by the Department of Health Services.		
Funds Expended	516,100	933,300
Year-End Fund Balance	800,800	657,500
Federal Child Care and Development Fund Block Grant (HSA2008/U.S. P.L 104-193)		Appropriated
Source of Revenue: Federal formula grant.		
Purpose of Fund: A portion of the Federal Child Care and Development Block Grant provides the Assurance and Licensure Division with monies for the licensure of child care facilities.		
Funds Expended	878,000	1,884,100
Year-End Fund Balance	(93,700)	28,700
Federal Funds (HSA2000/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Grants and reimbursements from the federal government.		
Purpose of Fund: To provide health services in accordance with the terms of each specific grant.		
Funds Expended	371,339,000	583,291,300
Year-End Fund Balance	5,853,700	5,823,700

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Health Services Licensing Fund (HSA1995/A.R.S. § 36-405, A.R.S. § 36-414)		Appropriated
Source of Revenue: Fees for health care institution licensing services, monies from the examination and licensing of hearing and speech professionals, and fees collected for regulation of individuals utilizing radiological materials.		
Purpose of Fund: To fund regulatory actions for health care institutions, hearing and speech professionals, and radiation regulation. A total of 90% of assurance and licensure fees are deposited into this fund with the remaining 10% deposited into the General Fund.		
Funds Expended	12,695,200	15,570,600
Year-End Fund Balance	5,299,800	1,367,400
Health Services Lottery Monies Fund (HSA4250/A.R.S. § 36-108.01)		Appropriated
Source of Revenue: State Lottery monies.		
Purpose of Fund: To fund grants for homeless pregnant women services. Please see the Non-Appropriated portion of the fund for additional information.		
Funds Expended	50,000	200,000
Year-End Fund Balance	4,028,200	3,564,700
Health Services Lottery Monies Fund (HSA4250/A.R.S. § 36-108.01)		Non-Appropriated
Source of Revenue: State Lottery monies.		
Purpose of Fund: To fund teenage pregnancy prevention programs, the Health Start program, and the federal Women, Infants and Children (WIC) food program. Please see the Appropriated portion of the fund for additional information.		
Funds Expended	6,617,400	8,143,900
Year-End Fund Balance	4,028,200	3,564,700
IGA and ISA Fund (HSA4500/A.R.S. § 36-108.01)		Non-Appropriated
Source of Revenue: Monies from intergovernmental agreements and interagency services agreements between the Department of Health Services and other state and local entities. The fund receives annual revenue from the Department of Economic Security (DES) to provide nutrition education in schools for grades 1-6 using funds from the Supplemental Nutrition Assistance Program (SNAP).		
Purpose of Fund: To fund services which DHS has agreed to perform in IGAs and ISAs with state and local public agencies.		
Funds Expended	7,276,600	8,186,800
Year-End Fund Balance	9,554,000	6,123,600
Indirect Cost Fund (HSA9001/A.R.S. § 36-108)		Appropriated
Source of Revenue: Charges made to Federal Funds and interagency agreements in order to reimburse the agency for a portion of the administrative costs of the programs.		
Purpose of Fund: To pay a portion of the administrative personnel and overhead costs associated with various federal programs and interagency agreements.		
Funds Expended	10,561,000	11,302,100
Year-End Fund Balance	5,278,000	939,000
Internal Services Fund (HSA4202/A.R.S. § 36-104)		Non-Appropriated
Source of Revenue: Charges from other DHS funds.		
Purpose of Fund: Revolving Fund used by DHS warehouse for the purchase of goods.		
Funds Expended	27,200	0
Year-End Fund Balance	3,000	3,000

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Justice Reinvestment Fund (HSA1121/A.R.S. § 36-2863)		Non-Appropriated
Source of Revenue: The fund receives 10% of revenues from the Smart and Safe Arizona Fund after state agencies pay administrative costs for implementing the provisions of Proposition 207, which legalized the adult use of recreational marijuana.		
Purpose of Fund: To pay administrative costs incurred by the State Treasurer and Arizona Department of Health Services (DHS). After administrative costs are paid, the remaining funds are distributed 35% to county public health departments, 35% to DHS for justice reinvestment program grants, and 30% to DHS for addressing public health issues.		
Funds Expended	0	1,920,000
Year-End Fund Balance	2,415,800	5,295,800
Laser Safety Fund (HSA2388/A.R.S. § 32-3234)		Non-Appropriated
Source of Revenue: Fees collected from the authorization of certificates to individuals that operate lasers of Intense Pulsed Light (IPL) devices for health and cosmetic related purposes.		
Purpose of Fund: To fund the costs of issuing licenses to individuals that operate lasers or IPL devices for health-related purposes.		
Funds Expended	64,800	52,000
Year-End Fund Balance	85,200	97,500
Medical Marijuana Fund (HSA2544/A.R.S. § 36-2817)		Non-Appropriated
Source of Revenue: The fund receives application and renewal fees from medical marijuana dispensaries, civil penalties and private donations.		
Purpose of Fund: To enforce provisions of Proposition 203 (Arizona Medical Marijuana Act) enacted in the 2010 General Election. The Arizona Medical Marijuana Act regulates dispensation, prescription, and use of medical marijuana, including an electronic registry of dispensary agents, patients and designated caregivers.		
Funds Expended	52,678,100	27,370,400
Year-End Fund Balance	56,403,300	11,510,300
Medical Student Loan Fund (HSA3306/A.R.S. § 15-1725)		Non-Appropriated
Source of Revenue: Monies from legislative appropriations, and loan repayments of principal, interest, and penalties received by the board. These monies are exempt from lapsing. All monies in the fund are to be used for the Primary Care Provider Loan Repayment Program.		
Purpose of Fund: To provide loans to defray the medical education expenses of Arizona resident students attending medical school, in return for a service commitment to the state.		
Funds Expended	79,400	2,110,000
Year-End Fund Balance	115,800	5,800
Newborn Screening Program Fund (HSA2184/A.R.S. § 36-694.01)		Appropriated
Source of Revenue: Fees paid to DHS for newborn screening services.		
Purpose of Fund: To provide monies for the centralized testing of all newborns in the state for a standard set of metabolic and congenital (environmental/inherited) disorders. Every 4 years the department solicits bids for the contracting of these tests. The State Health Lab holds the current contract. In addition, the fund provides monies for follow-up counseling for the parents of affected infants.		
Funds Expended	6,642,100	13,507,700
Year-End Fund Balance	664,200	(5,757,000)
Nuclear Emergency Management Fund (HSA2138/A.R.S. § 26-306.02)		Appropriated
Source of Revenue: An assessment levied against a consortium of corporations that operate the Palo Verde Nuclear Generating Station.		
Purpose of Fund: To administer and enforce the state plan for off-site response to an emergency caused by an accident at a commercial nuclear generating station.		
Funds Expended	600,100	0
Year-End Fund Balance	548,900	518,900

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Nursing Care Institution Resident Protection Revolving Fund (HSA2329/A.R.S. § 36-431.02)		Appropriated
Source of Revenue: Civil penalties paid by nursing care institution administrators and assisted living facility managers for violations of their licenses or certifications.		
Purpose of Fund: For the protection of the health and property of residents of nursing care facilities that are found deficient.		
Funds Expended	79,100	138,200
Year-End Fund Balance	2,406,800	2,400,700
Oral Health Fund (HSA3038/A.R.S. § 36-138)		Non-Appropriated
Source of Revenue: Monies received from AHCCCS contracts for dental services.		
Purpose of Fund: To provide dental services to Medicaid-eligible children identified by the DHS Oral Health program.		
Funds Expended	139,100	454,900
Year-End Fund Balance	708,900	404,000
Prescription Drug Rebate Fund (HSA2546/A.R.S. § 36-2930)		Appropriated
Source of Revenue: Prescription drug rebate collections and interest from prescription drug rebate late payments.		
Purpose of Fund: To pay for the administrative costs of the Prescription Drug Rebate Program, for payments to contractors or providers in the administration's medical services programs, and to offset General Fund costs for Medicaid programs. Monies appropriated to DHS are used for Alzheimer's Disease Research.		
Funds Expended	0	2,500,000
Year-End Fund Balance	0	0
Public Health Emergencies Fund (HSA2775/A.R.S. § 36-122)		Non-Appropriated
Source of Revenue: Legislative appropriations.		
Purpose of Fund: To fund public health emergency responses in the state following an emergency declaration by the Governor.		
Funds Expended	0	0
Year-End Fund Balance	41,000	41,000
Smart and Safe Arizona Fund (HSA1120/A.R.S. § 36-2856)		Non-Appropriated
Source of Revenue: The fund receives revenues from a 16.0% excise tax on the sale of recreational marijuana products and license and registration fees.		
Purpose of Fund: To pay costs incurred by state agencies to implement the provisions of Proposition 207, which legalized the adult use of recreational marijuana. After agencies pay administrative costs, the remaining funds are distributed 33.0% to community college districts, 31.4% to municipal police and fire departments, 25.4% to the Highway User Revenue Fund, 10.0% to the Justice Reinvestment Fund, and 0.2% to the Attorney General.		
Funds Expended	1,482,100	5,000,000
Year-End Fund Balance	688,600	688,600
Smoke-Free Arizona Fund (HSA2541/A.R.S. § 36-601.01)		Non-Appropriated
Source of Revenue: A 2¢ per pack tax on cigarettes. Any revenues not used by the department to enforce the smoking ban are deposited to the Tobacco Tax Products Fund to be used for education programs to reduce or eliminate tobacco use.		
Purpose of Fund: To enforce the provisions of Proposition 201 (Smoke Free Arizona Act) enacted in the 2006 General Election. The Smoke-Free Arizona Act banned smoking in public places except retail tobacco stores, veteran and fraternal clubs, hotel rooms designated as smoking rooms, and outdoor patios.		
Funds Expended	2,194,600	2,680,000
Year-End Fund Balance	1,154,200	779,000

SUMMARY OF FUNDS	FY 2021 Actual	FY 2022 Estimate
Tobacco Tax and Health Care Fund - Health Education Account (HSA1308/A.R.S. § 36-772)		Non-Appropriated
Source of Revenue: The account receives 23¢ of each dollar deposited in the Tobacco Tax and Health Care Fund and 2¢ of each dollar in the Tobacco Products Tax Fund.		
Purpose of Fund: Monies are used for community-based education and evaluation, and other programs to discourage tobacco use among the general public, specifically targeting minors and culturally diverse populations. The monies from the Tobacco Products Tax Fund are used for the prevention and detection of the 4 leading causes of death.		
Funds Expended	11,070,200	19,800,000
Year-End Fund Balance	10,994,400	6,247,900
Tobacco Tax and Health Care Fund - Health Research Account (HSA2096/A.R.S. § 36-275, A.R.S. § 36-773)		Appropriated
Source of Revenue: The fund receives monies from the Health Research Account of the Tobacco Tax and Health Care Fund.		
Purpose of Fund: For Alzheimer’s Disease Research and Biomedical Research Support. Please see the Non-Appropriated portion of the fund for additional information.		
Funds Expended	2,500,600	0
Year-End Fund Balance	1,866,900	1,249,100
Tobacco Tax and Health Care Fund - Health Research Account (HSA2096/A.R.S. § 36-275, A.R.S. § 36-773)		Non-Appropriated
Source of Revenue: The fund receives monies from the Health Research Account of the Tobacco Tax and Health Care Fund.		
Purpose of Fund: Monies are used for research into the prevention and treatment of tobacco-related disease and addiction. Please see the Appropriated portion of the fund for additional information.		
Funds Expended	5,590,000	8,328,500
Year-End Fund Balance	1,866,900	1,249,100
Tobacco Tax and Health Care Fund - Medically Needy Account (HSA1306/A.R.S. § 36-774)		Appropriated
Source of Revenue: The account receives funding from the Medically Needy Account of the Tobacco Tax and Health Care Fund, which is managed by AHCCCS. All monies remaining unexpended at the end of the fiscal year revert to the AHCCCS Medically Needy Account.		
Purpose of Fund: To fund the Folic Acid Program and Renal Dental Care and Nutrition Supplements line items.		
Funds Expended	580,900	700,000
Year-End Fund Balance	355,800	355,800
Vital Records Electronic Systems Fund (HSA3039/A.R.S. § 36-341.01)		Appropriated
Source of Revenue: Fees collected for searches, copies of records, applications to file delayed records, requests for supplementary birth certificates, following adoption, legitimation, paternity determination, surgical alterations, and chromosomal counts, or amendments to existing records. DHS is authorized by A.R.S. § 36-341 to set vital records fees for individuals and counties that access the vital records electronic system. Total revenues are limited to \$4,530,000. Of the first \$4,000,000, 85% will be required into the Vital Records Electronic Systems Fund and 15% will be deposited into the General Fund. For any revenue above \$4,000,000, 40% will be deposited into the Vital Records Electronic Systems Fund and 60% will be deposited into the General Fund.		
Purpose of Fund: To develop and operate a new vital records automated system.		
Funds Expended	3,055,200	3,641,600
Year-End Fund Balance	1,453,400	761,800
Workforce Data Repository Fund (HSA9999/A.R.S. § 36-172)		Non-Appropriated
Source of Revenue: Legislative appropriations, fees, grants, and donations.		
Purpose of Fund: To maintain a health professionals workforce data repository containing data transferred to the department from health regulatory boards.		
Funds Expended	0	112,800
Year-End Fund Balance	0	0