

STATE OF ARIZONA

Joint Legislative Budget Committee

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ANNA TOVAR

MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

September 28, 2011

The Chairman called the meeting to order at 1:10 p.m., Wednesday, September 28, 2011, in Senate Appropriations Room 109. The following were present:

Members:	Representative Kavanagh, Chairman	Senator Shooter, Vice-Chairman
	Representative Alston	Senator Aboud
	Representative Harper	Senator Biggs
	Representative Jones	Senator Cajero Bedford
	Representative Tovar	Senator Crandall
		Senator Klein
		Senator Murphy
		Senator Yarbrough

Absent: Representative Court
Representative Fillmore
Representative Heinz

APPROVAL OF MINUTES

Hearing no objections from the members of the Committee to the minutes of July 28, 2011, Chairman John Kavanagh stated that the minutes would stand approved.

AHCCCS/DHS/DES - Review of Proposed Capitation Rate Change.

Ms. Amy Upston, JLBC Staff, stated that this item is a review of capitation rates for AHCCCS, the Department of Health Services, and the Department of Economic Security. The JLBC Staff presented options to the Committee.

Ms. Beth Lazare, Deputy Director, AHCCCS, responded to member questions.

Senator Shooter moved that the Committee give a favorable review to the proposed Medicaid capitation rate changes for the 3 agencies beginning on October 1, 2011. The motion carried.

In addition, the Committee would like AHCCCS to provide the JLBC with a list of questions asked by the Centers for Medicare and Medicaid Services regarding provider rate reductions.

(Continued)

ARIZONA BOARD OF REGENTS - Review of FY 2012 Tuition Revenues.

Ms. Leatta McLaughlin, JLBC Staff, stated that this item is a review of the Arizona Board of Regents' (ABOR) FY 2012 tuition collections. A footnote in the FY 2012 Feed Bill requires ABOR to report on their tuition collections for the current fiscal year. Total FY 2012 tuition collections are expected to be \$1.49 billion, which is an increase of \$178.3 million above the original budgeted amount. Of that \$178.3 million, part of that is appropriated and part of it is non-appropriated. The appropriated portion is \$110.8 million while the non-appropriated portion is \$67.5 million. The JLBC Staff presented options to the Committee.

Ms. Lisa Frace, Associate Vice President of Planning and Budget, Arizona State University, responded to member questions.

Mr. Tim Bee, Associate Vice President for State Relations, University of Arizona, responded to member questions.

Ms. Christine Thompson, Assistant Vice President for Governmental Affairs, ABOR, responded to member questions.

Senator Shooter moved that the Committee give a favorable review to ABOR's expenditure plan. The motion carried.

ATTORNEY GENERAL - Review of Allocation of Settlement Monies.

Ms. Marge Zylla, JLBC Staff stated that this item is a review of a \$1,363,900 allocation to the Attorney General from GlaxoSmithKline, a pharmaceutical company. The JLBC Staff recommended a favorable review.

Ms. Dena Rosen Epstein, Section Chief Counsel, Consumer Protection and Advocacy section, Attorney General's Office, responded to member questions.

Senator Shooter moved that the Committee give a favorable review of the allocation plans from the GlaxoSmithKline settlement totaling \$1,363,900. The motion carried.

DEPARTMENT OF HEALTH SERVICES - Consider Approval of Nursing Care Facilities Survey.

Mr. Art Smith, JLBC Staff, stated this item is to consider approval of the Department of Health Services' (DHS) proposal to spend \$400,000 from the Nursing Care Institution Resident Protection Revolving Fund. Pending approval, DHS would award a contract to conduct quality improvement surveys of nursing facilities statewide. The JLBC Staff presented options to the Committee.

Mr. Colby Bower, Legislative Liaison, DHS, responded to member questions.

Mr. Don Isaacson, Lobbyist, DHS, responded to member questions.

Senator Shooter moved that the Committee approve the proposal to spend \$400,000 to award a contract for a client satisfaction survey contractor to conduct quality improvement studies of nursing care facilities statewide. The motion carried.

In addition, the Committee would like DHS to provide JLBC members with a list of what other states' projects have been approved by the federal Centers for Medicaid and Medicare Services for use with these funds. The Committee would also like to know of previous projects that have been funded with these monies and the outcomes of them.

EXECUTIVE SESSION

Senator Shooter moved that the Committee go into Executive Session. The motion carried.

At 2:22 p.m. the Joint Legislative Budget Committee went into Executive Session.

Senator Shooter moved that the Committee reconvene into open session. The motion carried.

At 3:04 p.m. the Committee reconvened into open session.

AHCCCS - Review of RFP to Reduce Erroneous and Fraudulent Payments as Required under A.R.S. § 38-431.03A2.

Senator Shooter moved that the Committee give a favorable review to AHCCCS's proposal. The motion carried.

Arizona Department of Administration, Risk Management Services - Consideration of Proposed Settlements under Rule 14.

Senator Shooter moved that the Committee disapprove the recommended settlement proposal by the Attorney General's Office in the case of Union Pacific Railroad Company v. State of Arizona. The motion carried.

Without objection, the meeting adjourned at 3:04 p.m.

Respectfully submitted:

Sandy Kelley, Secretary

Richard Stavneak, Director

Representative John Kavanagh, Chairman