

JLBC MEETING

At its June 10th meeting, the Joint Legislative Budget Committee considered the following issues:

Department of Education The JLBC favorably reviewed an Arizona Department of Education plan to provide \$163,700 in corrected state aid funding to the Fredonia-Moccasin Unified School District, pursuant to A.R.S. § 15-915(B). The adjustment is due to changes in the district's assessed property value as a result of a tax court ruling.

Department of Health Services The JLBC gave a favorable review of the Department of Health Services' request to increase behavioral health capitation rates by 8.7% based on an actuarial study. The FY 2004 budget includes funding for these adjustments.

Department of Economic Security The JLBC favorably reviewed the Department of Economic Securities' (DES) plan to increase capitation rates for the federal Title XIX Long Term Care (LTC) program based on an actuarial study. The current year capitation rate for most clients in DES' LTC program will increase 4.98% from last year's capitation rate. The FY 2004 budget includes funding for these adjustments.

Arizona Health Care Cost Containment System (AHCCCS) The JLBC gave a favorable review of a 23.8% increase to the Comprehensive Medical and Dental Program (CMDP) capitation rate as requested by the AHCCCS. The CMDP capitation rate increase was based on an actuarial study. The FY 2004 budget includes funding for these adjustments.

Governor's Office of Strategic Planning and Budgeting (OSPB) The JLBC favorably reviewed the OSPB request to reduce FY 2003 Disproportionate Share Hospital Program spending by \$(23,062,400) in the Arizona Health Care Cost Containment System. The requested change by OSPB is necessary to keep the state's DSH program consistent with federal policy.

The original FY 2003 plan assumed certain changes by the federal government in how payments would be calculated, which would have allowed for additional disbursements to county hospitals. However, the federal government has not yet approved of the new plan. As a result, OSPB has revised its DSH spending estimate to reflect the current method of calculating DSH payments.

Arizona Community Colleges The JLBC gave a favorable review of workforce development plan activities as submitted by the Arizona Community Colleges. A.R.S. § 15-1472 requires that Community College districts annually submit a report of their previous year's workforce development plan activities and expenditures to JLBC for approval.