

Pima County FY 2004/05 Recommended Budget

Pima Health System & Services – Enterprise Fund

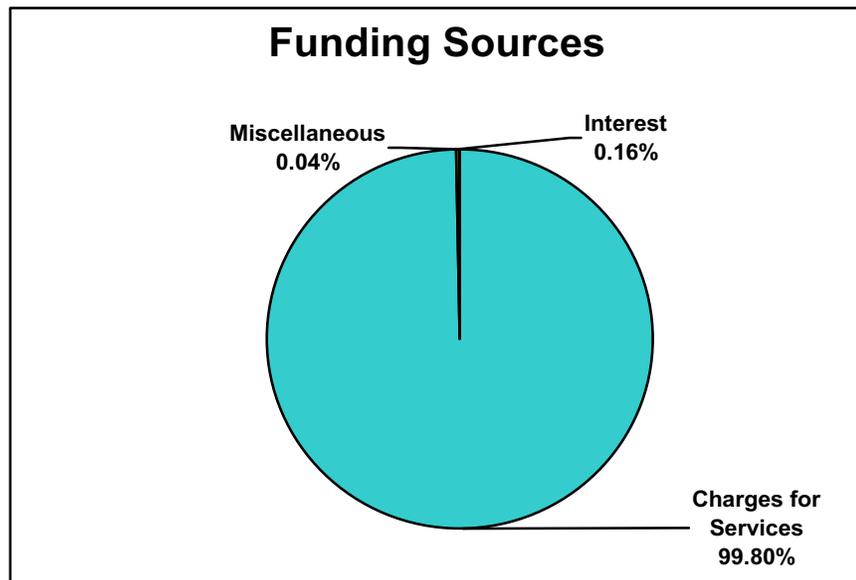
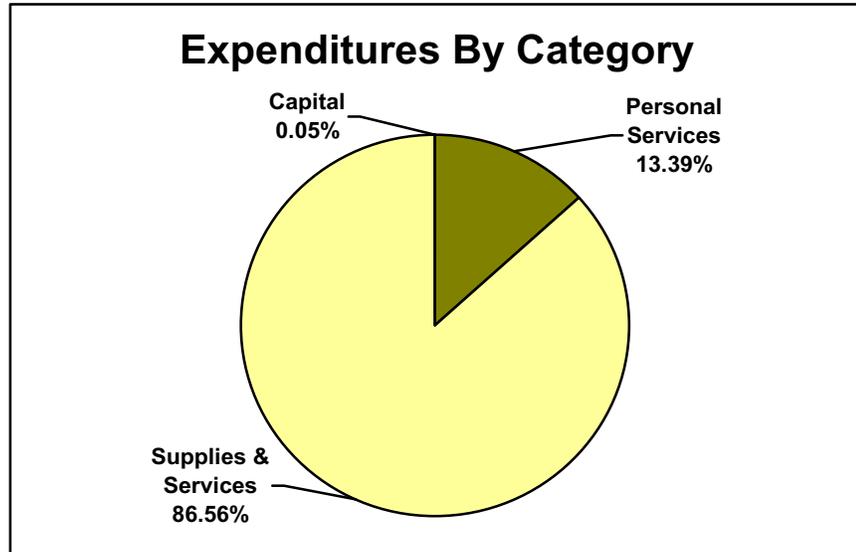
Revenue \$240,131,891
Expenditures 238,597,365
Net Transfers (3,000,000)

Function Statement: Operate an acute health plan and an ambulatory health plan for the Arizona Health Care Cost Containment System (AHCCCS), and administer a long term care program for the Arizona Long Term Care System (ALTCS).

Fund Impact \$ (1,465,474)

Pima Health System & Services also operates Pima Health System Grants (an enterprise fund).

FTEs 893.1



Recommended Budget Summary - Enterprise Fund

	<u>Total Expenditures</u>	<u>Total Revenues</u>	<u>Operating Transfers</u>	<u>Net Fund Impact</u>
FY 2003/04 Adopted	192,885,710	198,155,300	(4,882,642)	386,948
AHCCCS Premium Tax	4,743,773	4,743,773		0
Increase in Administrative Overhead	270,808			(270,808)
Decrease in Self Insurance Reserve Premium	(22,133)			22,133
Increase in Depreciation	110,803			(110,803)
New 0.20 FTE-Salaries and Benefits	8,722			(8,722)
Miscellaneous Personal Services Adjustments	(2,708,323)			2,708,323
Miscellaneous Supplies and Services Adjustments	43,409,605			(43,409,605)
Decrease in Capital	(101,600)			101,600
Interest Income Decrease		(399,900)		(399,900)
Increase in Enrollment/Rates		37,582,190		37,582,190
Miscellaneous Revenue Adjustments		50,528		50,528
Change in FY 2004/05 ALTCS Equity Transfer			1,882,642	1,882,642
Supplemental Requests				
None submitted				0
Total Recommended Budget	<u>238,597,365</u>	<u>240,131,891</u>	<u>(3,000,000)</u>	<u>(1,465,474)</u>
Full Time Equivalents (FTEs)	<u>893.1</u>			

Comments/Issues

Effective fiscal year 2002/03, Pima Health System, Posada del Sol, and Pima Home Health were reorganized and consolidated into Pima Health System & Services.

Posada del Sol has a fiscal year 2004/05 budget of \$12,626,608, as compared to \$12,996,515 in fiscal year 2003/04.

The department was awarded a new 5-year AHCCCS Ambulatory contract effective October 1, 2003. The new contract provides for the possibility of a capitation adjustment each year of the contract.

The department is projecting AHCCCS and ALTCS capitation rate increases of 4 percent effective October 2004. The rising cost of medical services and increased membership necessitate the increase in revenues and expenditures for fiscal year 2004/05.

Pima County FY 2004/05 Recommended Budget

Pima Health System & Services

There is a decrease of 22.9 FTEs from fiscal year 2003/04. Of this decrease, 20.3 FTEs were in the Home Based and Community Services area. The number of FTEs were decreased to reduce expenses, while still providing acceptable levels of care to fulfill contractual obligations. The department is now also funding \$81,387 of the medical services Deputy County Administrator's salary.

Recommended revenue sources:

Health Fees	239,647,160
Interest	375,000
Miscellaneous Fees and Cost Recovery	109,731
	<u>240,131,891</u>

Recommended capital expenditures:

Replacement Computer Equipment	113,000
McAfee Virus Defense Suite	17,000
Replacement Servers - 2	27,600
	<u>157,600</u>

Note: Due to accounting rules for enterprise funds, Pima Health System & Services' recommended budget reflects only annual depreciation costs of capital items that cost \$5,000 or more. The Department Requested column, on the Summary by Account Department Report, shows all requested capital purchases for informational purposes only. The total expense in this column will be different from the total expense on other tables, by the amount of the requested capital items that cost \$5,000 or more.

The department submitted no requests for supplemental funding.

Five Year History of Expenditures and Revenues - Enterprise Fund

	FY 2000/01 Actual	FY 2001/02 Actual	FY 2002/03 Actual	FY 2003/04 Projected	FY 2004/05 Recommended
Expenditures	120,129,640	146,246,252	165,386,719	200,050,733	238,597,365
Revenues	127,615,859	152,097,867	167,280,137	197,834,662	240,131,891
Transfers In/(Out)	(521,751)	(4,643,211)	(5,000,000)	(4,882,642)	(3,000,000)

Effective fiscal year 2002/03, Pima Health System, Posada del Sol, and Pima Home Health were reorganized and consolidated into Pima Health System & Services. Historical information included here is presented in a consolidated format.

Funding Summary By Department - Enterprise Fund

	FY 2003/04 Adopted	FY 2004/05 Department Base Request	FY 2004/05 Department Supplementals	FY 2004/05 Department Total Request	FY 2004/05 Administrator Recommended
Expenditures					
Personal Services	34,648,132	31,948,531	0	31,948,531	31,948,531
Supplies & Services	158,022,978	206,535,834	0	206,535,834	206,535,834
Capital	214,600	157,600	0	157,600	113,000
Total Expenditures	192,885,710	238,641,965	0	238,641,965	238,597,365
Revenues					
Intergovernmental	38,000	0	0	0	0
Charges For Services	197,321,197	239,647,160	0	239,647,160	239,647,160
Interest	774,900	375,000	0	375,000	375,000
Miscellaneous	21,203	109,731	0	109,731	109,731
Total Revenues	198,155,300	240,131,891	0	240,131,891	240,131,891
Transfers In/(Out)	(4,882,642)	(3,000,000)	0	(3,000,000)	(3,000,000)
Fund Balance Decr/(Incr)	(386,948)	1,510,074	0	1,510,074	1,465,474
Total Funding	192,885,710	238,641,965	0	238,641,965	238,597,365

SUMMARY BY ACCOUNT

Department Name: PIMA HEALTH SYSTEM & SERVICES

ACCOUNT NAME	2002/03	2003/04		2004/05	
	ACTUAL	ADOPTED	YTD THRU FEB 29, 2004	DEPARTMENT REQUESTED	RECOMMENDED
EXPENDITURE ACCOUNTS -					
SALARIES & WAGES	16,436,941	19,941,075	12,152,902	18,912,341	18,912,341
OVERTIME	670,961	270,941	463,972	0	0
ON-CALL PAY	10,274	0	7,493	0	0
SHIFT DIFFERENTIAL	137,152	135,190	87,691	133,007	133,007
TEMPORARY HELP	6,724,049	6,347,822	4,186,640	6,457,458	6,457,458
HOLIDAY PAY	367,822	623,768	329,290	533,516	533,516
BUDGETED BENEFITS	4,170,678	5,628,255	3,740,996	5,828,009	5,828,009
SALARY REDUCTION	(5,631,510)	(6,970,403)	(462,478)	(7,317,879)	(7,317,879)
INTERDEPARTMENTAL SALARIES	5,278,826	8,671,484	456,423	7,402,079	7,402,079
** OBJECT TOTALS FOR:					
PERSONAL SERVICES	28,165,193	34,648,132	20,962,929	31,948,531	31,948,531
OFFICE SUPPLIES	127,178	151,440	64,316	138,313	138,313
BOOKS/SUBSCRIPTIONS/VIDEO	18,338	40,640	18,509	8,750	8,750
SOFTWARE / SOFTWARE LICENSES <\$1,000	10,613	18,904	11,800	11,545	11,545
FOOD SUPPLIES	332,698	376,895	227,845	390,000	390,000
FOOD PREPARATION SUPPLIES	29,045	30,517	21,906	43,000	43,000
DRUGS & PHARMACEUTICALS	244,990	169,530	66,452	139,400	139,400
MEDICAL & LAB SUPPLIES	701,742	508,160	310,453	573,042	573,042
FUEL, OIL, LUBRICANTS	486	0	371	0	0
CHEMICALS	8,625	0	11,206	0	0
HOUSEHOLD/INDUSTRIAL SUPPLIES	36,618	19,107	30,848	43,971	43,971
CLOTHING/UNIFORMS/SAFETY	65	0	145	0	0
RECREATIONAL/ARTS & CRAFT	504	3,826	0	3,200	3,200
FILM, MAPS, BLUEPRINTS	10	0	11	0	0
OTHER OPERATING SUPPLIES	1,246	0	1,173	0	0
REPAIR & MAINTENANCE SUPPLIES	42,262	0	37,272	0	0
SMALL TOOLS & OFFICE EQUIP < \$1,000	116,236	372,576	76,126	126,700	126,700
** OBJECT TOTALS FOR:					
SUPPLIES	1,670,656	1,691,595	878,433	1,477,921	1,477,921
COURT REPORTERS	771	0	261	0	0
EXPERT WITNESSES & INTERPRETERS	0	0	744	0	0
NON MEDICAL PROFESSIONAL SERVICES	909,185	664,761	82,733	562,425	562,425
MEDICAL PROFESSIONAL SERVICES	13,860,479	42,913,655	17,097,901	33,669,958	33,669,958
LAB & X-RAY SERVICES	5,207,996	7,485,868	1,332,610	8,889,963	8,889,963
SECURITY	35,033	41,827	20,171	38,000	38,000
TELEPHONE/VOICE/DATA TELECOMMUNICATION	196,894	203,247	140,710	243,000	243,000
INTERNET SERVICE	12,757	20,000	948	0	0
POSTAGE & FREIGHT	66,925	248,738	63,661	157,500	157,500

SUMMARY BY ACCOUNT

Department Name: PIMA HEALTH SYSTEM & SERVICES

ACCOUNT NAME	2002/03	2003/04		2004/05	
	ACTUAL	ADOPTED	YTD THRU FEB 29, 2004	DEPARTMENT REQUESTED	RECOMMENDED
MILEAGE REIMBURSEMENT	151,277	286,675	117,531	205,250	205,250
IN-STATE TRAVEL	3,117	22,340	3,720	9,200	9,200
IN-STATE TRAINING	11,654	500	4,187	0	0
OUT-OF-STATE TRAVEL/TRAINING	1,339	0	212	0	0
MOTOR POOL	32,842	21,750	25,431	43,600	43,600
ADVERTISING	107,553	257,518	43,054	153,500	153,500
PRINTING AND MICROFILMING	214,042	204,437	187,058	190,200	190,200
PROPERTY DAMAGE INS. PREMIUM	15,792	0	16,630	0	0
MALPRACTICE INSURANCE PREMIUM	140,843	205,868	99,948	183,735	183,735
OTHER INSURANCE	11,363	0	20,668	0	0
ELECTRICITY	207,436	250,388	177,783	280,000	280,000
NATURAL GAS	23,580	17,958	21,252	19,000	19,000
WATER & SEWER	40,720	28,888	29,363	50,000	50,000
REFUSE/SEWAGE DISPOSAL/RECYCLING	1,345	4,775	3,300	7,500	7,500
LEASES & RENTALS	207,982	720,632	579,656	873,088	873,088
SUPPLIES & SERVICES REDUCTION	(3,237,254)	(5,186,791)	(418,161)	(4,871,824)	(4,871,824)
INTERDEPT. SUPPLIES & SERVICES	3,628,869	2,927,710	419,962	4,869,011	4,869,011
R&M MACHINERY & EQUIPMENT	260,754	629,076	206,621	87,500	87,500
REPAIR AND MAINTENANCE - RENEWAL SOFTWARE AGREEMENTS	0	0	0	499,160	499,160
R&M BUILDINGS & GROUNDS	722,510	389,900	422,817	305,000	305,000
** OBJECT TOTALS FOR:					
SERVICES & OTHER CHARGES	22,835,804	52,359,720	20,700,771	46,464,766	46,464,766
PATIENT TRANSPORTATION	3,385,615	4,331,583	2,331,053	5,619,487	5,619,487
NURSING HOMES	53,606,977	40,622,185	33,738,942	54,143,017	54,143,017
OUTSIDE HOSPITAL/CLINICS	20,871,648	34,027,407	17,149,867	39,517,481	39,517,481
OTHER SUPPORT/CARE	31,848,608	22,602,839	28,556,497	51,904,160	51,904,160
OTHER INTEREST CHARGES	216,046	100,400	112,076	54,000	54,000
INVESTIGATIVE EXPENSES	3,809	15,000	6,983	10,000	10,000
DUES AND MEMBERSHIPS	13,527	45,177	1,840	9,450	9,450
EDUCATION COSTS	1,912	0	1,065	0	0
LAUNDRY & LINEN SERVICES	144,096	174,055	102,723	175,000	175,000
ADMINISTRATIVE OVERHEAD	1,871,874	1,879,883	1,127,930	2,150,691	2,150,691
OTHER MISCELLANEOUS CHARGES	414,199	44,349	1,096,364	4,770,273	4,770,273
DEPRECIATION EXPENSE	182,221	128,785	0	239,588	239,588
** OBJECT TOTALS FOR:					
SERVICES & OTHER CHARGES	112,560,532	103,971,663	84,225,340	158,593,147	158,593,147
CONSTRUCTION PROJECTS	51,357	0	0	0	0
FIXED EQUIP \$1,000 - \$4,999	5,944	0	0	0	0
INTERDEPARTMENTAL CAPITAL	0	214,600	0	113,000	113,000
CAPITAL REDUCTION	0	(214,600)	0	(113,000)	(113,000)

SUMMARY BY ACCOUNT

Department Name: PIMA HEALTH SYSTEM & SERVICES

ACCOUNT NAME	2002/03	2003/04		2004/05	
	ACTUAL	ADOPTED	YTD THRU FEB 29, 2004	DEPARTMENT REQUESTED	RECOMMENDED
FURNITURE (\$1,000 - \$4,999)	1,401	0	0	0	0
OFF MACH/COMPUTER \$1,000 - \$4,999	22,858	214,600	28,863	113,000	113,000
KITCHEN & LAUNDRY EQUIP \$1,000 - \$4,999	0	0	5,515	0	0
MEDICAL & LAB EQUIP \$1,000 - \$4,999	31,230	0	2,845	0	0
OTHER MACH/EQUIP (\$1,000 - \$4,999)	4,216	0	0	0	0
FURNITURE (\$5,000 OR MORE)	1,756	0	0	0	0
SOFTWARE/OFF MACH (\$5,000 OR MORE)	0	0	0	44,600	0
MEDICAL & LAB EQUIP (\$5,000 OR MORE)	7,900	0	0	0	0
OTHER MACH & EQUIP (\$5,000 OR MORE)	27,872	0	0	0	0
** OBJECT TOTALS FOR:					
CAPITAL OUTLAY	154,534	214,600	37,223	157,600	113,000
*** TOTAL: EXPENDITURE ACCOUNTS -	165,386,719	192,885,710	126,804,696	238,641,965	238,597,365
REVENUE					
FEDERAL REVENUE	1,815	38,000	47,967	0	0
** OBJECT TOTALS FOR:					
INTERGOVERNMENTAL	1,815	38,000	47,967	0	0
HEALTH FEES	166,574,142	197,321,197	136,971,704	239,647,160	239,647,160
** OBJECT TOTALS FOR:					
CHARGES FOR SERVICES	166,574,142	197,321,197	136,971,704	239,647,160	239,647,160
INTEREST	575,551	774,900	323,740	375,000	375,000
** OBJECT TOTALS FOR:					
INTEREST	575,551	774,900	323,740	375,000	375,000
RENTS AND ROYALTIES	104,000	0	0	0	0
MISCELLANEOUS COLLECTIONS	0	0	(55)	0	0
OTHER MISCELLANEOUS REVENUE	24,629	21,203	25,465	109,731	109,731
** OBJECT TOTALS FOR:					
MISCELLANEOUS	128,629	21,203	25,410	109,731	109,731
*** TOTAL: REVENUE	167,280,137	198,155,300	137,368,821	240,131,891	240,131,891

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ANOTHER FUND UNDER THE OPERATIONAL MANAGEMENT OF PIMA HEALTH SYSTEM & SERVICES IS:

- **PIMA HEALTH SYSTEM GRANTS ENTERPRISE FUND**

BUDGET INFORMATION ON THIS FUND IS PROVIDED ON THE FOLLOWING PAGES.

PIMA HEALTH SYSTEM GRANTS

Expenditures: 4,080,802

Revenues: 4,080,802

FTEs: 0.0

Function Statement: Obtain grant funding for Community Services System direct client services. Manage and administer grant programs.

Mandates: None

Funding Summary

Department	FY2003/04 Adopted	FY2004/05 Department Base Request	FY2004/05 Department Supplemental	FY2004/05 Department Requested	FY2004/05 Administrator Recommended
Expenditures					
SUPPLIES AND SERVICES	3,799,826	4,080,802	0	4,080,802	4,080,802
Total Expenditures	3,799,826	4,080,802	0	4,080,802	4,080,802
Revenues					
INTERGOVERNMENTAL	3,799,826	4,080,802	0	4,080,802	4,080,802
Total Revenues	3,799,826	4,080,802	0	4,080,802	4,080,802
Total Transfers In/(Out)	0	0	0	0	0
Fund Balance Decrease/(Increase)	0	0	0	0	0
Total Funding	3,799,826	4,080,802	0	4,080,802	4,080,802

Five Year History of Expenditures and Revenues

	FY2000/01 Actuals	FY2001/02 Actuals	FY2002/03 Actuals	FY2003/04 Projected	FY2004/05 Recommended
Expenditures	4,709,452	4,220,859	5,004,159	3,699,826	4,080,802
Revenues	4,076,174	3,680,081	4,149,805	3,699,826	4,080,802
Net Operating Transfers In/(Out)	521,751	0	0	0	0

SUMMARY BY ACCOUNT

Department Name: PIMA HEALTH SYSTEM GRANTS

ACCOUNT NAME	2002/03	2003/04		2004/05	
	ACTUAL	ADOPTED	YTD THRU FEB 29, 2004	DEPARTMENT REQUESTED	RECOMMENDED
EXPENDITURE ACCOUNTS -					
INTERDEPARTMENTAL SALARIES	382,717	0	22,268	0	0
** OBJECT TOTALS FOR:					
PERSONAL SERVICES	382,717	0	22,268	0	0
FOOD SUPPLIES	9	0	0	0	0
MEDICAL & LAB SUPPLIES	(16,852)	0	0	0	0
** OBJECT TOTALS FOR:					
SUPPLIES	(16,843)	0	0	0	0
NON MEDICAL PROFESSIONAL SERVICES	325,208	0	0	0	0
MEDICAL PROFESSIONAL SERVICES	3,863,695	0	12,580	0	0
INTERDEPT. SUPPLIES & SERVICES	0	558,000	0	0	0
** OBJECT TOTALS FOR:					
SERVICES & OTHER CHARGES	4,188,903	558,000	12,580	0	0
OTHER SUPPORT/CARE	449,382	3,241,826	859,707	4,080,802	4,080,802
** OBJECT TOTALS FOR:					
SERVICES & OTHER CHARGES	449,382	3,241,826	859,707	4,080,802	4,080,802
*** TOTAL: EXPENDITURE ACCOUNTS -	5,004,159	3,799,826	894,555	4,080,802	4,080,802
REVENUE					
FEDERAL REVENUE	1,924,646	2,190,671	900,241	1,868,549	1,868,549
STATE REVENUE	0	1,609,155	1,852,019	2,212,253	2,212,253
** OBJECT TOTALS FOR:					
INTERGOVERNMENTAL	1,924,646	3,799,826	2,752,260	4,080,802	4,080,802
GENERAL GOVERNMENT FEES	2,100,352	0	59,431	0	0
COURT FEES	27,962	0	0	0	0
PROBATION FEES	10,738	0	0	0	0
HEALTH FEES	86,107	0	0	0	0
** OBJECT TOTALS FOR:					
CHARGES FOR SERVICES	2,225,159	0	59,431	0	0
*** TOTAL: REVENUE	4,149,805	3,799,826	2,811,691	4,080,802	4,080,802