



STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

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DEPUTY AUDITOR GENERAL

TO: County Chief Fiscal Officers
FROM: Accounting Services Division
DATE: January 29, 2010
SUBJECT: Extension of the Exclusion for Uncompensated Care Contributions and Additional Subtractions and Exclusions provided for Contributions for Services Provided and Required Transfers

In our memorandum issued September 3, 2008, we described the exclusions for the Arizona Health Care Cost Containment System (AHCCCS) administrative and uncompensated care contributions on the Expenditure Limitation Report (ELR). In this memorandum we are providing further guidance based on recent changes in statute that have extended the exclusion available for AHCCCS uncompensated care contributions, created two new non-AHCCCS reimbursements that should be subtracted on the ELR-Reconciliation, and added an excludable transfer from certain counties to the State General Fund, as described below.

Uncompensated Care Contributions

Laws 2009, Third Special Session, Chapter 10, Subsection 25(E), extended the exclusion available for counties' uncompensated care contributions made in accordance with Subsection A of this law through fiscal year 2010. Therefore, in ELRs for fiscal years 2004 through 2010, counties may exclude these uncompensated care contributions on Part II, Line B.3, Trustee or custodian. Under the current laws, in fiscal year 2011, these contributions will no longer be excludable.

Contributions for Services Provided

For fiscal year 2010 only, in accordance with Laws 2009, Third Special Session, Chapter 10, Sections 20 and 32, counties are required to reimburse the Arizona Department of Health Services for the cost of inpatient competency restoration treatment and part of the cost of the commitment of an individual determined to be sexually violent by the court. Pursuant to this law, such reimbursements are not subject to the counties' expenditure limitations. Therefore, counties may subtract these reimbursements in fiscal year 2010 on the Reconciliation, Line B, as "Payments made to reimburse the Arizona Department of Health Services."

County Transfers

For fiscal year 2010 only, in accordance with Laws 2009, Fourth Special Session, Chapter 3, Section 26, counties with a population of more than 800,000 persons must transfer monies to the State Treasurer for deposit in the State General Fund. A county may use any source of county revenue designated by the county to make the required transfer. Pursuant to this law, such transfers are not subject to the counties' expenditure limitations. Therefore, affected counties may exclude these transfers on Part II, Line B.3, Trustee or custodian.

If you have any questions, please call Cris Cable, Accounting Services Senior, or Michael Stelpstra, Accounting Services Manager, at (602) 553-0333.