



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Financial Statement Audit

Department of Economic Security

Division of Developmental
Disabilities ALTCS Contract
Year Ended June 30, 2003



Debra K. Davenport
Auditor General

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Department of Economic Security
Division of Developmental Disabilities
ALTCS Contract
Report on Audit of Financial Statements
June 30, 2003

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**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

David A. Berns, Director
Department of Economic Security

We have audited the accompanying financial statements of the State of Arizona, Department of Economic Security, Division of Developmental Disabilities, ALTCS Contract as of and for the year ended June 30, 2003, as listed in the table of contents. These financial statements are the responsibility of the Department and its Division of Developmental Disabilities' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Department of Economic Security, Division of Developmental Disabilities, ALTCS Contract are intended to present the financial position and the changes in financial position of only that portion of the governmental activities and major fund activity of the State of Arizona that is attributable to the transactions of the Department of Economic Security, Division of Developmental Disabilities, ALTCS Contract. They do not purport to, and do not, present fairly the financial position of the State of Arizona as of June 30, 2003, and the changes in its financial position, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department of Economic Security, Division of Developmental Disabilities, ALTCS Contract as of June 30, 2003, and the changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Department of Economic Security, Division of Developmental Disabilities, ALTCS Contract. The accompanying supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Debbie Davenport
Auditor General

November 18, 2003

Department of Economic Security
Division of Developmental Disabilities
ALTCS Contract
Balance Sheet—Special Revenue Fund
June 30, 2003

Assets	
Cash and investments held by the State Treasurer	\$28,134,859
Due from other state funds	<u>21,009,910</u>
Total assets	<u>\$49,144,769</u>
Liabilities and Fund Balance	
Liabilities:	
Accrued administrative and payroll costs	\$ 1,791,835
Accrued medical and healthcare claims	39,127,768
Due to other state funds	<u>1,223,969</u>
Total liabilities	<u>42,143,572</u>
Unreserved fund balance	<u>7,001,197</u>
Total liabilities and fund balance	<u>\$49,144,769</u>

See accompanying notes to financial statements.

Department of Economic Security
 Division of Developmental Disabilities
 ALTCS Contract
 Statement of Revenues, Expenditures, and Changes in
 Fund Balance—Special Revenue Fund
 Year Ended June 30, 2003

Revenues:	
Capitation	\$433,753,210
Ventilator dependent	6,733,582
Fee for service	443,830
Interest	<u>1,116,203</u>
Total revenues	<u>442,046,825</u>
Expenditures	
Health and welfare:	
Aid to individuals	394,652,725
Allocated administrative expenditures	25,245,224
Case management	20,452,418
Professional and outside services	<u>5,462,674</u>
Total expenditures	<u>445,813,041</u>
Deficiency of revenues under expenditures	(3,766,216)
Other financing uses:	
Transfers to other state funds	<u>(1,116,203)</u>
Net change in fund balance	(4,882,419)
Fund balance, July 1, 2002, as restated	<u>11,883,616</u>
Fund balance, June 30, 2003	<u>\$ 7,001,197</u>

See accompanying notes to financial statements.

Department of Economic Security
Division of Developmental Disabilities
ALTCS Contract
Notes to Financial Statements
June 30, 2003

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Department of Economic Security, Division of Developmental Disabilities, ALTCS Contract conform to U.S. generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board. A summary of the Division's more significant accounting policies follows.

A. Reporting Entity

For financial reporting purposes, the ALTCS Contract includes only that portion of the State of Arizona's general fund that is attributable to the transactions of the Department of Economic Security's Division of Developmental Disabilities ALTCS Contract. The Division of Developmental Disabilities is responsible for administering the ALTCS Contract. Fiscal responsibility for the Division remains with the Department of Economic Security and, ultimately, with the State of Arizona. The Division of Developmental Disabilities is a contractor with the Arizona Health Care Cost Containment System (AHCCCS) to provide medical and healthcare services to eligible enrollees of the AHCCCS Arizona Long-Term Care System (ALTCS) program for the developmentally disabled. This program provides inpatient and outpatient medical and nursing services in addition to managed institutional and home- and community-based long-term care services to eligible enrollees of the AHCCCS ALTCS program. The Division receives monthly premiums from the AHCCCS for all eligible enrollees under the AHCCCS ALTCS program for the developmentally disabled.

B. Fund Accounting

The Division's accounts are maintained in accordance with the principles of fund accounting to ensure that limitations and restrictions on the Division's available resources are observed. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with the activities or objectives specified for those resources. Each fund is considered a separate accounting entity, and its operations are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

The ALTCS Contract's financial transactions are reported as a special revenue fund since the proceeds are from specific revenue sources that are legally restricted to expenditures for specified purposes.

Department of Economic Security
Division of Developmental Disabilities
ALTCS Contract
Notes to Financial Statements
June 30, 2003

Although the ALTCS Contract is considered a special revenue fund when reported on individually, it becomes a part of the State of Arizona's General Fund at the combined state-wide level.

C. Basis of Accounting

The ALTCS Contract financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Division considers capitation revenues to be available if they are received within 90 days of the end of the current fiscal period, and considers all other revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are recognized when the related fund liability is incurred.

All ALTCS Contract revenues were susceptible to accrual and have been recognized as revenues of the current fiscal period.

D. Investment Income

Investment income is composed of interest earned on the ALTCS Contract's portion of monies deposited with the State Treasurer.

Note 2 - Cash and Investments Held by the State Treasurer

Cash and investments held by the State Treasurer represent the ALTCS Contract's portion of monies deposited with the State Treasurer. The Treasurer invests idle monies, on a pool basis, and distributes interest to the participating funds or programs. Interest earned from these invested monies is allocated monthly based on the average daily balance. The ALTCS Contract's portion is not identified with specific investments and is not subject to custodial credit risk. Accordingly, the ALTCS Contract's portion of these deposits and investments is reported at fair value.

Note 3 - Due from Other State Funds

Amounts due from other state funds at June 30, 2003, include \$31,805 of interest earned and \$20,978,105 of capitation and reinsurance receivables due from AHCCCS.

Department of Economic Security
Division of Developmental Disabilities
ALTCS Contract
Notes to Financial Statements
June 30, 2003

Note 4 - Accrued Medical and Healthcare Claims

Accrued medical and healthcare claims totaling \$39,127,768 includes reported but unpaid claims (RBUC) of \$2,995,195 and estimated incurred but not reported (IBNR) medical claims of \$36,132,573. The RBUCs are identified for medical services only. The automated claims payment system for the other types of services does not have the capability to identify RBUCs. Therefore, the RBUC claims for these services have been reported as IBNR.

Note 5 - Acute Care Reinsurance

During the year ended June 30, 2003, the Division received reimbursements totaling \$1,286,841 from the AHCCCS for acute care reinsurance expenditures incurred for enrollees for claims incurred in prior fiscal years. These revenues are recorded as a reduction of aid to individuals expenditures.

The Division subcontracts with various health plans to provide acute care services to ALTCS enrollees. These health plans must submit clean reinsurance claims to the Division within 12 months from the date of service.

The Division disbursed a total of \$1,153,391 to the health plans during the year ended June 30, 2003, and had a reversal of the prior year IBNR amounts of (\$1,019,214) for a net expenditure amount of \$134,177. In addition, they had RBUCs of \$2,611,582 and IBNR claims of \$489,428 for total acute care reinsurance expenditures of \$3,235,187, which has been included in aid to individuals expenditures.

Note 6 - Aid to Individuals Expenditures

Aid to individuals expenditures consists of the following expenditures summarized by type of service setting or service provided, as applicable.

Department of Economic Security
Division of Developmental Disabilities
ALTCS Contract
Notes to Financial Statements
June 30, 2003

Institutional care:	
Skilled nursing	\$ 2,155,461
Intermediate	13,067,211
Institutional care IBNR	<u>1,344,221</u>
Total institutional care	<u>16,566,893</u>
Home- and community-based services (HCBS):	
State-operated group home	4,833,411
Vendor-operated group home	117,657,705
Adult developmental home	10,617,767
Home-based services	148,320,116
HCBS IBNR	<u>30,738,611</u>
Total HCBS	<u>312,167,610</u>
Acute care:	
Acute care	53,226,923
Acute care RBUC	119,241
Acute care IBNR	1,741,655
Reinsurance	134,177
Reinsurance RBUC	2,611,582
Reinsurance IBNR	489,428
Reinsurance reimbursement	<u>(1,286,841)</u>
Total acute care	<u>57,036,165</u>
Other:	
Ventilator dependent (including nonacute and acute care)	6,799,027
Other RBUC (ventilator dependent acute care)	264,372
Other IBNR (ventilator dependent including nonacute and acute care)	<u>1,818,658</u>
Total other	<u>8,882,057</u>
Total aid to individuals expenditures	<u>\$394,652,725</u>

During the year ended June 30, 2003, the ALTCS Contract recorded allocated charges of \$13,452,397 as expenditures for direct care services provided to clients by the Division of Developmental Disabilities. The expenditures were charged to the ALTCS Contract as aid to individual expenditures based on a federally approved cost allocation plan.

Note 7 - Allocated Administrative Expenditures

During the year ended June 30, 2003, the Division of Developmental Disabilities, ALTCS Contract recorded allocated administrative charges of \$25,245,224 as expenditures for its share of services provided by the Department.

Department of Economic Security
Division of Developmental Disabilities
ALTCS Contract
Notes to Financial Statements
June 30, 2003

Note 8 - Transfers to Other State Funds

Transfers out during the year ended June 30, 2003, included \$1,116,203 to the State-Funded Long-Term Care program as authorized by the AHCCCS.

Note 9 - Commitments and Contingencies

The State of Arizona has the ultimate fiscal responsibility for the ALTCS Contract. Accordingly, any claims requiring additional resources require the Arizona State Legislature's approval. While there is a possibility that claims could be asserted that would require additional resources to become available to the ALTCS Contract, in management's opinion, the possibility that valid claims will be asserted and their amounts cannot reasonably be estimated.

Note 10 - Risk Management

The Division is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; medical malpractice; and natural disasters. The Department is a participant in the State's self-insurance program, and in the opinion of the Division's management, any unfavorable outcomes from these risks would be covered by that self-insurance program. Accordingly, the Department has no risk of loss beyond adjustments to future years' premium payments to the State's self-insurance program. All estimated losses for unsettled claims and actions of the State are determined on an actuarial basis and are included in the *State of Arizona Comprehensive Annual Financial Report*.

Note 11 - Related Party Transactions

The ALTCS Contract reimbursed the Division of Developmental Disabilities for services provided to enrollees, as applicable, and other department divisions for administrative and fiscal services. See the accompanying supplementary schedule, Related Party Transactions, for details.

Note 12 - Retirement Plan

Plan Description—The Division contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the Arizona State Retirement System. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. The System is governed by the Arizona State Retirement System Board according to the provisions of Arizona Revised Statutes Title 38, Chapter 5, Article 2.

Department of Economic Security
 Division of Developmental Disabilities
 ALTCS Contract
 Notes to Financial Statements
 June 30, 2003

The System issues a comprehensive annual financial report that includes its financial statements and required supplementary information. The most recent report may be obtained by writing to Arizona Retirement System, 3300 North Central Avenue, PO Box 33910, Phoenix, AZ 85067-3910, or by calling (602) 240-2000 or (800) 621-3778.

Funding Policy—The Arizona State Legislature establishes and may amend active plan members' and the Division's contribution rates. For the year ended June 30, 2003, active plan members and the Division were each required by statute to contribute at the actuarially determined rate of 2.49 percent (2 percent retirement and 0.49 percent long-term disability) of the members' annual covered payroll. The Division's contributions to the System for the years ended June 30, 2003, 2002, and 2001, were \$920,473, \$884,303, and \$843,337, respectively, which were equal to the required contributions for the year.

Note 13 - Restatement of Beginning Fund Balance

The fund balance previously reported at June 30, 2002, has been restated as follows:

Fund balance at June 30, 2002, as previously reported	\$10,834,675
Correction for overstatement of transfers to other state funds in prior years	2,475,345
Correction for understatement of aid to individuals expenditures in the prior year	(1,250,000)
Correction for overstatement of capitation revenues in prior years	<u>(176,404)</u>
Fund balance, July 1, 2002, as restated	<u>\$11,883,616</u>

Supplementary Schedules

Department of Economic Security
 Division of Developmental Disabilities
 ALTCS Contract
 Medical Claims Payable (RBUCs and IBNRs)
 June 30, 2003

Account	Reported But Unpaid Claims (RBUCs)				Total RBUCs (1)	IBNR (1)	Total RBUCs and IBNRs
	1-30 days	31-60 days	61-90 days	Over 90 days			
Institutional care						\$ 1,344,221	\$ 1,344,221
HCBS						30,738,611	30,738,611
Acute care	\$354,934	\$211,887	\$470,189	\$1,693,813	\$2,730,823	2,231,083	4,961,906
Other medical (2)	<u>185,488</u>	<u>78,308</u>	<u>576</u>	<u> </u>	<u>264,372</u>	<u>1,818,658</u>	<u>2,083,030</u>
Total claims payable	<u>\$540,422</u>	<u>\$290,195</u>	<u>\$470,765</u>	<u>\$1,693,813</u>	<u>\$2,995,195</u>	<u>\$36,132,573</u>	<u>\$39,127,768</u>

- (1) The RBUCs amount represents claims received but not paid by the Division as of June 30, 2003. The remaining estimated medical claims payable are considered incurred but not reported (IBNR) claims.
- (2) Other medical represents ventilator dependent payables.

Department of Economic Security
Division of Developmental Disabilities
ALTCS Contract
Utilization Data Report
Year Ended June 30, 2003

	<u>Medicare</u>		<u>Non-Medicare</u>		<u>Total</u>	
	<u>Current</u>	<u>YTD</u>	<u>Current</u>	<u>YTD</u>	<u>Current</u>	<u>YTD</u>
A. Enrollees	2,834		11,943		14,777	
B. Member Months	8,412	32,619	34,971	136,307	43,383	168,926
Institutional total	351	1,296	288	1,022	639	2,318
1. Class 2 and 3	111	458	47	198	158	656
2. Intermediate care facility— mentally retarded	240	838	241	824	481	1,662
Home- and community-based services total	8,061	31,323	34,683	135,285	42,744	166,608
1. Group home	3,150	12,298	3,111	12,298	6,261	24,596
2. Adult developmental day	566	2,098	435	1,642	1,001	3,740
3. Home-based services	3,752	13,510	26,438	96,787	30,190	110,297
4. Other (case managed only)	593	3,417	4,699	24,558	5,292	27,975
C. Ventilator dependent	9	44	235	851	244	895
D. Acute patient day information						
1. Admissions	28	211	459	1,852	487	2,063
2. Patient days	126	1,130	2,520	10,050	2,646	11,180
3. Discharges	28	208	469	1,853	497	2,061
4. Discharge days	130	1,119	2,747	10,359	2,877	11,478
5. Average length of stay	4.64	5.38	5.86	5.59	5.79	5.57

Department of Economic Security
 Division of Developmental Disabilities
 ALTCS Contract
 Related Party Transactions
 Year Ended June 30, 2003

<u>Related Party and Relationship</u>	<u>Service Provided</u>	<u>Description of Transactions or Payment Terms Agreement</u>	<u>Amount</u>
Department of Economic Security, Division of Developmental Disabilities, Intermediate Care Facility/Mentally Retarded, State Facilities	Health and rehabilitative services and administrative costs	Allocated by Title XIX case management time reporting and member days count	\$ 7,466,829
Department of Economic Security, Division of Developmental Disabilities, State-Operated Group Homes, State Facilities	Health and rehabilitative services and administrative costs	Allocated by Title XIX case management time reporting and member days count	5,985,568
Department of Economic Security, all other divisions	Administrative and fiscal services	Allocated departmental overhead costs	25,245,224

Department of Economic Security
Division of Developmental Disabilities
ALTCS Contract
Lag Report for Institutional Care Payments
Year Ended June 30, 2003

Quarter in which Service Provided

<u>Quarter of Payment</u>	<u>Current</u>	<u>1st Prior</u>	<u>2nd Prior</u>	<u>3rd Prior</u>	<u>4th Prior</u>	<u>5th Prior</u>	<u>6th Prior</u>	<u>Total</u>
Current	\$3,339,673	\$ 974,064	\$ 30,226	\$ 2,320	\$ 4,375	\$ 3,769	\$ 7,902	\$ 4,362,329
1 st Prior		3,477,883	1,015,542	20,389	13,989	7,481		4,535,284
2 nd Prior			3,322,509	918,740	32,569	30	843	4,274,691
3 rd Prior				3,620,800	909,967	38,010	2,025	4,570,802
4 th Prior					3,179,387	858,464	46,348	4,084,199
5 th Prior						3,180,489	863,149	4,043,638
6 th Prior							<u>3,196,147</u>	<u>3,196,147</u>
Total	<u>3,339,673</u>	<u>4,451,947</u>	<u>4,368,277</u>	<u>4,562,249</u>	<u>4,140,287</u>	<u>4,088,243</u>	<u>4,116,414</u>	<u>29,067,090</u>
Expenses reported	4,420,590	4,138,498	3,611,607	4,396,198	4,035,476	3,887,619	4,788,729	29,278,717
Adjustment	<u>117,791</u>	<u>392,132</u>	<u>766,138</u>	<u>223,413</u>	<u>104,811</u>	<u>200,624</u>	<u>(672,315)</u>	<u>1,132,594</u>
Remaining liability	<u>\$1,198,708</u>	<u>\$ 78,683</u>	<u>\$ 9,468</u>	<u>\$ 57,362</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,344,221</u>

Department of Economic Security
Division of Developmental Disabilities
ALTCS Contract
Lag Report for Home- and Community-Based Services Payments
Year Ended June 30, 2003

Quarter in which Service Provided

<u>Quarter of Payment</u>	<u>Current</u>	<u>1st Prior</u>	<u>2nd Prior</u>	<u>3rd Prior</u>	<u>4th Prior</u>	<u>5th Prior</u>	<u>6th Prior</u>	<u>Total</u>
Current	\$51,820,584	\$28,098,661	\$ 973,688	\$ 439,178	\$ 468,183	\$ 165,410	\$ 78,589	\$ 82,044,293
1 st Prior		49,042,348	27,512,606	1,232,650	373,386	212,829	50,369	78,424,188
2 nd Prior			49,592,204	27,263,500	535,342	195,980	65,789	77,652,815
3 rd Prior				49,958,518	26,639,308	1,087,689	476,917	78,162,432
4 th Prior					44,158,835	22,724,762	515,163	67,398,760
5 th Prior						41,317,470	21,673,511	62,990,981
6 th Prior							42,069,635	42,069,635
Total	<u>51,820,584</u>	<u>77,141,009</u>	<u>78,078,498</u>	<u>78,893,846</u>	<u>72,175,054</u>	<u>65,704,140</u>	<u>64,929,973</u>	<u>488,743,104</u>
Expenses reported	80,659,811	77,846,791	77,919,591	75,741,417	68,320,056	67,563,983	62,916,249	510,967,898
Adjustment	<u>(195,806)</u>	<u>1,056,515</u>	<u>755,702</u>	<u>2,888,527</u>	<u>3,854,998</u>	<u>(1,859,843)</u>	<u>2,013,724</u>	<u>8,513,817</u>
Remaining liability	<u>\$28,643,421</u>	<u>\$ 1,762,297</u>	<u>\$ 596,795</u>	<u>\$ (263,902)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 30,738,611</u>

Department of Economic Security
Division of Developmental Disabilities
ALTCS Contract
Lag Report for Acute Care Payments
Year Ended June 30, 2003

Quarter in which Service Provided

<u>Quarter of Payment</u>	<u>Current</u>	<u>1st Prior</u>	<u>2nd Prior</u>	<u>3rd Prior</u>	<u>4th Prior</u>	<u>5th Prior</u>	<u>6th Prior</u>	<u>Total</u>
Current	\$13,034,750	\$ 609,179	\$ 100,165	\$ 162,731	\$ 143,966	\$ 12		\$ 14,050,803
1 st Prior		13,232,712	529,059	59,059	89,995	26,814		13,937,639
2 nd Prior			12,609,208	904,511	291,429	10,110	\$ 9,654	13,824,912
3 rd Prior				12,191,131	606,730	140,100	45,995	12,983,956
4 th Prior					11,973,475	425,447	223,517	12,622,439
5 th Prior						11,438,781	161,509	11,600,290
6 th Prior							11,352,819	11,352,819
Total	<u>13,034,750</u>	<u>13,841,891</u>	<u>13,238,432</u>	<u>13,317,432</u>	<u>13,105,595</u>	<u>12,041,264</u>	<u>11,793,494</u>	<u>90,372,858</u>
Expenses reported	14,298,199	14,841,745	14,235,037	13,661,184	12,189,077	12,303,547	16,226,171	97,754,960
Adjustment	<u>429,124</u>	<u>(101,140)</u>	<u>(487,469)</u>	<u>796,277</u>	<u>1,580,613</u>	<u>(216,462)</u>	<u>(4,421,139)</u>	<u>(2,420,196)</u>
Remaining liability	<u>\$ 1,692,573</u>	<u>\$ 898,714</u>	<u>\$ 509,136</u>	<u>\$ 1,140,029</u>	<u>\$ 664,095</u>	<u>\$ 45,821</u>	<u>\$ 11,538</u>	<u>\$ 4,961,906</u>

Department of Economic Security
Division of Developmental Disabilities
ALTCS Contract
Lag Report for Other Medical Payments
Year Ended June 30, 2003

Quarter in which Service Provided

Quarter of Payment	<u>Current</u>	<u>1st Prior</u>	<u>2nd Prior</u>	<u>3rd Prior</u>	<u>4th Prior</u>	<u>5th Prior</u>	<u>6th Prior</u>	<u>Total</u>
Current	\$1,453,644	\$ 584,353	\$ 174,644	\$ 7,919	\$ 3,736	\$ 10		\$ 2,224,306
1 st Prior		631,946	1,367,039	83,325	50,921	28,648	\$ 2,312	2,164,191
2 nd Prior			1,936,391	551,061	80,215	68,433	24,502	2,660,602
3 rd Prior				652,149	57,092	21,591	857	731,689
4 th Prior					723,750	664,913	129,831	1,518,494
5 th Prior						723,229	728,466	1,451,695
6 th Prior							<u>1,064,487</u>	<u>1,064,487</u>
Total	<u>1,453,644</u>	<u>1,216,299</u>	<u>3,478,074</u>	<u>1,294,454</u>	<u>915,714</u>	<u>1,506,824</u>	<u>1,950,455</u>	<u>11,815,464</u>
Expenses reported	2,578,679	1,712,152	2,786,322	1,804,904	1,034,540	1,651,707	1,982,722	13,551,026
Adjustment	<u>389,453</u>	<u>(302,938)</u>	<u>889,932</u>	<u>(333,003)</u>	<u>(118,826)</u>	<u>(144,883)</u>	<u>(32,267)</u>	<u>347,468</u>
Remaining liability	<u>\$1,514,488</u>	<u>\$ 192,915</u>	<u>\$ 198,180</u>	<u>\$ 177,447</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,083,030</u>

Department of Economic Security
 Division of Developmental Disabilities
 ALTCS Contract
 Listing of Plan Officers and Directors
 Year Ended June 30, 2003

<u>Name</u>	<u>Title</u>	<u>Other Relationship to Division</u>	<u>Type of Compensation</u>
Barber, Ron	Division of Developmental Disabilities, District II, Program Administrator	None	Salary
Bell, William	Department of Economic Security, Acting Director	Related Party	(1)
Bright, Todd	Department of Economic Security, Assistant Director	Related Party	(1)
Brent, Barbara	Division of Developmental Disabilities, Deputy Assistant Director	None	Salary
Buse, Bob	Department of Economic Security, Deputy Assistant Director	Related Party	(1)
Chavez, Nelba	Department of Economic Security, Deputy Director	Related Party	(1)
Clayton, John	Department of Economic Security, Director	Related Party	(1)
Coulson, Louette	Division of Developmental Disabilities, Managed Care Program Administrator	None	Salary
Genualdi, Andy	Department of Economic Security, Assistant Director	Related Party	(1)
Gill, Mary	Department of Economic Security, Acting Director and Deputy Director	Related Party	(1)
Harmon, Robert	Superintendent, Arizona Training Program at Coolidge	None	Salary
Klaehn, Robert	Division of Developmental Disabilities, Medical Director	None	Salary

(Continued)

Department of Economic Security
Division of Developmental Disabilities
ALTCS Contract
Listing of Plan Officers and Directors
Year Ended June 30, 2003
(Continued)

<u>Name</u>	<u>Title</u>	<u>Other Relationship to Division</u>	<u>Type of Compensation</u>
Laux, Patty	Division of Developmental Disabilities, District III, Program Administrator	None	Salary
Lensch, Brian	Division of Developmental Disabilities, ALTCS Program Administrator	None	Salary
Mendoza, Nancy	Department of Economic Security, Deputy Director	Related Party	(1)
Nelson, Laura	Division of Developmental Disabilities, Medical Director	None	Salary
Priniski, Joseph	Division of Developmental Disabilities, District V, Program Administrator	None	Salary
Rapoport, Ed	Division of Developmental Disabilities, Business Operations Manager	None	Salary
Roberts, Steven	Division of Developmental Disabilities, District IV, Program Administrator	None	Salary
Sikkema, Tim	Division of Developmental Disabilities, District VI, Program Administrator	None	Salary
Smith, Lynne	Department of Economic Security, Assistant Director	None	(1)
Umbreit, Scott	Superintendent, Arizona Training Program at Coolidge	None	Salary
Wagemann, Dianne	Division of Developmental Disabilities, District I, Program Administrator	None	Salary
Zaharia, Ric	Division of Development Disabilities, Assistant Director	None	Salary

(1) Compensation is paid by other divisions of the Department of Economic Security.