

FISCAL NOTE
Requested by Legislative Council
02/26/2013

Revised
Amendment to: HB 1362

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$154,742,548	\$0	\$213,781,489
Expenditures	\$0	\$0	\$248,789	\$154,742,548	\$2,896,434	\$213,781,489
Appropriations	\$0	\$0	\$248,789	\$154,742,548	\$2,896,434	\$213,781,489

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB1362 Appropriates to the Department of Human services any amount of federal funds relating to implementing the provisions for the expansion of the medical assistance program from the Patient Protection and Affordable Care Act.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 directs the Department to expand the Medicaid program, as authorized by the Patient Protection and Affordable Care Act. The Department estimates that between 20,547 and 32,000 individuals in North Dakota will be eligible for the expanded coverage. Section 1 also requires the coverage to be provided by bidding through private carriers or utilizing the health insurance exchange. Through consultation with a private insurer, the Department received an estimated cost range from \$103,000,000 to \$114,000,000 per year. (The lower range estimate is based on the same underlying assumptions used to calculate the original fiscal note for HB 1362, which includes the assumption that only 90% of the eligible individuals will apply for coverage. The higher range estimate is based on the assumption that 100% of the eligible individuals will apply for coverage.) The expanded coverage would be available for 18 months in the 2013-2015 biennium; therefore, the biennial cost estimate ranges from \$154,500,000 to \$171,000,000. The Department estimates Administrative Costs for the 2013-2015 biennium to be \$491,337, of which \$248,789 are general funds. (\$150,000 (\$75,000 general fund) of the administrative costs will be one-time.) Assuming a 5% increase in premiums and the continued funding of the 3 FTE, the estimated cost for the 2015-2017 biennium are from \$216,667,923 to \$239,777,923, with from \$2,896,434 to \$3,185,184 being general fund. The estimates DO NOT include increases that may be associated with morbidity rates that are greater than the fully insured group insurance holders; and DO NOT include any increases that may occur if currently insured individuals between 0% and 138% of the federal poverty level drop private insurance to enroll in the Medicaid expansion.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The increase in revenues in each biennium is the additional federal funding the state will receive due to the increased expenditures relating to Medicaid Expansion.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The costs associated with implementing Medicaid Expansion are estimated to be between \$154,991,337 to \$171,491,337 of which \$248,789 will be general fund and between \$154,742,548 to \$171,242,548 being federal funds. The Department estimates that the Affordable Care Act costs for the 15-17 biennium will range from \$216,677,923 to \$239,777,923, with \$2,896,434 to \$3,185,184 being general fund and from \$213,781,489 and \$236,592,739 being Federal funds.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The Department will need an appropriation in the 13-15 biennium of between \$154,991,337 to \$171,491,337 of which \$248,789 will be general fund and between \$154,742,548 to \$171,242,548 being federal funds. The Department estimates that the Affordable Care Act costs for the 15-17 biennium will range from \$216,677,923 to \$239,777,923, with from \$2,896,434 to \$3,185,184 being general fund and from \$213,781,489 and \$236,592,739 being Federal funds.

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