

FISCAL NOTE
Requested by Legislative Council
01/07/2019

Amendment to: HB 1124

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$848,301		\$1,153,511
Expenditures			\$848,300	\$848,301	\$1,153,509	\$1,153,511
Appropriations			\$848,300	\$848,301	\$1,153,509	\$1,153,511

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 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).*

HB1124 requires the department to move software costs from the indirect care cost category to a pass through cost for nursing facility rate setting.

- 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.*

HB 1124 requires software costs in nursing facility rate setting to be considered as a pass through cost. Software costs are currently allowable under the indirect cost category where there is a limit. The information on software costs was provided by the ND Long Term Care Association. HB 1124 will increase the daily rate for nursing facility care for Medicaid and private pay individuals because these costs will no longer be subject to the indirect rate limit. The fiscal estimate is for 18 months starting with January 1, 2020 nursing facility rates.

For the 2019 - 2021 biennium the Department estimates an expenditure of \$1,696,601 in total, of which \$848,300 is general fund.

For the 2021 - 2023 biennium the Department estimates an expenditure of \$2,307,020 in total, of which \$1,153,509 is general fund.

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 services provided to Medicaid eligible individuals in nursing homes are eligible to receive Medicaid federal funds based off the Federal Medical Assistance Percentage.

- 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.*

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For the 2019 - 2021 biennium the Department estimates an expenditure of \$1,696,601 in total, of which \$848,300 is general fund.

For the 2021 - 2023 biennium the Department estimates an expenditure of \$2,307,020 in total, of which \$1,153,509 is general fund.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

For the 19-21 biennium the Department of Human Services would need appropriation increases to the Executive Budget Request in medical assistance grants of \$1,696,601 of which \$848,300 would be general fund.

For the 21-23 biennium the Department of Human Services would need appropriation authority of \$2,307,020 of which \$1,153,509 is general fund in medical assistance grants.

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