

FISCAL NOTE
Requested by Legislative Council
01/08/2019

Bill/Resolution No.: HB 1318

- 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				\$333,592		\$351,440
Expenditures			\$333,592	\$333,592	\$351,440	\$351,440
Appropriations			\$333,592	\$333,592	\$351,440	\$351,440

- 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).*

Section 2 of HB 1318 removes the six thousand dollar limit that is designated for pre-need funeral service contracts, prepayments, or deposits not to be considered in eligibility determination.

- 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 1194 section 2 removes the limit allowed to be excluded for pre-need funeral service contracts, prepayments, or deposits, not to be considered in eligibility determinations. This will allow Medicaid applicants to designate additional funds for burial expenses and therefore, spend down fewer assets prior to being eligible for Medicaid. In the most recent 12-month period, there were 366 Medicaid applicants who set aside six thousand. Based on information from ND Funeral Directors, the Department assumed 50% of ND burials involve cremation and excluded those from the calculation as the average cremation is less than the currently allowed six thousand. The Department estimated that of the remaining 50% of Medicaid applicants would have additional resources to set aside. The average cost of a funeral and the annual inflation rate were obtained from the North Dakota Funeral Association. The projected cost to remove the limit is expected to be \$667,184, of which \$333,592 are general funds for the 2019 - 2021 biennium.

The projected impact for the 2021 - 2023 biennium is \$702,880, of which \$351,440 are general funds.

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 Medicaid services provided to medicaid-eligible individuals who designate pre-need funeral expenses under Section 2 of HB 1318 are eligible to receive matching federal funds based off the Federal Medical Assistance Percentage (FMAP).

- 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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The projected impact for the 2021 - 2023 biennium is \$702,880, of which \$351,440 are general 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Section 2 of HB 1318 for the 2019 - 2021 biennium the Department of Human Services would need an appropriation increase, of \$667,184, of which \$333,592 would be general fund, to the base level budget in SB 2012.

For the 2021 - 2023 biennium the Department of Human Services would need appropriation authority of \$702,880, of which \$351,440 is general fund.

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Date Prepared: 01/15/2019