

## ANALYSIS OF THE HEALTH CARE TRUST FUND FOR THE 2007-09 BIENNIUM

	2007-09 Biennium	
Beginning balance - July 1, 2007		\$2,821,191
Add estimated revenues		
Investment earnings	\$178,634	
Loan repayments - Principal and interest	1,035,586	
Total estimated revenues		1,214,220
Total available		\$4,035,411
Less estimated expenditures and transfers		
State Department of Health quick response unit pilot project (2007 HB 1004)	\$125,000	
State Department of Health state trauma system evaluation (2007 HB 1290)	75,000	
Department of Human Services nursing home inflationary increases (2007 SB 2012)	525,597	
Total estimated expenditures and transfers		725,597
Estimated ending balance - June 30, 2009		\$3,309,814

**NOTE:** The estimated June 30, 2009, balance made at the end of the 2007 legislative session was \$2,019,842. The increase in the estimated balance of \$1,289,972 is due to the actual July 1, 2007, balance of \$2,821,191 being \$991,089 more than the July 1, 2007, balance estimated at the close of the 2007 legislative session of \$1,830,102 and the 2007-09 revised estimated revenues of \$1,214,220 being \$298,883 more than the previous estimate of \$915,337. The actual July 1, 2007, balance was more than the previous estimate due to an increase in investment earnings in the 2005-07 biennium. The 2007-09 revised estimated revenues are more than the previous estimate due to an estimated increase in investment earnings.

### FUND HISTORY

The health care trust fund was established by the 1999 Legislative Assembly (Senate Bill No. 2168) for providing nursing alternative loans or grants. The 2001 Legislative Assembly in House Bill No. 1196 provided that money in the fund may be transferred to the long-term care facility loan fund for nursing facility renovation projects and used for other programs as authorized by the Legislative Assembly. Money was generated for the health care trust fund as a result of the Department of Human Services making government nursing facility funding pool payments to two government nursing facilities--McVile and Dunseith. Payments were made based on the average amount Medicare rates exceeded Medicaid rates for all nursing care facilities in the state multiplied by the total of all Medicaid resident days of all nursing homes. Federal Medicaid funds were available for these payments and required a state match. Payments were made to the two government nursing facilities. Once returned to the state, the state's matching share was returned to its source, and the federal funds were deposited in the health care trust fund. Money in the fund is invested by the State Investment Board and any investment earnings are retained in the fund. The federal government has eliminated this intergovernmental transfer program. **As a result, North Dakota's final intergovernmental transfer payment was received in July 2004.**