

(Return in triplicate)

FISCAL NOTE

DEC 23 1988

Bill/Resolution No.: HB 1038 Amendment to: _____

Requested by: Legislative Council Date of Receipt: _____

Please estimate the fiscal impact of the above measure for:

State general or special funds Counties Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative:

See attached Narrative for Fiscal Note - HB1038

State Fiscal Effect:

| <u>1989-90</u> | | <u>1990-91</u> | | <u>Biennium Total</u> | |
|---------------------|----------------------|---------------------|----------------------|-----------------------|----------------------|
| <u>General Fund</u> | <u>Special Funds</u> | <u>General Fund</u> | <u>Special Funds</u> | <u>General Fund</u> | <u>Special Funds</u> |

County and City Fiscal Effect:

| <u>1989-90</u> | | <u>1990-91</u> | | <u>Biennium Total</u> | |
|-----------------|---------------|-----------------|---------------|-----------------------|---------------|
| <u>Counties</u> | <u>Cities</u> | <u>Counties</u> | <u>Cities</u> | <u>Counties</u> | <u>Cities</u> |

If additional space is needed, attach a supplemental sheet.

Signed Arnold E. Kadrmas MD

Typed Name Arnold E. Kadrmas, M.D.

Date Prepared: December 22, 1988

Department NDDHS/NDSH



north dakota STATE HOSPITAL



Department of Human Services - Box 476 - Jamestown, North Dakota 58402-0476

December 22, 1988

Mr. John Walstad
Assistant Code Revisor
Legislative Council
State Capitol
Bismarck, North Dakota 58505

Dear Mr. Walstad:

The following is the Narrative for Fiscal Note regarding House Bill 1038:

I would first like to say that I was involved in the discussions that led to the drafting of HB-1038. I agree, in principle, with the concept that this legislation addresses and support its passage as a new beginning for treatment of the mentally ill and addicted in North Dakota.

In addressing the fiscal issues that this legislation presents, I can offer my observations and counsel as to its effect and impact. I believe that the North Dakota Department of Human Services, starting with the 1989-1991 biennium, has the flexibility it needs to shift funds from the North Dakota State Hospital to the communities (Human Service Centers) or from communities (HSC's) to the North Dakota State Hospital in support of developing new and supporting existing programs and services for the mentally ill and addicted.

The continued funding of Regional Intervention Services (RIS) in the Bismarck region and proposed funding of RIS in three additional regions in the 1989-1991 biennium also increases the flexible funding options available to the North Dakota Department of Human Services.

Mutually agreed upon diversion of funds from the North Dakota State Hospital to communities or from communities to the North Dakota State Hospital for the purpose of assisting in the development of new and support of existing programs is a practical option in improving services to the mentally ill and addicted in this state. The North Dakota State Hospital supports this type of planned approach.

Letter to Mr. John Walstad
Re Narrative for Fiscal Note re House Bill 1038
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With the above in mind, I must advise you that in my professional opinion there will be minimal to no real savings during the 1989-1991 biennium in that RIS will not be implemented in all regions of the state. RIS's in all regions are a minimum to realization of substantial savings.

I believe the most positive action of this legislation is that it creates a new beginning in treatment philosophy for the mentally ill and addicted in North Dakota in that the emphasis is being placed on community programs and services and not the North Dakota State Hospital. Over time these programs and services should result in a substantial lower average daily census at the North Dakota State Hospital and it is realistic then to believe the North Dakota State Hospital's budget could be reduced accordingly. For the present time, however, both the institution and the community programs require adequate funding. As RIS become comprehensive, expensive inappropriate admissions will be diverted from the State Hospital and community care options will be improved to the benefit of patients. Because of the great discrepancy in cost between hospital-based care and community-based care, this change should result in better care for patients and less cost to taxpayers as has been demonstrated in several states already.

Sincerely,



Arnold E. Kadrmas, M.D.
Superintendent

AEK/g
Encl

cc: Lee Smutzler
Mike Schwindt