

Sixty-third
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1012

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act providing an appropriation for defraying the expenses of the department of
2 human services; to provide for intermediate care facility construction review ~~and personal needs~~
3 ~~allowances~~; to amend and reenact subdivision f of subsection 2 of section 12-60-24 and
4 subsection 6 of section 50-24.7-01 of the North Dakota Century Code, relating to criminal
5 background checks for foster care providers and definitions for expanded service payments for
6 elderly and disabled; to provide an exemption; to provide an appropriation to the department of
7 commerce; and to provide a statement of legislative intent.

8 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

9 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
10 as may be necessary, are appropriated out of any moneys in the general fund in the state
11 treasury, not otherwise appropriated, and from special funds derived from federal funds and
12 other income, to the department of human services for the purpose of defraying the expenses of
13 its various divisions, for the biennium beginning July 1, 2013, and ending June 30, 2015, as
14 follows:

15 Subdivision 1.

16 MANAGEMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
17			
18			
19	\$15,382,133	\$18,911,770	\$34,293,903
20	62,229,003	4,968,982	67,197,985
21	138,400	(126,400)	12,000
22	\$77,749,536	\$23,754,352	\$101,503,888
23	46,573,712	10,360,100	56,933,812
24	\$31,175,824	\$13,394,252	\$44,570,076

Sixty-third
Legislative Assembly

1	Salaries and wages	\$15,382,133	\$31,964,747	\$47,346,880
2	Operating expenses	62,229,003	5,218,982	67,447,985
3	Capital assets	138,400	(126,400)	12,000
4	Total all funds	\$77,749,536	\$37,057,329	\$114,806,865
5	Less estimated income	46,573,712	14,422,738	60,996,450
6	Total general fund	\$31,175,824	\$22,634,591	\$53,810,415

Subdivision 2.

PROGRAM AND POLICY

		Adjustments or		
	Base Level	Enhancements	Appropriation	
11	Salaries and wages	\$50,207,605	(\$1,365,487)	\$48,842,118
12	Operating expenses	91,973,280	12,572,749	104,546,029
13	Grants	490,196,862	(36,322,732)	453,874,130
14	Grants - medical assistance	1,601,650,984	136,544,093	1,738,195,077
15	Total all funds	\$2,234,028,731	\$111,428,623	\$2,345,457,354
16	Less estimated income	1,497,456,325	(76,052,936)	1,421,403,389
17	Total general fund	\$736,572,406	\$187,481,559	\$924,053,965
18	Salaries and wages	\$50,207,605	(\$1,365,487)	\$48,842,118
19	Operating expenses	91,973,280	14,906,749	106,880,029
20	Grants	490,196,862	(35,822,732)	454,374,130
21	Grants - medical assistance	1,601,650,984	167,844,926	1,769,495,910
22	Total all funds	\$2,234,028,731	\$145,563,456	\$2,379,592,187
23	Less estimated income	1,497,456,325	(61,475,771)	1,435,980,554
24	Total general fund	\$736,572,406	\$207,039,227	\$943,611,633

Subdivision 3.

HUMAN SERVICE CENTERS AND INSTITUTIONS

		Adjustments or		
	Base Level	Enhancements	Appropriation	
29	Statewide human service centers	\$6,002,865	(\$933,110)	\$5,069,755
30	Northwest human service center	8,674,568	243,623	8,918,191
31	North-central human service	20,902,226	1,046,945	21,949,171

Sixty-third
Legislative Assembly

1		—center		
2	Lake region human service center	11,244,306	1,451,827	12,696,133
3	Northeast human service center	28,089,450	(246,675)	27,842,775
4	Southeast human service center	33,747,874	3,942,598	37,690,472
5	South central human service	16,466,240	287,643	16,753,883
6		—center		
7	West central human service center	26,352,443	3,110,147	29,462,590
8	Badlands human service center	11,708,054	597,664	12,305,718
9	State hospital	71,423,200	1,641,436	73,064,636
10	Developmental center	51,809,247	951,223	52,760,470
11	Total all funds	\$286,420,473	\$12,093,321	\$298,513,794
12	Less estimated income	126,939,489	(5,136,629)	121,802,860
13	Total general fund	\$159,480,984	\$17,229,950	\$176,710,934

FIELD SERVICES

		Adjustments or		
	Base Level	Enhancements	Appropriation	
17	Human service centers	\$163,188,026	\$11,040,662	\$174,228,688
18	Institutions	123,232,447	2,667,659	125,900,106
19	Total all funds	\$286,420,473	\$13,708,321	\$300,128,794
20	Less estimated income	126,939,489	(4,811,629)	122,127,860
21	Total general fund	\$159,480,984	\$18,519,950	\$178,000,934

Subdivision 4.

BILL TOTAL

		Adjustments or		
	Base Level	Enhancements	Appropriation	
26	Grand total general fund	\$927,229,214	\$218,105,761	\$1,145,334,975
27	Grand total special funds	1,670,969,526	(70,829,465)	1,600,140,061
28	Grand total all funds	\$2,598,198,740	\$147,276,296	\$2,745,475,036
29	Full-time equivalent positions	2,197.35	(1.27)	2,196.08
30	Grand total general fund	\$927,229,214	\$250,782,850	\$1,178,012,064
31	Grand total special funds	1,670,969,526	108,734,659	1,779,704,185

1	<u>Grand total all funds</u>	<u>\$2,598,198,740</u>	<u>\$359,517,509</u>	<u>\$2,957,716,249</u>
2	<u>Full-time equivalent positions</u>	<u>2,197.35</u>	<u>2.73</u>	<u>2,200.08</u>

3 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

4 **SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time
5 funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and
6 the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

7	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
8	Mainframe migration	\$0	\$810,000
9	Demolish refectory and pleasant view building -	0	220,000
10	developmental center		
11	State hospital capital projects	1,800,000	789,714
12	Grants	0	775,000
13	<u>State hospital capital projects</u>	<u>1,800,000</u>	<u>864,714</u>
14	<u>Grants</u>	<u>0</u>	<u>925,000</u>
15	Federal stimulus funds	519,175	0
16	Supplemental payments	400,000	0
17	Eligibility system	42,416,499	0
18	Critical access payments	3,454,061	0
19	Guardianship enhancements	64,000	0
20	Replacement of MMIS general fund	1,474,362	0
21	System changes for processing jail claims	<u>221,418</u>	<u>0</u>
22	Total all funds	\$50,349,515	\$2,594,714
23	Less estimated income	36,602,712	1,086,093
24	Total general fund	\$13,746,803	\$1,508,621
25	<u>Total all funds</u>	<u>\$50,349,515</u>	<u>\$2,819,714</u>
26	<u>Less estimated income</u>	<u>36,602,712</u>	<u>1,086,093</u>
27	<u>Total general fund</u>	<u>\$13,746,803</u>	<u>\$1,733,621</u>

28 The 2013-15 one-time funding amounts are not a part of the entity's base budget for the
29 2015-17 biennium. The department of human services shall report to the appropriations
30 committees of the sixty-fourth legislative assembly on the use of this one-time funding for the
31 biennium beginning July 1, 2013, and ending June 30, 2015.

1 **SECTION 3. FUNDING TRANSFERS - EXCEPTIONS - AUTHORIZATION.**

2 Notwithstanding section 54-16-04, the department of human services may transfer
3 appropriation authority between line items within each subdivision of section 1 of this Act and
4 between subdivisions within section 1 of this Act for the biennium beginning July 1, 2013, and
5 ending June 30, 2015. The department shall notify the office of management and budget of any
6 transfer made pursuant to this section. The department shall report to the budget section after
7 June 30, 2014, any transfers made in excess of \$50,000 and to the appropriations committees
8 of the sixty-fourth legislative assembly regarding any transfers made pursuant to this section.

9 **SECTION 4. EXEMPTION.** The amount appropriated for the replacement of the medicaid
10 management information system in chapter 50 of the 2007 Session Laws is not subject to the
11 provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under
12 section 54-44.1-11 for continuation into the 2009-11 biennium and then the 2011-13 biennium
13 are available for the completion of the medicaid management information system project during
14 the biennium beginning July 1, 2013, and ending June 30, 2015.

15 **SECTION 5. MEDICAID UPPER PAYMENT LIMITS.** Any appropriated increase for
16 department providers paid with medicaid funding, may only be provided to the extent the
17 increase will not exceed the upper payment limit for that specific medicaid service.

18 **SECTION 6. LEGISLATIVE INTENT - REBASE RURAL HEALTH CLINICS.** It is the intent
19 of the legislative assembly that the department of human services rebase rural health clinics to
20 the medicare rates. Future increases will be authorized based on approved inflationary
21 increases.

22 **SECTION 7. AMENDMENT.** Subdivision f of subsection 2 of section 12-60-24 of the North
23 Dakota Century Code is amended and reenacted as follows:

24 f. The department of human services for foster care licenses and approvals under
25 chapter 50-11, appointments of legal guardians under chapter 50-11.3, and
26 petitions for adoptions under chapter 50-12, except that the criminal history
27 record investigation must be conducted in accordance with those chapters. A
28 criminal history record investigation completed under chapter 50-11, 50-11.3, or
29 50-12 may be used to satisfy the requirements of a criminal history record
30 investigation under either of the other two chapters.

1 **SECTION 8. AMENDMENT.** Subsection 6 of section 50-24.7-01 of the North Dakota
2 Century Code is amended and reenacted as follows:

- 3 6. "Eligible beneficiary" means a resident of this state who:
- 4 a. (1) Is aged; or
 - 5 (2) Is at least eighteen years of age and is disabled or blind;
 - 6 b. Has applied for and is eligible to receive benefits under title XIX of the Social
7 Security Act [42 U.S.C. 1396 et seq.], and who has applied for and is receiving
8 benefits, if the individual is eligible to receive benefits, under titles II and XVI of
9 the Social Security Act [42 U.S.C. 401-434 and 42 U.S.C. 1381 et seq.];
 - 10 c. Based on a functional assessment, is not severely impaired in any of the
11 activities of daily living of toileting, transferring to or from a bed or chair, or eating
12 and:
 - 13 (1) Has health, welfare, or safety needs, including a need for supervision or a
14 structured environment; ~~and~~
 - 15 (2) Is impaired in three of the four instrumental activities of daily living of
16 preparing meals, doing homework, taking medicine, and doing laundry;
 - 17 d. Has countable income, less the cost of necessary remedial care that may be
18 provided under this chapter, does not exceed an amount equal to the cash
19 benefit under titles II and XVI of the Social Security Act [42 U.S.C. 401-434 and
20 42 U.S.C. 1381 et seq.] which the individual would receive if the individual had no
21 income, plus the personal needs allowance;
 - 22 e. Has impairments that are not the result of an intellectual disability; and
 - 23 f. Is determined to be eligible pursuant to rules adopted by the department.

24 **SECTION 9.**

25 **Review and limitation.**

26 Intermediate care facility providers shall submit all facility construction or remodeling
27 proposals to the department of human services prior to enactment of a contract for the
28 completion of the project. The department of human services shall review all intermediate care
29 facility construction or remodeling proposals and may limit allowable construction and
30 remodeling costs to ensure the costs are reasonable and appropriate.

31 ~~**SECTION 10.**~~

1 ~~— **Personal needs allowance adjustments.**~~

2 ~~— As of June thirtieth at the end of each biennium, the department of human services shall~~
3 ~~determine an adjustment for each category of personal needs allowance based on the~~
4 ~~consumer price index for urban consumers for the previous twelve months. The department of~~
5 ~~human services shall adjust the personal needs allowance, rounded to the nearest whole dollar,~~
6 ~~based on its determination on January first of the following year. If the consumer price index is a~~
7 ~~negative factor, the personal needs allowance may not be changed.~~

8 **SECTION 10. GRANT TO ASSISTED LIVING CENTER - LIMITATION.** The sum of
9 \$425,000, or so much of the sum as may be necessary, included in the grants - medical
10 assistance line item in subdivision 2 of section 1 of this Act, is to provide a grant to an assisted
11 living center that accepts low-income tenants for an expansion project. This funding may not be
12 spent for any other purpose if the expansion project has not begun by July 1, 2015.

13 **SECTION 11. GRANTS.** The grants line item in subdivision 2 of section 1 of this Act
14 includes ~~\$150,000~~\$300,000, or so much of the sum as may be necessary, from the general
15 fund for grants to a jurisdiction that is adjacent to an Indian reservation but does not receive
16 reimbursement payments under section 50-01.2-03.2 and is determined by the department of
17 human services to be the most significantly impacted based on calendar year 2011 data
18 considering the provisions of subsection 2 of section 50-01.2-03.2, for the biennium beginning
19 July 1, 2013, and ending June 30, 2015.

20 **SECTION 12. AUTHORIZATION - GRANTS FOR ADAPTIVE SKIING.** The grants -
21 medical assistance line item in subdivision 2 of section 1 of this Act includes \$200,000 from the
22 general fund for grants for an adaptive skiing program, for the biennium beginning July 1, 2013,
23 and ending June 30, 2015. Of the funding provided, \$120,000 of the amount may be used for a
24 project coordinator and the remaining amount may be used for any equipment necessary for the
25 adaptive skiing program.

26 **SECTION 13. LEGISLATIVE MANAGEMENT STUDY - DEVELOPMENTAL CENTER.** The
27 legislative management shall consider studying, during the 2013-14 interim, the developmental
28 center in Grafton. If conducted, the study must determine future use, reduction in size, and any
29 change of scope for the developmental center. The study must consider information from local
30 community groups that have concerns or ideas for the future use of the developmental center.

1 The legislative management shall report its findings and recommendations, along with any
2 legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

3 **SECTION 14. LEGISLATIVE INTENT - DEMOLITION OF DEVELOPMENTAL CENTER**

4 **BUILDINGS.** It is the intent of the sixty-third legislative assembly that the department of human
5 services demolish the refectory and pleasant view buildings at the developmental center at
6 westwood park, Grafton. If the amount of \$220,000 included in the developmental center line
7 item in subdivision 3 of section 1 of this Act is insufficient to provide for the demolition of both
8 buildings, the department of human services may request emergency commission approval for
9 additional funding from the state contingencies appropriation.

10 **SECTION 15. LEGISLATIVE INTENT - DEPUTY DIRECTOR POSITION.** The removal of
11 the full-time equivalent position in the administration and support division does not preclude the
12 department of human services from employing a deputy director. The department may use an
13 existing full-time equivalent position for the purpose of a deputy director position.

14 **SECTION 16. LEGISLATIVE INTENT - ELECTRONIC HEALTH RECORDS.** Because the
15 electronic health records system is needed for the state hospital to maintain accreditation, the
16 removal of the funding in the information technology division does not preclude the department
17 of human services from procuring an electronic health records system if the department can
18 initiate the project within its 2013-15 biennium appropriation for the information technology
19 division or field services division.

20 **SECTION 17. APPROPRIATION - DEPARTMENT OF COMMERCE.** There is appropriated
21 out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum
22 of \$100,000, or so much of the sum as may be necessary, and from special funds, derived from
23 private gifts and grants, the sum of \$150,000, or so much of the sum as may be necessary, to
24 the department of commerce for the purpose of funding the activities of the health care
25 consortium under section 18 of this Act, as part of the North Dakota 2020 and beyond initiative,
26 for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of
27 commerce may spend funding from the general fund only to the extent special funds from
28 private gifts and grants are received on a dollar-for-dollar basis.

29 **SECTION 18. HEALTH CARE CONSORTIUM - REPORT TO LEGISLATIVE**
30 **MANAGEMENT AND GOVERNOR.**

- 1 1. The governor shall appoint a consortium that includes a broad scope of private sector
2 stakeholders, members of the senate and the house of representatives, and
3 representation from the statewide vision and strategy partnership for a healthier North
4 Dakota and the university of North Dakota school of medicine and health sciences
5 advisory council. The consortium shall receive and review information provided by the
6 statewide vision and strategy partnership for a healthier North Dakota and the
7 university of North Dakota school of medicine and health sciences advisory council,
8 including the second annual report of the council. The consortium shall provide direct
9 input to the legislative management interim committee that conducts the study
10 provided for under House Bill No. 1034, as approved by the sixty-third legislative
11 assembly. The consortium shall focus its efforts on addressing the immediate needs
12 and challenges of the North Dakota health care delivery system, implementing the
13 healthy North Dakota initiative, examining medicaid reform, and developing a plan for
14 a private health care model that will comply with federal health care reform in a
15 manner that will provide high quality, accessible, and affordable care for North Dakota
16 citizens.
- 17 2. In developing the model health care system, the health care consortium shall:
 - 18 a. Consider population shifts, facility needs, personnel needs, rural access,
19 regulatory public health functions, and vulnerable populations.
 - 20 b. Determine the scope of the weaknesses in the current health care system and
21 the scope of the model health care system.
 - 22 c. Take into account the ongoing impact that federal health care reform under the
23 federal Affordable Care Act is having on state delivery of health care and on state
24 delivery of medicaid.
 - 25 d. Work to forge partnerships with federal payers and regulators in order to work
26 toward addressing medical reimbursement system reform.
- 27 3. The department of commerce shall contract with a consultant to assist the health care
28 consortium in developing a model health care system as required under subsection 2.
- 29 4. The health care consortium shall report to the budget section of the legislative
30 management on the status of funding available and anticipated uses of the funding for
31 the consortium during the 2013-14 interim. Before June 1, 2014, the health care

1 consortium shall report to the governor and to the legislative management on the
2 status of the development of the model health care system as well as any
3 recommendations.

4 **SECTION 19. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES.** There is
5 appropriated out of any moneys in the general fund in the state treasury, not otherwise
6 appropriated, the sum of \$146,000, or so much of the sum as may be necessary, to the
7 department of human services for the purpose of defraying the expenses relating to the
8 treatment of individuals addicted to controlled substances, for the biennium beginning July 1,
9 2013, and ending June 30, 2015.

10 **SECTION 20. APPROPRIATION.** There is appropriated out of any moneys in the general
11 fund in the state treasury, not otherwise appropriated, the sum of \$1,100,000, or so much of the
12 sum as may be necessary, and from federal funds the sum of \$1,100,000, or so much of the
13 sum as may be necessary, to the department of human services for the purpose of defraying
14 operating expenses departmentwide and at the human service centers, for the biennium
15 beginning July 1, 2013, and ending June 30, 2015.

16 **SECTION 21. APPROPRIATION.** There is appropriated out of any moneys in the general
17 fund in the state treasury, not otherwise appropriated, the sum of \$1,243,082, or so much of the
18 sum as may be necessary, and from special funds derived from federal funds and other income,
19 the sum of \$159,349,321, or so much of the sum as may be necessary, to the department of
20 human services for the purpose of funding the following initiatives, for the biennium beginning
21 July 1, 2013, and ending June 30, 2015. The department of human services is authorized four
22 full-time equivalent positions.

23 Expedited ratesetting process	\$1,661,844
24 Recipient liability first claim	100,000
25 Supplemental nutrition assistance and temporary	500,304
26 assistance for needy families program changes	
27 Electronic prescriptions	299,324
28 Medical assistance program expansion	157,991,337
29 Committee on employment of people with disabilities	<u>39,594</u>
30 Total all funds	\$160,592,403

Sixty-third
Legislative Assembly

1	Less estimated income	<u>159,349,321</u>
2	Total general fund appropriation	\$1,243,082