

**SENATE BILL NO. 2012**

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 create and enact subdivision aa of subsection 1 of section 50-09-29 and a  
 3 new section to chapter 50-24.1 of the North Dakota Century Code, relating to temporary  
 4 assistance for needy families benefits and to the monthly maintenance needs allowance; to  
 5 amend and reenact sections 50-06-32.1, 50-06-37, and subsection 1 of section 50-09-29, of the  
 6 North Dakota Century Code, relating to the expiration date on the autism spectrum disorder  
 7 voucher program pilot project, and the assessment used for the developmental disabilities  
 8 system reimbursement project; to provide an exemption; to provide payments to counties out of  
 9 enhanced federal payment; to provide an appropriation; and to provide an effective date.

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

11 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the  
 12 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
 13 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
 14 other income, to the department of human services for the purpose of defraying the expenses of  
 15 its various divisions, for the biennium beginning July 1, 2015, and ending June 30, 2017, as  
 16 follows:

17 Subdivision 1.

	MANAGEMENT		
		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21 Salaries and wages	\$23,949,306	\$15,772,402	\$39,721,708
22 Operating expenses	67,749,348	27,600,120	95,349,468
23 Capital assets	12,000	14,000	26,000
24 IT project carryover	<u>0</u>	<u>60,872,269</u>	<u>60,872,269</u>

Sixty-fourth  
Legislative Assembly

1	Total all funds	\$91,710,654	\$104,258,791	\$195,969,445
2	Less estimated income	<u>53,608,032</u>	<u>65,689,982</u>	<u>119,298,014</u>
3	Total general fund	\$38,102,622	\$38,568,809	\$76,671,431
4	Subdivision 2.			

PROGRAM AND POLICY

6			Adjustments or	
7		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
8	Salaries and wages	\$52,422,982	\$7,469,097	\$59,892,079
9	Operating expenses	107,894,413	1,178,015	109,072,428
10	Capital assets	0	10,000	10,000
11	Grants	459,313,620	12,126,010	471,439,630
12	Grants - Medical assistance	<u>1,910,060,462</u>	<u>541,447,672</u>	<u>2,451,508,134</u>
13	Total all funds	\$2,529,691,477	\$562,230,794	\$3,091,922,271
14	Less estimated income	<u>1,587,974,557</u>	<u>420,767,186</u>	<u>2,008,741,743</u>
15	Total general fund	\$941,716,920	\$141,463,608	\$1,083,180,528

16 Subdivision 3.

FIELD SERVICES

18			Adjustments or	
19		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20	Human service centers	\$182,433,538	\$22,600,277	\$205,033,815
21	Institutions	<u>130,697,211</u>	<u>23,083,466</u>	<u>153,780,677</u>
22	Total all funds	\$313,130,749	\$45,683,743	\$358,814,492
23	Less estimated income	<u>126,067,783</u>	<u>6,631,486</u>	<u>132,699,269</u>
24	Total general fund	\$187,062,966	\$39,052,257	\$226,115,223

25 Subdivision 4.

BILL TOTAL

27			Adjustments or	
28		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
29	Grand total general fund	\$1,166,882,508	\$219,084,674	\$1,385,967,182
30	Grand total special funds	<u>1,767,650,372</u>	<u>493,088,654</u>	<u>2,260,739,026</u>

1	Grand total all funds	\$2,934,532,880	\$712,173,328	\$3,646,706,208
2	Full-time equivalent positions	2,201.08	23.50	2,224.58

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

4       **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
5 items approved by the sixty-fourth legislative assembly for the 2013-15 biennium and the 2015-  
6 17 one-time funding items included in the appropriation in section 1 of this Act:

7	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
8	Mainframe migration	\$810,000	\$0
9	Building demolition - life skills and transition center	220,000	0
10	State hospital capital projects	864,714	0
11	Grants	925,000	0
12	Critical access hospital grants	9,600,000	0
13	Electronic health records	2,500,000	0
14	Eligibility project	0	60,872,269
15	Heating plant repairs - state hospital	0	1,509,156
16	Surveillance cameras	0	390,000
17	Central air - Tompkins building	0	557,606
18	Heating plant repairs - life skills and transition center	0	230,000
19	Six living area kitchens - life skills and transition center	<u>0</u>	<u>750,000</u>
20	Total all funds	\$14,919,714	\$64,309,031
21	Less estimated income	<u>10,686,093</u>	<u>46,860,102</u>
22	Total general fund	\$4,233,621	\$17,448,929

23 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the  
24 2017-19 biennium. The department of human services shall report to the appropriations  
25 committees of the sixty-fifth legislative assembly on the use of this one-time funding for the  
26 biennium beginning July 1, 2015, and ending June 30, 2017.

27       **SECTION 3. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.** Notwithstanding  
28 section 54-16-04, the department of human services may transfer appropriation authority  
29 between line items within each subdivision of section 1 of this Act and between subdivisions  
30 within section 1 of this Act for the biennium beginning July 1, 2015, and ending June 30, 2017.  
31 The department shall notify the office of management and budget of any transfer made

1 pursuant to this section. The department shall report to the budget section after June 30, 2016,  
2 any transfers made in excess of \$50,000 and to the appropriations committees of the sixty-fifth  
3 legislative assembly regarding any transfers made pursuant to this section.

4 **SECTION 4. EXEMPTION.** The amount appropriated for the replacement of the medicaid  
5 management information system and related projects in chapter 50 of the 2007 Session Laws  
6 and chapter 38 of the 2011 Session Laws is not subject to the provisions of section 54-44.1-11.  
7 Any unexpended funds from these appropriations approved under section 54-44.1-11 for  
8 continuation into the 2009-11 biennium and then the 2011-13 biennium and then the 2013-15  
9 biennium are available for the completion of the medicaid management information system and  
10 related projects during the biennium beginning July 1, 2015, and ending June 30, 2017.

11 **SECTION 5. EXEMPTION.** The amount appropriated for the modification of the  
12 department's eligibility systems in chapter 578 of the 2011 Special Session Laws is not subject  
13 to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved  
14 under section 54-44.1-11 for continuation into the 2013-15 biennium are available for the  
15 completion of the modification of the eligibility systems project during the biennium beginning  
16 July 1, 2015, and ending June 30, 2017.

17 **SECTION 6. AMENDMENT.** Section 50-06-32.1 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19 **50-06-32.1. (~~Effective through June 30, 2015~~) Autism spectrum disorder voucher**  
20 **program pilot project - Legislative management report - Appeal.**

21 1. The department of human services shall establish a voucher program pilot project  
22 beginning July 1, 2014, to assist in funding equipment and general educational needs  
23 related to autism spectrum disorder for individuals below two hundred percent of the  
24 federal poverty level from age three to under age eighteen who have been diagnosed  
25 with autism spectrum disorder. The program may include funding for assistive  
26 technology; video modeling videos or equipment; language-generating devices;  
27 training and educational material for parents; parenting education; sensory equipment;  
28 tutors; safety equipment; travel tools; self-care equipment; timers; visual  
29 representation systems; respite care; specialized daycare; language comprehension  
30 equipment; and registration and related expenses for workshops and training to

1 improve independent living skills, employment opportunities, and other executive or  
2 social skills.

3 2. The department shall adopt rules addressing management of this voucher program  
4 pilot project and establishing the eligibility requirements and exclusions for this  
5 voucher program pilot project. The program may not provide a voucher for early  
6 intensive behavioral intervention, including applied behavioral analysis, intensive early  
7 interventional behavioral therapy, intensive behavioral intervention, the Lovaas  
8 method, the Denver model, LEAP (learning experiences - an alternative program for  
9 preschoolers and parents), TEACCH (treatment and education of autistic and related  
10 communication handicapped children), pivotal response training, or discrete trial  
11 training.

12 3. A decision on a voucher application which is issued by the department under this  
13 section may be appealed as provided under chapter 28-32.

14 4. The department of human services shall report to the legislative management  
15 regarding the autism spectrum disorder program pilot project.

16 **SECTION 7. AMENDMENT.** Section 50-06-37 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18 **50-06-37. Developmental disabilities system reimbursement project.**

19 The department of human services, in conjunction with developmental disabilities service  
20 providers, shall develop a prospective or related payment system with an independent rate  
21 model utilizing the support intensity scale.

22 1. The department shall establish a steering committee consisting of representatives  
23 from all interested providers and department representatives. The steering committee  
24 shall guide the development of the new payment system including assisting a  
25 consultant to conceptualize, develop, design, implement, and evaluate a new payment  
26 system.

27 2. The department shall contract with a consultant by September 1, 2011, to develop, in  
28 collaboration with the steering committee, the payment system and the resource  
29 allocation model tying funding to support intensity scale assessed needs of clients  
30 aged sixteen and older and to a state-approved assessment that assesses needs of  
31 clients younger than sixteen years of age.

- 1       3. After the prospective or related payment system rates are developed, the new rates  
2       must be tested on a sampling of clients and providers, the sample to be determined by  
3       the steering committee, allowing sufficient time to capture provider cost, client-realized  
4       need, and service provision data. The consultant shall provide the appropriate  
5       sampling number to sufficiently test the rates, types of services, and needs of clients  
6       with the intent to include as many providers as fiscally feasible.
- 7       4. The department shall contract with a team of support intensity scale assessors by  
8       September 1, 2011. The team shall begin assessing immediately the identified client  
9       pilot group identified by the consultant contracted in subsection 2.
- 10      5. Once testing is complete, the data must be analyzed by the consultant and the  
11      consultant shall make any needed rate adjustments, resource allocation modifications,  
12      or process assumptions.
- 13      6. Beginning in June 2012, the department and the steering committee shall report  
14      development activities and status information to an interim legislative committee.
- 15      7. Implementation of any system developed under this chapter may not occur before the  
16      implementation of the department's new medicaid management information system.

17      **SECTION 8.** Subdivision aa of subsection 1 of section 50-09-29 the North Dakota Century  
18 Code is created and enacted as follows:

- 19           aa. Provide an annual percentage increase in the benefit amount that is equal to the  
20           annual percentage increase in the consumer price index for urban consumers,  
21           within the limits of legislative appropriation.

22      **SECTION 9.** A new section to chapter 50-24.1 of the North Dakota Century Code is created  
23 and enacted as follows:

24      **Monthly maintenance needs allowance.**

25      In determining eligibility for medical assistance applicants and recipients, the department of  
26 human services shall establish a monthly maintenance needs allowance for a community  
27 spouse equal to the maximum amount permitted under 42 U.S.C. 1396r-5. The department  
28 shall provide annual increases in the monthly maintenance needs allowance equal to the  
29 annual percentage increase in the consumer price index for urban consumers, provided,  
30 however, that the monthly maintenance needs allowance does not exceed the amount set by  
31 the centers for medicare and medicaid services for the year in which the increase is applied.

1       **SECTION 10. PAYMENTS TO THE COUNTY FOR LOCAL EXPENSES OF**  
2 **ADMINISTRATION OF THE MEDICAID PROGRAM.** Within the limits of legislative  
3 appropriation, the department may reimburse counties for part of the local expenses of  
4 administration for determining eligibility for services under chapter 50-24.1, an amount that  
5 represents all or part of an increase in payments from the federal government to the department  
6 for administration of the medicaid program.

7       **SECTION 11. APPROPRIATION.** Special funds derived from federal funds and other  
8 income, are appropriated to the department of human services for the purpose of reimbursing  
9 counties under section 10 of this Act for part of the local expenses of administration of the  
10 medicaid program under chapters 50-01.2 and 50-24.1, for the biennium beginning July 1,  
11 2015, and ending June 30, 2017.

12       **SECTION 12. EFFECTIVE DATE.** Section 9 of this Act becomes effective on January 1,  
13 2016.

14       **SECTION 13. EFFECTIVE DATE.** Sections 10 and 11 of this Act become effective on the  
15 effective date of the centers for medicare and medicaid services' certification that the  
16 department's eligibility system has met the seven conditions and standards for the receipt of  
17 enhanced match.