

FISCAL NOTE
Requested by Legislative Council
02/10/2015

Amendment to: HB 1295

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$1,801,809		\$3,494,331
Expenditures			\$151,692	\$1,801,809	\$194,073	\$3,494,331
Appropriations			\$151,692	\$1,801,809	\$194,073	\$3,494,331

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties		\$1,650,129	\$3,300,258
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).*

Engrossed HB 1295 requires the Dept. to seek approval from the Centers for Medicare and Medicaid Services (CMS) to expand medical assistance coverage for family planning services to individuals not otherwise eligible for medical assistance, with income below 185% of the federal poverty level.

- 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.*

Section 1 requires the Department to expand medical assistance coverage for individuals with income between 138% and 185% of the federal poverty level. As the eligibility level is increased above 147% of the federal poverty level, North Dakota would have to apply for approval under an 1115 waiver. It is not reasonable to anticipate CMS approval of a 1115 waiver by the January 1, 2016 start date proposed by this bill. All estimates were calculated using a July 1, 2016 anticipated start date. The Department estimates that over 25,000 individuals would be eligible for family planning services. We estimate 12,500 of those would participate in coverage annually. Due to the Affordable Care Act and mandatory insurance coverage, it was assumed that this population would be covered through other insurance plans and that the state would be the third party payer of coverage. Expanding coverage will also require IT system changes in order to be implemented. The IT cost along with the cost to cover the additional individuals is estimated to be \$1,953,500 of which, \$151,692 is General Fund and \$1,801,809 is Other funds. We also included costs for the equivalent of 25 additional County eligibility workers to handle the increase in applications expected for this coverage.

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.*

With approval from CMS, the Department will be able to access federal Medicaid funding in 15-17 biennium of which \$976,744 is from increased grants and operating expenditures and \$825,065 is from retained dollars for the addition of 25 County staff. The revenues for the 17-19 biennium are estimated to be \$1,844,202 due to grants and \$1,650,129 from retained dollars for the addition of 25 County staff.

- 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.*

With an effective date of July 1, 2016, estimated expenditures under the Medicaid grants line item for 12 months of the 15-17 biennium would total \$1,738,500 and the IT costs are \$215,000, of which, \$151,692 is General Fund and \$1,801,809 is Other Funds. In the 17-19 biennium, estimated expenditures would increase to \$3,688,404 of which, \$194,073 is General Fund and \$3,494,331 is Other 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.*

The Department will need an appropriation increase for the 15-17 biennium of \$1,953,500 of which, \$151,692 is General Fund and \$1,801,809, is Other Funds. The Department will need an appropriation increase for the 17-19 biennium of \$3,688,404 of which \$194,073 is General Fund and \$3,494,331 is Other Funds.

Name: Debra McDermott

Agency: Department of Human Services

Telephone: 701 328-3695

Date Prepared: 02/12/2015