

FISCAL NOTE
Requested by Legislative Council
03/24/2015

Amendment to: HB 1359

- 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				\$318,609		\$686,689
Expenditures			\$1,287,470	\$318,609	\$2,762,223	\$686,689
Appropriations			\$1,287,470	\$318,609	\$2,762,223	\$686,689

- 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			
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).*

SB1359 requires the department establish procedures for determining rates of basic care facilities, establish methods for annual limits, provide payments for 30 days of leave per occurrence, establish an uncompensated care expense of 180 days and abolish the annual compensation cap for management.

- 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 states the department shall establish procedures for determining rates of basic care facilities, shall identify cost that are recognized for establishing payment rates, shall establish limits on actual allowable historical operating costs within the limits of legislative appropriation, shall work with stakeholders to determine the methodology to establish the annual limits within the limits of legislative appropriation, provide for payment of rates for 30 days of leave per occurrence within the limits of legislative appropriation, establish an uncompensated care expense of 180 days and abolish the annual compensation cap for top management.

With rates effective July, 2016 these changes increase expenditures for the 15-17 biennium by \$1,606,079 of which \$1,287,470 are General Fund and \$318,609 are Federal Funds. In the 17-19 biennium, estimated expenditures would be \$3,448,912 of which, \$2,762,223 is General Fund and \$686,689 is Federal Funds.

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.*

The increase in Revenue represents the Federal Funds the Department will be able to access due to the increased costs reported for Basic Care as a result of changing the rate setting structure. Increasing revenue for the 15-17 biennium by \$318,609 in Federal Funds. In the 17-19 biennium, estimated revenue would increase \$686,689 in Federal Funds.

- 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 rates effective July 1, 2016, estimated expenditures under the Medicaid grants line item for the 15-17 biennium would increase \$1,606,079 of which \$1,287,470 are General Fund and \$318,609 are Federal Funds. In the 17-19 biennium, estimated expenditures would increase \$3,448,912 of which, \$2,762,223 is General Fund and \$686,689 is Federal 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 of Human Services will need additional appropriation of \$1,606,079, of which \$1,287,470 are General Fund and \$318,609 are Federal Funds for the 15-17 biennium. The Department will need an appropriation increase for the 17-19 biennium of \$3,448,912 of which, \$2,762,223 is General Fund and \$686,689 is Federal Funds.

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