

FISCAL NOTE
Requested by Legislative Council
01/13/2015

Bill/Resolution No.: HB 1234

- 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				\$(237,487)		\$(217,913)
Expenditures			\$(237,487)	\$(237,487)	\$(217,914)	\$(217,913)
Appropriations			\$(237,487)	\$(237,487)	\$(217,914)	\$(217,913)

- 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).*

SB1234 creates a maximum daily payment of property costs in an amount not to exceed the average daily property cost rate on January 1, 2015, of all nursing homes in the state. The maximum daily payment shall be adjusted each January by the inflationary increase authorized by the legislature.

- 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 3 creates a maximum daily payment of property costs in an amount not to exceed the average daily property cost rate on January 1, 2015, of all nursing homes in the state. With an effective date for rates set after December 31, 2016, the maximum daily payment shall be adjusted each January by any inflationary increases authorized by the legislative assembly. For the six months this would be effective the Department estimates expenditures under the Medicaid grants line item for the 15-17 biennium would decrease (\$474,974) of which, (\$237,487) is general fund and (\$237,487) are 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 loss in revenue represents the amount of federal Medicaid funding the Department will no longer be able to access due to a statewide reduction in payments for nursing facility property costs. The revenue reduction is estimated at (\$237,487) for the 15-17 biennium and (\$217,913) for the 17-19 biennium.

- 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 January 1, 2017, estimated expenditures under the Medical Assistance grants line item for the 15-17 biennium would decrease (\$474,974) of which, (\$237,487) is general fund and (\$237,487) is federal funds. In the 17-19 biennium, estimated expenditures would decrease (\$435,827) of which, (\$217,914) is general fund and (\$217,913) 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's appropriation may be decreased for the 15-17 biennium by (\$474,974) of which, (\$237,487) is general fund and (\$237,487) is federal funds. The Department anticipates an appropriation decrease for the 17-19 biennium of (\$435,827) of which, (\$217,914) is general fund and (\$217,913) is federal funds.

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