

FISCAL NOTE
Requested by Legislative Council
01/14/2019

Bill/Resolution No.: HB 1515

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$2,631,166		\$4,879,617
Expenditures			\$2,631,165	\$2,631,166	\$4,879,617	\$4,879,617
Appropriations			\$2,631,165	\$2,631,166	\$4,879,617	\$4,879,617

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 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).*

HB 1515 requires the Department to seek approval from the Centers for Medicare and Medicaid Services (CMS) to expand medical assistance coverage for pregnant women with income between 147% and 200% 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 pregnant women with income between 147% and 200% of the federal poverty level. If eligibility level is increased above 185% of the federal poverty level, North Dakota would have to apply for approval under an 1115 waiver, or explore an option through a CHIP targeted low income pregnant women program. Based on the estimated CHIP expenditures and the finite CHIP allotment available, the Department is not estimating to have adequate CHIP allotment to fund the expansion proposed in HB 1515. Based on the time needed to develop and the anticipated time for CMS approval of a 1115 waiver, the Department does not expect the January 1, 2020 start date purposed by this bill to be achievable. Therefore, all estimates were calculated using a July 1, 2020 anticipated start date.

The Department estimates that 2,000 additional pregnant women would qualify for 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. The projected cost for 12 months in the 19-21 biennium is \$4,779,280, of which \$2,389,640 is general fund. Expanding coverage will also require IT system changes, at a cost of \$282,377, of which \$141,188 is general fund and an additional FTE, required to implement the waiver and maintain the monitoring, evaluation, and technical/operational reporting requirements of the waiver with an estimated cost of \$200,674, of which \$100,337 is general fund.

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 services provided under HB 1515 are eligible to receive matching Medicaid federal funds based off the Federal Medical Assistance Percentage.

- 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.*

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- 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.*

For the 19-21 biennium the Department of Human Services would need appropriation increases to the base level budget in SB 2012, in the following line items; grants medical assistance of \$4,779,280 of which \$2,389,640 would be general fund, operating of \$282,377, of which \$141,188 would be general fund, and salary of \$200,674, of which \$100,337 would be general fund.

For the 21-23 biennium the Department of Human Services would need appropriation authority of \$9,558,560 of which \$4,779,280 is general fund in the grants medical assistance line item for the medical assistance coverage proposed in HB 1515 and \$200,674, of which \$100,337 is general fund to maintain the FTE.

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