

FISCAL NOTE
SENATE BILL NO. 2181
LC# 23.0465.04000
04/17/2023

1 - 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.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$850,069	\$1,904,464	\$1,764,282	\$2,878,728
Appropriations			\$850,069	\$1,904,464	\$1,764,282	\$2,878,728

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - 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 SB2181 increases TANF and Medicaid resources to pregnant women who are lawfully residing in ND throughout the entire term of their pregnancy, removes NDCC 50-09-29(1)(V) and revises 50-09-29(1)(w), and increases the FPL from 162% to 175% for medical coverage.

4 - Fiscal Impact Sections Detail

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: TANF

In Engrossed SB2181, the proposed change would allow pregnant women to receive TANF in their first and second trimesters. This would add an additional 241 women in the first year of the biennium and 265 women in the second year of the biennium eligible for an additional 5 months of TANF. This is based on the 219 pregnant women who

received TANF during the SFY 2022, including an assumed 10% increase in utilization each year of the biennium. The fiscal note also assumes that, if the “benefit cap” provision outlined in subdivision v of section 1 of N.D.C.C. 50-09-29 is removed, there will be an increase in the number of children who will be eligible to participate in the TANF (Temporary Assistance to Needy Families) program. Based on data from the last five years, the fiscal note estimates an increase of 42 children per year who would participate in the TANF program. The fiscal note also assumes that more households would be eligible to participate in the TANF program if the proposed 12 month earned income disregard was put in place. The estimate provides for a 10% increase in the total TANF program caseload for each year of the biennium.

Sections 2 and 3: MEDICAID

The proposed change is to allow pregnant women who are lawfully residing in the U.S. to receive medical assistance benefits is anticipated to affect approximately 164 women each year of the biennium. This change would also expand coverage to 288 pregnant women by increasing the federal poverty limit from 162% to 175%. The language also codifies the expectation that ND’s Medicaid program provide medical assistance coverage for the duration of the pregnancy and 12 months postpartum.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Section 1 of Engrossed SB2181 would expand TANF coverage to women in the first and second trimesters of pregnancy. It is estimated that an additional 241 women in the first year of the biennium and 265 women in the second year would become eligible for TANF benefits. Using the average TANF benefit for a single pregnant woman of \$237 per month and assuming an additional 5 months of eligibility per pregnant woman, the total impact is \$599,480 per biennium. This change would also require an additional \$50,000 to update the Self-Service Portal and Combined Eligibility System (SPACES) to include eligibility for the proposed changes.

By removing 50-09-29(1)(v), it is anticipated that the families of 42 children per year would become eligible for a TANF benefit of \$98 per month resulting in an increase of \$58,440 for the 2023-2025 biennium. With the addition of 50-09-29(1)(w), this would extend coverage to an additional 100 families. The average benefit amount per month is \$300 resulting in an increase of \$79,050 for the 2023-2025 biennium.

Section 2 of Engrossed SB2181 would expand coverage to pregnant women who are lawfully present in the United States. It is estimated that an additional 164 clients (beginning with 14 clients on July 1, 2024 and increasing to 14 clients each month) by the end of June 30, 2025. It is estimated that a monthly per-member per month rate is \$399.00. There would need to be technology system enhancements to allow coverage and is estimated to cost \$387,500.

Section 3 of Engrossed SB2181 requires the Department to expand medical assistance coverage for pregnant women with income between 162% and 185% of the federal poverty level. It is estimated that this would expand coverage to 288 clients. The PMPM is \$399. The Department is estimating a start date of January 1, 2024, with an initial 12 month ramp up phase. The Department would incur minor system changes to the eligibility system (SPACES) and the payment system (MMIS) to allow for the increased coverage. The projected cost for the expanded coverage for 12 months in the 2023-2025 biennium is \$2,032,107.. The projected cost of the IT system changes in the 2023-2025 biennium is \$8,800.

Operating Expenses for the 2023-2025 biennium is \$446,300, of which, \$111,575 is General and \$334,725 is Federal.

Grants for the 2023-2025 biennium is \$736,971, all of which, is Federal.

Grants - Medical Assistance for the 2023-2025 Biennium is \$1,571,262, of which, \$738,494 is General and \$832,768 is Federal.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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 2023-2025 biennium the Department of Human Services would need appropriation increases to the base level budget in SB 2012 in the following line items; increase in Operating Expenses line of \$446,300, of which, \$111,575 is general fund; increase in Grants line of \$736,971, all of which is Federal; and increase in Grants - Medical Assistance line of \$1,571,262, of which \$738,494 is general fund.

For the 2025-2027 biennium the Department of Human Services would need appropriation authority in the following lines; increase in the Grants line of \$628,026, all of which is Federal; Grants - Medical Assistance line of \$4,014,984, of which \$1,764,282 is general fund for the proposed in Engrossed SB2181.

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Date Prepared: 03/28/2023