

**Department of Human Services  
Budget 325  
House Bill Nos. 1012, 1038, 1302, 1358, 1422; Senate Bill Nos. 2018, 2205, 2356**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2013-15 legislative appropriation	2,201.08	\$1,172,149,774 <sup>1</sup>	\$1,778,523,303	\$2,950,673,077
2011-13 legislative appropriation	<u>2,197.35</u>	<u>940,976,017<sup>2</sup></u>	<u>1,707,572,238</u>	<u>2,648,548,255</u>
2013-15 appropriation increase (decrease) to 2011-13 appropriation	3.73	\$231,173,757	\$70,951,065	\$302,124,822

<sup>1</sup>This amount includes one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$1,166,482,508.

<sup>2</sup>This amount includes a \$20.9 million general fund appropriation approved by the Legislative Assembly in 2011 for additional expenses due to a decrease in the federal medical assistance percentage (FMAP) for the 2011-13 biennium.

**NOTE:** The 2013-15 legislative appropriations amounts include \$1,033,645 from the general fund and \$186,838 from other funds for the agency's share of the \$8.5 million funding pool appropriated to the Office of Management and Budget for state agency needs resulting from energy development.

**Item Description**

**One-time funding** - The Legislative Assembly provided one-time funding to the Department of Human Services totaling \$5,719,714 for the 2013-15 biennium. These items, summarized as follows, are not to be considered part of the agency's base budget for preparing the 2015-17 executive budget, and the department is to report to the Appropriations Committees during the 2015 legislative session on the use of this funding.

	<b>General Fund</b>	<b>Special Funds</b>	<b>Total</b>
State Hospital capital projects (HB 1012)	\$864,714		\$864,714
Mainframe migration (HB 1012)	148,907	\$661,093	810,000
Demolition of Pleasant View and Refectory Buildings at the Developmental Center (HB 1012)	220,000		220,000 <sup>1</sup>
Grant to an assisted living center (HB 1012)		425,000	425,000 <sup>2</sup>
Grant for an adaptive skiing program (HB 1012)	200,000		200,000 <sup>3</sup>
Grant to Ramsey County (HB 1012)	300,000		300,000 <sup>4</sup>
Electronic health records (HB 1012)	2,500,000		2,500,000
Grants for early childhood service providers (SB 2018)	400,000		400,000
<b>Total</b>	<b>\$4,633,621</b>	<b>\$1,086,093</b>	<b>\$5,719,714</b>

<sup>1</sup>Section 18 provides legislative intent that the department demolish the Refectory and Pleasant View Buildings at the Developmental Center at a cost of \$220,000. If the funding is insufficient to cover the cost of demolition, the department may request Emergency Commission approval for additional funding from the state contingencies appropriation.

**Status/Result**

The following is a summary of the status of the department's one-time funding:

State Hospital capital projects	The department anticipates using all the funds for completing capital projects at the State Hospital, including street reconstruction projects.
Mainframe migration	The department in consultation with the Information Technology Department does not anticipate proceeding with this project during the 2013-15 biennium. The department plans to include this item in its 2015-17 biennium budget request.
Demolition of Pleasant View and Refectory Buildings at the Developmental Center	The demolition specifications are currently being developed by an architect and engineer as required by North Dakota Century Code Section 48-01.2-02. These specifications will be used by the department to request demolition bids from vendors. Current cost estimates are approximately \$800,000. The department plans to seek additional funding to complete the demolition project during the 2015-17 biennium.
Grants	Grant to an assisted living center - The grant payment for a center that accepts low-income tenants for an expansion project was made in August 2013 to an assisted living facility in New Salem.  Grant for an adaptive skiing program - The department has paid \$65,423 of the \$200,000 for salary and equipment costs billed by the vendor for

<sup>2</sup>Section 11 adds one-time funding of \$425,000 from the health care trust fund for a grant to an assisted living center that accepts low-income tenants for an expansion project.

<sup>3</sup>Section 13 adds one-time funding of \$200,000 from the general fund for a grant to an organization that provides an adaptive skiing program.

<sup>4</sup>Section 12 adds one-time funding of \$300,000 from the general fund for a grant to a jurisdiction that is most affected by an Indian reservation but does not receive reimbursement payments pursuant to Section 50-01.2-03.2.

Electronic health records	the "Annie's House" project at the Winter Park ski lodge in Bottineau.
Grants for early childhood service providers	Grant to Ramsey County - The department paid one-half of the appropriated grant amount, or \$150,000 in accordance with Section 12 in July 2013.  The electronic health records project is currently in the initial planning stage. The primary project team members are being identified, and the team has started defining the functional requirements and drafting the request for proposal.  The department has established grant guidelines, formed a selection committee, and has informed providers of the grant opportunities. The department is in the process of issuing the first grant and has several other inquiries.

**Federal medical assistance percentage** - The Legislative Assembly anticipated the following FMAPs in developing the department's 2013-15 biennium budget:

Federal Fiscal Year	North Dakota's FMAP	North Dakota's Enhanced FMAP
2011	60.35% (fourth quarter)	69.95% (first quarter) 66.95% (second quarter) 64.95% (third quarter)
2012	55.40% (actual)	N/A
2013	52.27% (actual)	N/A
2014	50.00% (estimate)	N/A
2015	50.00% (estimate)	N/A

The FMAP determines the state and federal share of Medicaid, foster care, and other program costs within the department.

**Medicaid management information system (MMIS) replacement project** - The Legislative Assembly in 2005 appropriated \$29,188,859, of which \$3,667,820 was state matching funds from the permanent oil tax trust fund, to the Department of Human Services to replace MMIS. The Legislative Assembly in 2007 provided additional funding of \$31,072,641, of which \$3,643,133 was state matching funds from the general fund, for the project. The department did not spend all of the state matching funds during the 2005-07 biennium and was authorized to continue the unspent funds into the 2007-09 biennium for the project. As a result, the department used these funds to obtain additional federal matching funds of \$2,267,871 for the project. The Legislative Assembly in 2011 provided \$1,474,362 from the general fund to complete the project. This funding represents the unspent appropriation authority from the \$3,667,820 appropriation from the permanent oil tax trust fund. The permanent oil tax trust fund was

Actual FMAPs are:

Federal Fiscal Year	North Dakota's FMAP	North Dakota's Enhanced FMAP
2011	60.35% (fourth quarter)	69.95% (first quarter) 66.95% (second quarter) 64.95% (third quarter)
2012	55.40% (actual)	N/A
2013	52.27% (actual)	N/A
2014	50.00% (actual)	N/A
2015	50.00% (actual)	N/A

The department received Emergency Commission and Budget Section approval in December 2013 for \$5,851,660 of federal funds. An additional \$774,611 is being provided by the department from other funds (retained funds) for the completion of the MMIS project. The additional funds will allow the department to enhance Xerox's contract to provide:

- Parallel testing.
- Trading partner testing.
- Training.
- Pre-production support.

With the additional federal funding approved by the Emergency Commission and the additional other funds allocated to the project, the total project budget and expenditures to date are shown on the schedule below:

repealed at the end of the 2009-11 biennium by the Legislative Assembly in 2011 House Bill No. 1451. The Legislative Assembly in 2011 also provided the following appropriations to the department relating to the new MMIS:

- \$6.7 million, of which \$1,675,000 is from the general fund, for postproduction support and licensing services.
- \$1,885,744, of which \$217,803 is from the general fund, for user acceptance testing of the new system.

In December 2011, the department and Affiliated Computer Services, Inc., (ACS) finalized negotiations for past project delays through June 1, 2012, resulting in ACS agreeing to reduce its contract by \$3.5 million, of which \$404,250 is from the general fund. The negotiations also addressed the inclusion of the Health Insurance Portability and Accountability Act (HIPAA) 5010 transactions into the new MMIS. The compliance date for this federal requirement was January 1, 2012. The cost for this expansion of the project is \$6,606,822, of which \$763,088 is from the general fund.

The department's legislative appropriation for the 2011-13 biennium included \$6.7 million for postproduction support and licensing services from ACS for the period after June 1, 2013. With the extension of the go-live date for the project, these funds will no longer be needed for the postproduction support and licensing services. The department is using these funds for the cost of the increase in the project's scope. The Centers for Medicare and Medicaid Services (CMS) and the project's executive steering committee as required by Executive Order 2011-20 have approved the increase to the project scope and budget.

The department's 2011-13 legislative appropriation also included funding of \$1,885,744, of which \$217,803 is from the general fund, for user acceptance testing of the new system. The department is also including these funds in the project budget to better represent overall project costs.

Total funding available for the project at the end of the 2011-13 biennium is:

	<b>General Fund</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>Total</b>
2005-07 appropriation <sup>1</sup>		\$25,521,039	\$3,667,820	\$29,188,859
2007-09 appropriation	\$3,643,133	27,429,508		31,072,641
2011-13 appropriation	1,474,362		(1,474,362)	
Additional matching funds <sup>2</sup>		2,267,871		2,267,871
Additional matching funds <sup>3</sup>	980,823	7,511,675	68	8,492,566
Additional matching funds <sup>4</sup>	1,434,979	9,461,820		10,896,799
<b>Total</b>	<b>\$7,533,297</b>	<b>\$72,191,913</b>	<b>\$2,193,526</b>	<b>\$81,918,736</b>

<sup>1</sup> Other funds of \$3,667,820 are provided from the permanent oil tax trust fund.  
<sup>2</sup> Approval of additional matching funds by the Budget Section on September 15, 2009.  
<sup>3</sup> Approval of additional matching funds by the Budget Section on March 13, 2012.  
<sup>4</sup> Approval of additional matching funds by the Budget Section on June 19, 2012.

	<b>Budget Through March 2014</b>	<b>Expended Through March 2014</b>	<b>Remaining</b>
General fund	\$7,533,297	\$4,823,198	\$2,710,099
Federal funds	78,043,573 <sup>1</sup>	50,427,715	27,615,858
Other funds	2,968,137 <sup>2</sup>	2,193,526	774,611
<b>Total</b>	<b>\$88,545,007</b>	<b>\$57,444,439</b>	<b>\$31,100,568</b>

<sup>1</sup> Federal funds include approval of an additional \$5,851,660 matching funds by the Budget Section on December 10, 2013.  
<sup>2</sup> Other funds include \$2,193,526 from the permanent oil tax trust fund and \$774,611 of retained funds.

The department anticipates implementation of the system in September 2014.

**Medical assistance** - The schedule below provides a comparison of funding for medical assistance, excluding funding related to nursing facility care and other long-term care services, developmental disabilities (DD) grants, and Healthy Steps. The Legislative Assembly in 2013 made a number of adjustments to the funding for medical assistance grants, including:

- Decrease by 50 percent, funding included in the executive recommendation for previously eligible individuals who might now apply for Medicaid coverage.
- Reduced funding to reflect a decrease in projected caseload/utilization rates.
- Added \$157.5 million of federal funding for Medicaid expansion.

	2011-13 Biennium	2013-15 Biennium	Increase (Decrease)
General fund	\$197,027,430	\$242,346,405	\$45,318,975
Federal funds	396,619,020	478,570,280	81,951,260
Community health trust fund	200,000	0	(200,000)
Estate collections	4,056,000	0	(4,056,000)
County	969,850	1,652,061	682,211
Retained funds	19,960,714	21,181,408	1,220,694
Other funds	9,649,200	17,611,200	7,962,000
<b>Total medical assistance</b>	<b>\$628,482,214</b>	<b>\$761,361,354</b>	<b>\$132,879,140</b>

**Medicare Part D "clawback" payments** - The Legislative Assembly appropriated \$29,735,664, of which \$28,600,944 is from the general fund and \$1,134,720 is from estate collections, for making Medicare Part D prescription drug "clawback" payments to the federal government for the estimated prescription drug costs paid by Medicare for individuals eligible for both Medicare and Medicaid.

**Healthy Steps** - The Legislative Assembly provided funding of \$32,694,070, of which \$11,400,407 is from the general fund and \$21,293,663 is from federal funds, for Healthy Steps (the children's health insurance program).

The Department of Human Services anticipates spending \$746,460,761, of which \$238,611,104 is from the general fund, \$466,768,475 is from federal funds, and \$41,081,182 is from other funds, for medical assistance for the 2013-15 biennium, which is \$14,900,593 less than budgeted in total funds and \$3,735,301 less in funding from the general fund. Medical assistance payments are anticipated to be less than budgeted for inpatient hospital, physician services, prescription drugs, and dental services and more than budgeted for outpatient hospital. The schedule below provides a comparison of budget to actual usage and costs for selected services.

	Monthly Average (Through December 2013)				
	Individuals	Units of Service		Cost Per Unit	
	Receiving Benefits	Budget	Actual	Budget	Actual
Inpatient hospital	1,083	5,202	5,140	\$1,441	\$1,310
Outpatient hospital	8,132	158,378	169,364	\$18.80	\$17.39
Physician	23,033	228,431	213,413	\$21.70	\$21.94
Dental	3,975	16,394	15,643	\$72.00	\$71.01

The Department of Human Services is required to make "clawback" payments monthly. The department estimates "clawback" payments to total \$28,869,137, of which \$27,738,247 is from the general fund and \$1,130,890 is from other funds, for the 2013-15 biennium, which is \$866,527 less than budgeted.

	Monthly Average (Through December 2013)		
	Individuals	Actual Cost Per	Budget Cost Per
	Receiving Benefits	Individual	Individual
Medicare clawback	10,849	\$114.46	\$114.93

The Department of Human Services anticipates spending \$35,468,917, of which \$12,378,529 is from the general fund and \$23,090,388 is from federal funds, for Healthy Steps for the 2013-15 biennium, which is \$2,774,847 more than budgeted. The department anticipates an increase in the number of premiums purchased and the premium amounts compared to the budgeted amounts for the remainder of the biennium.

The following is a summary of the average number of participants in Healthy Steps each month through December 2013:

	Monthly Average (Through December 2013)			
	Number of Premiums		Cost Per Premium	
	Budget	Actual	Budget	Actual
Healthy Steps	4,264	4,013	\$311.79	\$278.27

**Nursing facilities** - The schedule below provides a comparison of funding for nursing facility payments under the medical assistance program. The Legislative Assembly made a number of adjustments to the funding for nursing facilities, including:

- Reduced funding to reflect a decrease in projected caseload/utilization rates.
- Reduced the inflationary increase included in the executive budget from 4 percent per year to 3 percent each year.
- Increased the provider wage passthrough included in the executive budget from 4 percent per year to 3 percent each year.
- Added \$1,661,844 in funding relating to provisions for an expedited ratesetting process included in 2013 House Bill No. 1170.
- Added \$100,000 in funding relating to provisions included in 2013 House Bill No. 1172 which give nursing facilities preferred claim status.
- Changed the funding source of \$546,786 from the general fund to the health care trust fund for payments to nursing facilities relating to a bed layaway program.

	2011-13 Biennium	2013-15 Biennium	Increase (Decrease)
General fund	\$202,407,983	\$247,701,738	\$45,293,755
Health care trust fund	746,786	546,786	(200,000)
Federal funds	256,475,703	250,100,467	(6,375,236)
Other funds	205,548	0	(205,548)
Total nursing facilities	\$459,836,020	\$498,348,991	\$38,512,971

**Temporary assistance for needy families (TANF)** - Funding for TANF benefits and kinship care is provided at \$14,516,672, of which \$456,137 is from the general fund, \$8,979,599 is from retained funds, \$3,687,489 is from child support collections, and \$1,393,447 is from federal funds, an increase of \$11,136 from the executive budget and \$2,222,578 less than the 2011-13 legislative appropriation of \$16,739,250. The funding level is anticipated to provide services for an average monthly caseload of 1,799 and to provide an average monthly payment of \$336 per case for the 2013-15 biennium.

The Department of Human Services anticipates spending \$498,101,897, of which \$247,652,665 is from the general fund, \$249,902,446 is from federal funds, and \$546,786 is from other funds, for nursing facility payments for the 2013-15 biennium, which is \$247,094 less than budgeted. The decrease is due to actual units of service being less than budgeted.

The Department of Human Services anticipates spending \$10,164,126 for the 2013-15 biennium, which is \$4,352,546 less than budgeted. The department anticipates child support collections of \$3,282,140 for the 2013-15 biennium, which is \$405,349 less than budgeted. The schedule below compares budgeted to actual cases and costs for the programs.

Service	Temporary Assistance for Needy Families		
	Budget	Actual	Variance
Cases per month	1,799	1,476	323
Average cost per case	\$336	\$287	\$49

**Child care assistance program/child care assistance grants** - House Bill No. 1422:

- Includes a general fund appropriation of \$1 million for child care incentive grants in addition to the \$3.1 million included in House Bill No. 1012 for child care provider grants.
- Includes a \$300,000 general fund appropriation for early childhood services specialists.
- Changes child care assistance program eligibility requirements from 50 percent of the state median income to 85 percent of the state median income.
- Appropriates contingent funding of \$2.5 million from the general fund to be available if child care assistance funding provided in House Bill No. 1012 is insufficient. If less than \$2.5 million is needed for the child care assistance program, the department may use up to \$1 million of the \$2.5 million for additional child care provider incentive grants.
- Includes a section of legislative intent providing that if sufficient funding is available for the child care assistance program, the department may reduce the program's copay requirements.

**Underage drinking prevention program** - House Bill No. 1302 added \$360,000 from the general fund for an underage drinking program.

**Basic care assistance** - The schedule below provides a comparison of funding for basic care assistance. The Legislative Assembly made adjustments to the recommended funding for basic care assistance, including:

- Reduced the inflationary increase included in the executive budget from 4 percent per year to 3 percent each year.
- Increased the provider wage passthrough included in the executive budget from 50 cents per hour to \$1 per hour.

	2011-13 Biennium	2013-15 Biennium	Increase (Decrease)
General fund	\$14,812,502	\$24,790,193	\$9,977,691
Estate collections	96,000	96,000	0
Retained funds	2,284,362	2,284,362	0
Federal funds	8,779,531	11,713,683	2,934,152
Total basic care grants	\$25,972,395	\$38,884,238	\$12,911,843

The Department of Human Services is using the \$4.1 million available for child care provider grants to provide incentives for workforce development, quality improvement, and recruitment. The department contracted with Lutheran Social Services of North Dakota to provide up to \$1,985,347 of incentive grants to child care providers to assist with recruitment and quality enhancements in western North Dakota. The department contracted with Lakes and Prairies Community Action Partnership to provide up to \$2,114,652 of incentive grants to child care providers to assist with recruitment and quality enhancements in eastern North Dakota.

The department contracted with Lutheran Social Services of North Dakota for \$300,000 for early childhood specialists, including an inclusion specialist to provide direct technical assistance to child care providers regarding a particular child.

The department implemented changes on July 1, 2013, to the child care assistance program's requirements by changing the eligibility requirements from 50 percent of the state median income to 85 percent of the state median income and reducing the program's copay requirements. The department anticipates expending the entire \$2.5 million of contingent funding for the child care assistance program.

Underage drinking prevention program funding of \$27,549 has been spent through May 2014. The Department of Human Services anticipates that the remaining funds will be spent by the end of the biennium on media purchases, additional website development and enhancements, and promotional product development.

The Department of Human Services anticipates spending \$33,541,349, of which \$21,099,823 is from the general fund, \$96,000 is from estate collections, \$2,284,362 is from retained funds, and \$10,061,164 is from federal funds for basic care assistance for the 2013-15 biennium, which is \$5,342,889 less than budgeted. The decrease is due to actual unit costs being less than budgeted. The schedule below provides a comparison of budget to actual usage and costs for basic care assistance.

	Monthly Average (Through December 2013)				
	Individuals Receiving Benefits	Units of Service		Cost Per Unit	
		Budget	Actual	Budget	Actual
Basic care assistance	621	\$18,819	\$19,698	\$82.83	\$68.02

**DD grants** - The schedule below provides a comparison of funding for DD grants. The Legislative Assembly made adjustments to the recommended funding for medical assistance grants, including:

- Reduced funding to reflect a decrease in projected caseload/utilization rates.
- Reduced the inflationary increase included in the executive budget from 4 percent per year to 3 percent each year.
- Increased the provider wage passthrough included in the executive budget from 50 cents per hour to \$1 per hour.

	2011-13 Biennium	2013-15 Biennium	Increase (Decrease)
General fund	\$174,231,307	\$248,192,924	\$73,961,617
Contingent Bank of North Dakota loan proceeds	0	0	0
Federal funds	222,764,726	256,514,909	33,750,183
Total DD grants	\$396,996,033	\$504,707,833 <sup>1</sup>	\$107,711,800

<sup>1</sup>Autism funds are included for comparison to the 2011-13 biennium. The department created a separate program for autism funding beginning with the 2013-15 biennium. Total autism funding is \$1,990,508, of which \$991,543 is from the general fund and \$998,965 is from federal funds.

**Autism Services Division** - House Bill No. 1038 provided funding of \$1,864,268, of which \$1,201,727 is from the general fund and \$662,541 is from other funds. The funding is for 1 FTE position for a state autism coordinator, statewide autism spectrum disorder training program, autism voucher program pilot project, and autism spectrum Medicaid waiver.

**Service payments for elderly and disabled (SPED) and expanded SPED** - The schedule below provides a comparison of funding for SPED and expanded SPED. The Legislative Assembly provided an inflationary increase of 3 percent and authorized a provider wage passthrough of \$1 per hour.

	2011-13 Biennium	2013-15 Biennium	Increase (Decrease)
General fund	\$14,036,062	\$15,902,656	\$1,866,594
County funds	689,150	765,584	76,434
Total SPED and expanded SPED	\$14,725,212	\$16,668,240	\$1,943,028

**Eligibility system replacement project** - The Legislative Assembly during the 2011 regular legislative session provided funding of \$250,000, of which \$25,000 was from the general fund, for costs associated with planning for the replacement of the Department of Human Services eligibility systems. In

Developmental disabilities grants funding, excluding autism funding, is \$502,717,325, of which \$247,201,318 is from the general fund, \$254,596,353 is from federal funds, \$622,135 is DD state grants, and \$297,456 is Part C. The Department of Human Services anticipates spending \$505,153,750 for the 2013-15 biennium, which is \$2,436,425 more than budgeted. The increase is due to selected programs caseloads and costs being more than anticipated in the budget.

Autism services funding of \$112,448 has been spent through May 2014. The Department of Human Services hired an autism coordinator position in September 2013, and anticipates the first statewide autism spectrum disorder training program to be held in October 2014. The department anticipates implementing the autism voucher program pilot project in July 2014 and the autism spectrum Medicaid waiver in June 2014.

The Department of Human Services anticipates spending \$15,876,981, of which \$15,151,259 is from the general fund and \$725,722 is from county funds for SPED and expanded SPED for the 2013-15 biennium, which is \$791,259 less than budgeted. The decrease is due to a reduction in actual persons receiving payments and actual costs being less than budgeted.

Service	Monthly Average Number of People Receiving Benefits		Monthly Average Cost Per Person	
	Budget	Actual	Budget	Actual
SPED	1,236	1,191	\$464	\$452
Expanded SPED	164	130	\$279	\$355

The department filled the FTE business analyst position in March 2012 and is in the planning phase of the project.

addition, the Legislative Assembly during the 2011 special legislative session provided one-time funding of \$42,617,925, of which \$8,736,675 was from the general fund, and 1 FTE business analyst position for completing the replacement of the department's eligibility systems.

**Field Services Division electronic health record information system replacement project** - Section 20 of House Bill No. 1012 provides a section of legislative intent that the Department of Human Services may procure an electronic health records system if the department can initiate the project within its 2013-15 biennium appropriation for the Information Technology Division or Field Services Division.

**Facility construction** - Section 10 of House Bill No. 1012 adds a new section requiring all intermediate care facility providers to submit all facility construction or remodeling proposals to the Department of Human Services prior to entering a contract for the project.

**Home and community-based services pilot project** - House Bill No. 1180 (2013) requires the Department of Human Services to establish a pilot project for the provision of independent case management services for home and community-based services within a county located entirely within an Indian reservation for the 2013-15 biennium.

**Electronic prescriptions** - House Bill No. 1274 (2013) requires North Dakota Medicaid to accept electronic prior authorizations submitted by prescribers through their e-prescribing software effective as of August 1, 2015. One FTE position and funding for this initiative of \$74,831 from the general fund and \$224,493 of federal funds are included in Section 21 of House Bill No. 1012.

**Critical access hospital grants** - House Bill No. 1358 provides an appropriation of \$9.6 million from the strategic investment and improvements fund to the Department of Human Services for a grant program for critical access hospitals in oil-producing counties and in counties contiguous to an oil-producing county for the 2013-15 biennium.

The Field Services Division electronic health records information system replacement project is currently in the initial planning stage. The primary project team members are being identified, and the team has started defining the functional requirements and drafting the request for proposal.

No proposals have been submitted to the department by intermediate care facilities during the current biennium.

The department has held informational meetings regarding the pilot project at the Standing Rock Reservation in Fort Yates in July 2013 and January 2014. The meetings provided a description of how the pilot project could be accomplished through an independent licensed social worker or another agency that employs a social worker for case management of all home and community-based service programs. To date, one licensed independent clinical social worker has enrolled to be part of the pilot project.

Based upon the effective date, most work will begin in the near future. The new FTE position is anticipated to be filled in February 2015.

The department paid \$4.45 million in January 2014 to the nine critical access hospitals that submitted grant applications as follows:

Facility	City	Grant Amount
Southwest Healthcare Services	Bowman	\$100,349
St. Luke's Hospital	Crosby	138,650
Jacobson Memorial Hospital	Elgin	95,342
McKenzie County Medical Center	Watford City	458,663
Mountrail County Medical Center	Stanley	343,103
Heart of America Medical Center	Rugby	365,005
St. Joseph's Hospital and Health Center	Dickinson	1,791,591
Tioga Medical Center	Tioga	359,515
Mercy Medical Center	Williston	797,782
<b>Total</b>		<b>\$4,450,000</b>

**Program of all-inclusive care for the elderly (PACE) program expansion** - House Bill No. 1360 (2013) authorizes the Department of Human Services to provide funding for the expansion of PACE.

**Expansion of medical assistance program** - House Bill No. 1362 (2013) appropriates to the Department of Human Services any amount of federal funds relating to implementing the provisions for the expansion of the medical assistance program from the federal Patient Protection and Affordable Care Act of 2010. Three FTE positions and funding for this initiative of \$248,789 from the general fund and \$157,742,548 of federal funds are included in Section 21 of House Bill No. 1012.

**Children's services study** - House Bill No. 1378 (2013) requires the Department of Human Services to identify the estimated cost to implement a Medicaid waiver or amend an existing Medicaid waiver, to provide coverage for children who have continued and substantial medical and support needs, but who, at the age of three years, no longer qualify for services under the DD waiver. The department is to report its findings to the 64<sup>th</sup> Legislative Assembly.

**Diabetes goals and plans** - House Bill No. 1443 (2013) requires the Department of Human Services, State Department of Health, Indian Affairs Commission, and Public Employees Retirement System to collaborate to identify goals and benchmarks while also developing individual agency plans to reduce the incidence of diabetes in the state, improve diabetes care, and control complications associated with diabetes. The agencies are to report to the Legislative Management before June 1 of each even-numbered year regarding the collaboration and the financial impact of diabetes to the agencies, the state, and localities.

**Statewide 2-1-1 services** - Senate Bill No. 2205 provides a \$285,000 general fund appropriation to the Department of Human Services for a grant to an organization for administering statewide 2-1-1 services for the 2013-15 biennium.

The department is expecting a proposal from the PACE provider for the urban and rural expansion.

The Medicaid Expansion program was implemented on January 1, 2014. Original estimates of the Medicaid Expansion program were 20,500 individuals with the anticipation that enrollment would increase over time. As of May 6, 2014, Medicaid Expansion enrollment was 7,883 individuals. Current data provides that most enrollees are childless adults, 52 percent are female, 56 percent are aged 19 to 44, and 69 percent are rural (urban including only Burleigh and Cass Counties). The department has not revised its expenditure estimates made during the legislative session.

The department has assembled a group of stakeholders and has held several meetings relating to this study during the current biennium.

The Department of Human Services, State Department of Health, Indian Affairs Commission, and Public Employees Retirement System have developed a draft report and will submit it to the Legislative Management before June 1, 2014.

The department contracted with First Link to provide 2-1-1 services from July 1, 2013 to June 30, 2015. The contract amount is \$442,200, with \$285,000 provided in Senate Bill No. 2205 and \$157,200 included in House Bill No. 1012.