

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1012

2005 HOUSE APPROPRIATIONS

HB 1012

becoming too dependent on their special funds and are requesting that more appropriations be made to the general fund so they do not use all of their special funds.

Ms Doris Ott from the State Library distributed handout #3-7 (attached) (meter Tape #1, Side B, #25.5) and discussed their need for additional funds in the next biennium in order to add to the online library resources, provide state aid to public libraries regarding materials and technology, and to increase employee salaries.

Mr. Dale Frink for the State Water Commission distributed handout #3-8 (attached) and discussed the goals and objectives of the Commission. (meter Tape #1, Side B, #29.6)

Variances between 2003-05 and 2005-07 were detailed on page 2 of handout. Discussion ensued regarding the issue on bonding authority within state agencies and information regarding who has the authority to bond and what other agencies also have issued bonds that are still outstanding was requested of the Legislative Council. Also requested was information regarding the history of how the Legislature was involved in deciding what projects were contracted in these instances. Specific dollar information regarding the Water Commission will come to the subcommittee hearing regarding HB1153.

→ **Ms Brenda Weisz** spoke on behalf of Human Services. (meter Tape #2, Side A, #14) (meter Tape #2, Side A, #13) Ms Weisz distributed written testimony from Ms Carol Olson, Director of Human Services (handout #3-9a) and asked that all representatives please read this on their own as she reviewed handout #3-9 (attached) discussing variances and goals and objectives. Ms Weisz noted that most of the variances come from 3 emergency actions approved in March of 2004 for \$18.3 million. These changes concern Food Stamps, Child Welfare, and LIHEAP (Fuel Assistance) and are specified on page 2 of handout. Ms Weisz gave further explanations of Basic

Care, Home and Community Based Care, Foster Care, Subsidized Adoption Grants, Indian County Allocations, State Hospital Traditional Services and the Technology budget.

Mr. David Zentner spoke on the Medicaid Management Information System (handout #3-10, attached). (Meter Tape #2, Side B, #20.7) and asked that decisions concerning this system be made as soon as possible so that they could begin their process for finding vendors. A project schedule can be found on Attachment E of handout.

*Human Services
end*
Human Services distributed additional material concerning "Government Performance and Accountability Measures" (handout #3-11, attached) with no discussion.

Ms Sheila Peterson from the Office of Management and Budget reviewed HB1024 concerning Deficiency appropriation. (Meter Tape #2, Side B, #35.9)

Rep. Eliot Glassheim clarified by saying that the funds to provide services were just a surcharge to reduce ITD's General Fund Budget and then it was decided that they were not allowed to use special funds to pay this so ITD now has a deficiency.

Ms Sandy Blunt from Workforce Safety and Insurance distributed handout #3-12 (attached). (meter Tape #3, Side A, #9.9) Ms Peterson described variances as needed because of the change in the number of FTE's, a lesser expense in professional services, and less software purchases. Ms Peterson discussed goals and objectives listed on page 5 of handout.

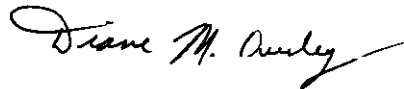
Gen. Michael Haugen spoke for the Adjutant General's Office (handout #3-13, attached). (meter Tape #3, Side A, #34.3) Gen. Haugen reviewed page 2 of handout covering all variances between 2003-05 and 2005-07, and noted that they would bring their information regarding performance measurement to the subcommittee hearing.

General Discussion
HB 1012
House Appropriations -Human Resources

Date: 1-11-05 Tuesday p.m.

Tape Number	Side A	B Side	Meter #
I	X	X	

Committee Clerk Signature



Chairman Delzer opened the hearing on HB 1012 at 2:35 p.m. to start an overview of HB 1012.

Carol Olson, Executive Director of the Department of Human Services testified. (See eight-page handout reviewing the total budget request.) On bottom of page 7, she corrected the Pharmacy Services programs savings to be an estimated \$800,000 per month, not \$250,000.

Chairman Delzer: Are there continuing appropriations within the Department of Human Services?

Brenda Weisz, Chief Financial Officer: Two--the Child Support fund and an administrative fund for treatment of gambling.

Chairman Delzer: Are there off-budget FTE's?

Weisz: No.

Chairman Delzer: We will need to see your salary adjustments for the last two years.

Chairman Delzer: I can remember when Human Services passed the \$1 billion mark. Now at 1.7 there's a question of sustaining it.

Olson: This is a hold-even budget. Healthcare costs are growing--even personal budgets grow. Bottom line: "By cutting, it's a matter of 'who doesn't get what services.'"

Rep. Ralph Metcalf: Of the 19.3% general fund increase, what percentage is caused by the diminishing federal reimbursement? Also, for the \$800,000 savings in pharmaceuticals point, is the Insurance Committee's own reduced medical prescriptions being used by DHS?

Olson: For your first question, 40%. Answering your second question, what you are seeing here is the Medicaid Rx program. The other is for the rest of the population.

Rep. James Kerzman inquired about meeting safe family requirements, and would like to know how many services are going out of state.

Rep. Metcalf: On page 6, you said all federal dollars available--does this also mean there's more dollars available through the CHIPS program?

Olson: Yes, there are 2300 children in the program.

Chairman Delzer: If we spend \$5 million on Medicaid they would match it.

Rep. Kerzman: What do we have to do statutorily for long term care We are looking at another \$14 million.

Olson: We will provide a breakdown of long term care.

Chairman Delzer: When you get that, of the \$30 million increase, \$20 is general fund. I don't understand why it would be two thirds general and one third federal. We need that explained.

Allen Knudson/Legislative Council: When you compare the increase in the OMB budget to what we appropriated last year, it is an 11.1% increase.

Weisz gave a fiscal overview (see Summary by Subdivision 2005-2007 Budget handout.) and pointed out the Human Services "Glossary of Terms."

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Chairman Delzer: I would like to have the five divisions under the 100's administration subdivision so we can deal with the issues of what people deal with.

Weisz reviewed centers by region and **Chairman Delzer** asked if the figures include salaries, and whether or not the federal authority is in the budget. **Weisz** said yes to both. She also explained executive budget recommendations. **Chairman Delzer** asked for bond area payments.

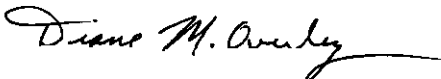
Weisz reviewed the Optional Adjustment Requests (see five-page handout on OARs 2005-2007 Biennium).

Hearing adjourned at 4:15.

General Discussion
HB 1012
House Appropriations -Human Resources

Date: 1-12-05 Wednesday a.m.

	Tape Number	Side A	B Side	Meter #
I		X	X	
II		X	X	

Committee Clerk Signature 

Chairman Delzer called the meeting to order at 8:30 a.m. and asked for roll. All representatives present.

Brenda Weisz, Chief Financial Officer for the Department of Human Services, gave an overview of Administration / Support (see three-page handout). Categories covered were Performance Measures, Overview of Budget Changes, Salaries / FTE, Operating Expenses and Loan Fund / DD. **Chairman Delzer** asked for flowcharts for each of the divisions during detail testimony.

Under Salaries / FTE, **Chairman Delzer** asked if initial reductions were current or next biennium figures. **Weisz:** Current. **Rep. Ralph Metcalf:** What is the impact of the FTE reductions on administrative support? **Weisz:** Considerable more hours are required in a number of areas to meet deadlines and turn-around times are slower. **Rep. Metcalf** asked if people are actually doing what they're supposed to. **Weisz:** I haven't had time to complete the Position Information Questionnaire, so I can't answer that.

Jennifer Witham, Director of Information Technology for the Department of Human

Services, gave an overview on the budget for the Division of Information Technology (see 10-page handout). **Chairman Delzer:** Do you use temporaries? **Rep. Alon C. Wieland:** How did you reduce salaries without reducing people? **Witham:** We have lost one-fourth of our staff.

Chairman Delzer asked Weisz for list of total reductions of staff and who was added.

Witham reviewed operating expenses for the MMIS Replacement Project. **Chairman Delzer** asked about a 50% match and **Witham** responded with 1.9 million. He asked how this tied up with SWAP. **Weisz:** It is considered public domain. **Chairman Delzer:** Should the whole amount should fall on the Department of Human Services or on the counties. **Weisz:** We have never charged the counties. For efficiency, the old interface should be deleted. **Chairman Delzer:** Is the 1.9 million is matched fifty-fifty?

Under the other operating expenses review, **Chairman Delzer** asked for a flow chart of handling clients from start to finish. **Rep. Chet Pollert:** What will the future cost of MMIS be? **Witham:** Currently it is 4 1/2 million and they are projecting the costs to be similar based on what they looked at for other states like Montana and Wyoming. **Chairman Delzer:** Did you check Iowa? **Witham:** Iowa is one of thirteen state-based programs, but they out source a lot.

Chairman Delzer asked **Weisz** if she handles IT data costs for everyone in Department of Human Services. **Weisz:** Yes. **Chairman Delzer** also asked why they're upgrading the child support system. He was told more has been spent in previous bienniums. They are certified, but have a ways to go to meet federal expectations.

Chairman Delzer: We need a schedule for desktop and laptop equipment replacements.

As **Witham** reviewed capital assets, **Chairman Delzer** asked what they'd be without MMIS.

Witham: I was told about half. (She finished the overview by referring to three IT graphs covering budget and funding comparisons, budget request by major program and the percent of operations budget allocated to ITD.)

Chairman Delzer called a ten-minute recess.

After reconvening, **Blaine Nordwall, Director of Economic Assistance Policy of the Department of Human Services**, gave an overview of programs administered by his division except long-term care (see eight-page handout). **Chairman Delzer:** Is there an interface between systems? **Nordwall:** There is some reentry work, and MMIS will not do any part of the interface.

Chairman Delzer requested eligibility requirements for Food Stamp cases for detail testimony. Discussion took place on growing use of electronic transfers. **Nordwall** also talked about the TANF program and Energy Assistance before giving an overview of budget changes. **Chairman Delzer:** Why is there increased salary costs? Also, the grants need to be detailed out later.

Mike Schwindt, Child Support Enforcement Director with the Department of Human Services, gave a budget overview (see seven-page handout). **Rep. Metcalf:** Please distinguish between IVD and non-IV-D funding. After doing so, **Schwindt** covered the Performance, Benefits and Salaries sections. **Chairman Delzer** asked about lost incentives. **Schwindt** said because of how incentives are given, they had to pass an audit and performance has to be up in order to get a bigger piece of the pie. He then referred to the OCSE Performance Measures chart and said the 2004 PEP column is used to calculate incentives. **Chairman Delzer:** Should the

Lake Region continue to be funded, since their numbers are down. **Schwindt** said nothing would be gained by shutting them down and he preferred continued funding. **Rep. James Kerzman:** Is there was a way to track where the money goes? **Schwindt:** No, centers are told their obligations, but confidentiality then takes place. **Chairman Delzer** asked if they were aware of how many bills deal with the enforcement of them. **Schwindt** replied about a dozen--five with fiscal notes. **Rep. Kerzman:** How long are the collections sat on? **Schwindt:** Six months for federal, but as a general rule, if it is "in today, it is processed today and out tomorrow." **Chairman Delzer:** Is there an interest amount available? **Schwindt:** Debit cards are being utilized at 91%. They can be used any place a VISA card is accepted. **Jim Plumming, Child Support Division:** There is no cost of debit card contract with the state.

David Zentner, Director of Medical Services for the Department of Human Services, gave an overview of the programs except the Long Term Care (see 16-page handout). **Chairman Delzer** (in reference to Attachment A-1 on Medicaid Enrolled) said he will need usage numbers, not just eligibility numbers. During the Programs Trends, he distinguished the State fiscal year as July 1-June 30, and the federal fiscal year as October 1-September 30. ND is a countercyclical state and in the future it might bottom out and show improvement in its economy.

Chairman Delzer: We would like a one-page breakdown of physician services. Is the department transferring between Medicaid and DD? **Zentner:** It is considered adjustable between categories, but we haven't yet.

Zentner reviewed budget highlights and used example of how dentists are billed. **Chairman Delzer** asked some clarifying questions before requesting comparisons of categories listed on

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Hearing Date January 12, 2005

Medical Services Biennium Comparisons (see Attachment D). **Maggie Anderson, Medical Services:** It was hard to do comparisons of bill charges because there are a lot of extenuating circumstances. We have to go through claims to get the data. **Chairman Delzer:** I want to know your pay scale percentage compared to the pay scale charges. Can you get this information by looking at a random claims case? **Anderson:** Yes. **Zentner:** Medicaid is the lowest payer of third parties. **Chairman Delzer:** Are we treating on a percentage basis the dentists the same at the optomologists and so forth?

After Zentner concluded, meeting was adjourned.

General Discussion
HB 1012
House Appropriations - Human Resources Division

Date: 1-12-05 Wednesday p.m.

Tape Number	Side A	B Side	Meter #
III	X	X	

Committee Clerk Signature *Diane M. Overly*

Chairman Delzer called the meeting to order at 2:05 p.m. and reviewed upcoming testimony schedule.

David Zenter, Director of Medical Services for the Department of Human Services, presented the Long Term Care budget which includes nursing and basic care facilities and the personal care option (see nine-page handout). **Chairman Delzer** asked a clarifying question on nursing home facilities (see Attachment A). **Zenter** said there's a big increase in personal care and less of an increase in waivers. **Chairman Delzer:** That 30.3 million increase for nursing facility care is from the appropriated amount and not from the spend amount? **Zenter:** Correct. **Chairman Delzer:** Is the proposed budget based on 3,631 bed occupancy. **Zenter:** Yes but it does not include hospice numbers. **Chairman Delzer** also inquired about the 99th, 85th and 75th percentile and if the rebasing was off of the 20/20/10. **Weisz:** Rebasing is just off of cost. **Zenter** said \$85 was the base amount, which was then inflated. All aspects of rate-selling will be in the law. **Chairman Delzer:** What have we averaged since rebasing on equalized rates? We need to know how many years we've done that.

Chairman Delzer: Has Basic Care Assistance really increased two million? What level Medicaid payments based? They're not to exceed the 70th percentile. Bill 1280 last year regarding it is to be recognized this year. There was a fiscal note on it. **Allen/Legislative Counsel** said there was \$165,000 general and \$342,000 special funds for 05-07.

Rep. Metcalf: Is there a way of determining eligibility in SPED and if a percentage is used to base the budget? **Zenter:** The numbers are estimated. **Chairman Delzer:** Those on Medicare should be eligible.

Chairman Delzer called a 15-minute recess.

After reconvening, **Allen/LC** gave FMAP explanations and a one-page handout.

Linda Wright, Director of Aging Services for the Department of Human Services gave a long-term care budget overview (see five-page handout). **Rep. Metcalf:** Was there was an increase or percentage in the TBI waiver? **Wright:** A two percent increase. **Rep. Kerzman:** Don't some of the QSPs work through the county? **Wright:** Yes, homemakers and county social service boards, for examples. **Clarence Daniel, Stutsman County Social Services:** The QSP rate we get from the department pays only for the actual time that a county social service worker is in a person's home. Every county submits its own ratio.

Linda Wright then gave an overview on the Aging Services fund portion (see seven-page handout.) **Chairman Delzer** asked for operating fees for services. He asked why the revolving loan grant was run through P&A for disability, instead of through Human Services. **Carol Olson,**

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Executive Director, Department of Human Services, said P&A was a good fit to apply for the grant. **Chairman Delzer** gave concern over P&A working with service.

Tom Wallner, Executive Director of the North Dakota State Council on Developmental Disabilities, gave an overview (see three-page handout). **Chairman Delzer** asked for the grant recipients.

Meeting adjourned.

General Discussion

HB 1012

House Appropriations - Human Resources Division

Date: 1-13-05 Thursday a.m.

	Tape Number	Side A	B Side	Meter #
I		X	X	
II		X		End = 3.3

Committee Clerk Signature 

Chairman Delzer called the meeting to order at 8:33 a.m. All members present except Rep.

James Kerzman, who came at 8:45.

Paul Ronnigen, Director of Children and Family Services for the Department of Human

Services, gave a budget overview (see 14-page handout). **Chairman Delzer:** Regarding fiscal penalties assessed, detail will be needed for the policy issues, what they cost, where the funding comes from and where it goes to. One bill that could affect this budget is Senate Bill 2149. What is the federal level of participation affected? **Ronnigen:** There are some decreases, just \$10 million less for our front-time staff. FMAP will be detailed later, but it's all part of the \$32 million. (He then reviewed trends like methamphetamine use, adoption and foster care.

Chairman Delzer: How many adoptions are subsidized? **Ronnigen:** All of them. **Rhonda**

Bergay, Accountant with Children Services: There is a county match of 25% of the non-federal portion. **Rep. James Kerzman:** What do you mean by the RFP process to get the

kids back in the state? **Ronnigen:** 46% kids out-of-state are sexual offenders. We need more resources to keep the kids instate to get services. **Rep. Kerzman:** The other 54? **Ronnigen:**

Many are just across the border. **Chairman Delzer:** Is a moratorium on beds still in place?

Ronnigen: Yes, however if we see categories of kids not serviced, we can provide them.

Chairman Delzer: We will need instate and out-of-state reimbursement detail. Also, why the trends have gotten higher. **Rep. Kerzman:** How long will the study take? **Ronnigen:** I believe we have the numbers to justify what we have and need in North Dakota. **Chairman Delzer:** We will want detail on why the trends have gotten higher.

Ronnigen reviewed graphs and the budget overview. **Chairman Delzer:** Who decides the subsidies rates? The department? **Ronnigen:** It is done with the county and A.A.S.K. Program.

Chairman Delzer: The counties basically responsible? **Ronnigen:** See Attachment A listing the major grants. **Chairman Delzer:** Who makes up the grant lines? **Rep. Kerzman:** How are tribal adoptions subsidized? Are counties picking up part of the non-federal costs? **Ronnigen:** We'll do research. We do work with tribal councils.

Chairman Delzer called a ten minute recess.

JoAnne Hoesel, Director of the Division of Mental Health and Substance Abuse Services for the Department of Human Services, gave a budget overview (see seven-page handout). Per federal government, assessments must be given and the clinical base has to be a licensed provider by the State. Administration rule, not in code. **Hoesel** talked on methamphetamine (see two-page handout). **Chairman Delzer:** Roxanne (LC), do research on whether or not federal grants are given before coming before the legislature. What is the legislative involvement before grant is submitted. **Rep. James Kerzman:** Are federal reporting requirements burdensome? **Hoesel:** We have a researcher on staff to complete reporting, but we want to know that information pulled together. The federal government has provided money to help with administration. **Chairman**

Delzer: Brenda, we'll need information on grants, maintenance efforts and matching such as like we had in the past.

Chairman Delzer: Under performance measures, why is the salary fund increased? **Weisz:** There are only so many dollars in block grants. **Chairman Delzer:** Under your grants, of that \$98,000, how much is general fund? **Hoesel:** It is all federal. **Lynn Dermond, Liaison Accountant for Mental Health and Substance Abuse,** explained how the Department of Mental Health oversees money dolled out across the state and counties. There are two parts: The Governor's Fund Dollars is a federal grant. The largest part it goes to is the Department of Public Instruction to provide substance abuse services through the schools. A second smaller part is designated to the governor of each state. In North Dakota, the Governor made the choice that the Department of Mental Health will oversee that portion. **Rep. Kerzman:** Of the licensed 86 providers, are they Heartview or individuals? **Hoesel:** A combination of large providers and individuals. **Don Rittermen, Assistant Director:** They are all accredited.

Gene Hysjulien, Director of the Disability Services Division of the Department of Human Services, gave a budget overview (see 14-page handout). He gave the distinctions between Developmental Disabilities Unit and the Vocational Rehabilitation Unit. **Chairman Delzer:** Can you transfer money between them? **Hysjulien:** Not to Vocational Rehabilitation because it is heavily federally funded.

Chairman Delzer: Under recent trends affecting budget requests, are these kids DD already has in the system? **Hysjulien:** Often no. **Chairman Delzer:** You've been asked to work with younger people? **Hysjulien:** We were told to start at age fourteen.

Chairman Delzer: Do you keep track with DD folks remaining employed? **Hysjulien:** Yes, up to a year. Records retention is five years. **Rep. Metcalf:** Do you have all the goals set by your department? **Hysjulien:** Our department sets specific goals. For Vocational we work toward federal goals, but we set state goals. Our report card with the feds show we are doing well. The feds do not set Disability Determination Services. **Rep. Alon C. Wieland:** Under customer base of \$30,000, is that a duplicated number? **Hysjulien:** It is not duplicated. In area of DD the person may have two. **Chairman Delzer:** We need chart on unduplicated and how many in each service. On your Older Blind Grant, is that just people in the DD services or VR system? **Hysjulien:** Primarily people in the Vocational Rehabilitation system. They are not necessarily trying to get back to work. **Chairman Delzer:** Is some of the money going to these people? **Hysjulien:** I don't believe so. **Chairman Delzer:** How can you go from zero to \$300,000 on federal funds? **Colleen Stockert, Liason Accountant for Disability Services Division:** We built in S048 Funds into the budget. **Chairman Delzer:** Where is it residing in the report? **Weisz:** In the BARS report. In the VR grant instead of a S048, because to make all the minor changes would take a lot of time. **Hysjulien** ended with covering MA GRANTS. **Chairman Delzer:** Brenda, is the 6.1 million that is due to a two percent inflationary increase, a separate two percent indicator than the Medicaid line? **Weisz:** This is just a DD graph. The whole department grants is a two percent increase. **Chairman Delzer:** Would this be for nursing homes, too? **Weisz:** No. **Rep. Alon C. Wieland:** Several times you referred to a Part C--what is that? **Hysjulien:** It is money we receive from the federal government to work with infants and toddlers, ages 0-3, to determine their background for disability or abuse. Also assists the child's family.

Meeting adjourned.

General Discussion
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House Appropriations - Human Resources Division

Date: 1-14-05 Friday a.m.

	Tape Number	Side A	B Side	Meter #
I		X	X	
II		X		End: 40.0

Committee Clerk Signature



Chairman Delzer called the meeting to order. All members present.

Brenda Weisz, Chief Financial Officer for the Department of Human Services, gave detail testimony for Administration / Support (see one-page Breakdown of "Other" Funds handout).

Rep. Metcalf On estate collections, does any money get returned to Medicaid?

Brenda Weisz Yes.

Chairman Delzer None of it goes back to the Feds?

Brenda Weisz I'll double check but I think there is a portion of that gets turned back.

Rep. Wieland Is that \$2.1 million the total dollars given to the state before some of it is passed on to the counties?

Chairman Delzer How much are they retaining?

Brenda Weisz We're getting 10% and they are retaining 90%.

Chairman Delzer Celeste, there is no mechanism to take the \$16.9 million out of the ITD funds and put it into the general funds.

Celeste This was brought to the OMB hearing yesterday.

*Human
Services*

Rep. Kerzman Brenda, Are the retained funds swapped out? That's supposed to be declining.

These other funds keep growing.

Brenda Weisz The swapped funds are contingent on the cost of the county. So if the county costs go up, the retained funds go up.

Chairman Delzer That is the reason we ask for comparison to see what's going up or down. Did you get an answer on the ITD funds questions from the other day?

Brenda Weisz Yes, the ITD funds can be where it is. It does not have to have flexibility. As long as we can show that is where they were expended we should be OK no matter where the language is.

Chairman Delzer So it does not make any difference if we put language in there to use ITD funds for elderly care?

Brenda Weisz Words won't matter as long as we can show the federal government exactly how it was expended.

Chairman Delzer What does your amendment to OMB say? Does it say Human Services or General Fund?

Celeste General Funds.

Brenda Weisz passed out a 16 page handout to use when each division testified on their appropriations. Discussed child care from page one first item. It shows the biennium appropriation right now and breaks down further. When division leaders talk to you, they will take you to the pages of their division and go through the details. Executive Office - 5 page detailed handout.

Chairman Delzer How many unclassified positions in department?

Human Resources

Brenda Weisz Three in the central office.

Chairman Delzer All the center directors are unclassified?

Brenda Weisz No, we are classified. Public Information Specialists is next. Page two is the Human Resource Division. Two positions are budgeted at .8 (See handout) Page three is Applied Research. FTEs for FTEs are on the bottom three boxes. Next area is Legal Advisory division on page four. The final chart on page five is Fiscal Administration Division.

Chairman Delzer What's your reason for using .9 FTE?

Brenda Weisz Employee did not have enough work to keep her busy.

Chairman Delzer Allen or Celeste - we pay full benefits for anyone .27 and above?

OMB It's 17.5 hours or about .4.

Rep. Bellew Are all these people eligible for overtime pay? How do you determine who is eligible?

Brenda Weisz Majority are eligible for overtime. Must work over 40 hours and also based on classification. Operating expenses - there are some rather large numbers so I prepared a handout that detailed some of the larger ones. (See attached handout).

Chairman Delzer Committee members we want to look for some of the new ones. You ITD telephone and data process run most through IT division.

Brenda Weisz 99.6% of that budget is a direct payment to ITD.

Chairman Delzer Do you split out those charges by division?

Brenda Weisz No, in this area the budget also includes those functions that cover all the central office telephones. What is in this budget is what's in this handout is the payments of all central office divisions to ITD and the unique needs we have. (See attached handout)

*Human
Revenue*

Chairman Delzer What's monthly charge for phones?

Janie Sterum I believe it is about \$21 a month.

Rep. Pollert So for all branches of government do they all do there own thing or is it centralized.

Brenda Weisz We work with OMB to work out a contract with Cellular One. Own phones are pooled statewide so save minutes. Next area is the travel. We do centralization with the central office.

Chairman Delzer Let's pick one area to look at on Monday, like the state hospital. What about the spin down for them? Can we get that from you or from them?

Brenda Weisz When pull information from one source and comparing it with info pulled from another source we can't compare with any certainty.

Chairman Delzer I would like to see the spin down on most of the grants.

Brenda Weisz The next area of travel - 81% of that request is motor pool and traveling for regional representatives.

Rep. Pollert When I look at the yellow sheet it shows a 1 1/2% increase. Gas has gone up more like 15%-20%. Are you guys doing more video conference?

Brenda Weisz Yes, we are.

Chairman Delzer What was the motor pool built on this biennium and last biennium? 27?

Brenda Weisz They did increase their rates significantly because of the price of gas.

Rep. Wieland This motor pool is just for Human Resources?

Chairman Delzer No, it is a statewide motor pool.

Brenda Weisz Next large area is postage. It is just that - talks about mailing. (See attached handout). She explained about rental and lease office machines and properties.

Human Resources

Rep Pollert What is the 62% represent? \$18,000 for each copier?

Brenda Weisz The older copiers are very expensive to maintain.

Rep. Pollert Lease agreements for 3 or 5 years I'm trying to envision difference between \$5,000 copier and my lease.

Celeste In front of the Executive Budget book, the leases over \$50,000 are listed.

Chairman Delzer This gives the months remaining on the lease but it does not give the length of the lease. When you lease something do you pay the overall original value total? Is that original value disclosed at purchase time. Do you own them when the lease is over?

Brenda Weisz No, we replace them. A cost benefit analysis is done to decide whether to keep or purchase new.

Chairman Delzer Operating Fees & Services - we will see another schedule that shows us what they have spent out of the budgeted amount of the first year of the biennium and through out November to compare.

Brenda Weisz (See handout). Another large area with \$732, 035 for professional services. Attorney Generals fees went up 22% from what we were paying in the beginning of the '03 biennium.

Chairman Delzer Celeste, why is that?

Celeste I will get that information

Brenda Weisz They say they are charging more proactively with the rates. We were paying \$49.96 and they will increase that to \$61.24 next biennium. They are driven by their internal costs and they are trying to recapture some of their costs. The last category I've detailed out for you is Insurance of \$140,000. (See handout)

Human Resources

Chairman Delzer Software and office supplies - is that for just what's here?

Brenda Weisz They're budgeted in each of their own areas.

Rep Pollert So under printing - is that like brochures or copying?

Brenda Weisz Also under this are the envelopes that you order and paper supplies. Not just limited to printing.

Chairman Delzer How much of that is paper supply?

Brenda Weisz \$78,390 business wide envelopes. We also had other paper products and copier products \$30,790 so \$12,000 actual printing.

Chairman Delzer called a 10 minute recess.

After reconvening, The DOIT overview was given.

Jennifer Witham, Director of Information Technology, testified. (See 6-page handout and one pie chart). I've divided it into two sections - Program Support and Desktop Support.

Chairman Delzer asked if every terminal charge is going up. **Jennifer Witham** No. Celeste ITD rates are coming for past and future biennium. **Jennifer Witham** It's based on our traditional data.

Jennifer Witham went through main handout. Child Support looking into charging for some services. Money in place to update software in case charge for fees.

Chairman Delzer You have three less employees? **Jennifer Witham** Yes, saving about

\$300,000 annually. **Chairman Delzer** But you added \$297,000 in the FTE transfer? Do you have \$300,000 less in your budget for salaries? **Jennifer Witham** Yes, on the salary line we do. On the operational no - ITD has new costs. It's almost a wash.

Human Resources

Chairman Delzer Will need a breakdown of it overall. The operational is a wash and you're saving the \$300,000, is that correct?

Jennifer Witham They had hoped to reduce FTEs by 24, they ended up, across the state, reducing 8.5 FTEs of which ITD had to rehire six FTEs. So reduction of 2.5 FTEs across the state. Savings has been in operational costs so able to absorb the labor costs without any additional costs.

Chairman Delzer Lets move on to Regional Human Service Centers

Jennifer Witham Migrating the ROAP system from a sequential file system to a rational data base. That will be a great improvement. Administrative Support State Hospital and Developmental Center. Major of the increase in this area is due to the utilization of ITD software development. Bought the source code for the system and made payments internally rather than paying a maintenance fee. Our experience so far, we have underestimated the cost.

Chairman Delzer How much is that?

Jennifer Witham \$400,000 this biennium, closer \$800,000 budgeted now.

Chairman Delzer How much an hour? Could it be contracted cheaper?

Jennifer Witham About \$58 a hour. It's an older language and hard to find support help. Want to keep in ITD. Children Family Services next, two main packages. (See handout)

Chairman Delzer How many are required and how many are just what you want and are funded? We'd like to see requirement formula. Need to prioritize.

Jennifer Witham I don't know. Operating Fees and Services - Contractual Services. (See handout).

Chairman Delzer What is MedStat?

Human Resources

Jennifer Witham We send our claims data to them and they help us look at utilization and costs.

Chairman Delzer Where are they based out of? Do they run an MMIS system?

Jennifer Witham No. Taking the claim data and analyzing the data as a management tool or research material. Helps us to evaluate what's going on according the claims data. You wanted to know about the PC Budget (See 2-page handout. Jennifer Witham explained the handout). Want to buy 800 computers at \$550 instead of \$800 for a savings of \$332,000.

Chairman Delzer Have you looked on the market to see if this price could be beat? If signing a four year contract with ITD, are we paying too much?

Jennifer Witham Every six months we can renegotiate.

Chairman Delzer Celeste, get that contract. We would like to see it. What do you have under HIPA? Where are we at with HIPA, Carol?

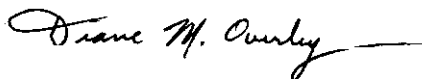
Carol I think we are within the regulations now. Not sure what is coming down the pipeline but we will incorporate any new HIPA requirements into our budget so not requesting any additional funds.

Chairman Delzer closed the hearing.

General Discussion
HB 1012
House Appropriations - Human Resources Division

Date: January 17, 2005 Monday a.m.

Tape Number	Side A	B Side	Meter #
I	X	X	
II	X	X	End a.m. Mtg: 7.8
III	X	X	End B: 31.2

Committee Clerk Signature 

Chairman Delzer called the meeting to order at 8:30. All members presents except Rep. Kerzman.

Alex Schweitzer, Superintendent of the North Dakota State Hospital and North Dakota Developmental Center of the Department of Human Services, gave a budget overview for the State Hospital (see 19-page handout plus a three-page handout on the senior leadership team).

Chairman Delzer: What is the occupancy rate? Were the patients civilly committed? Released anyone yet?

Schweitzer: There are 31 beds full. We have not released anyone. We are responsible for the sex offender program. Two floors are set aside for secure status. The women were moved to the old adolescent building. All buildings are located close together.

Rep. Ralph Metcalf: Expansion possibilities?

Schweitzer: There is space in the Thompson Center if need be--should be OK with 42 beds the rest of the biennium. (He referred to Attachment A) Admissions increase for three reasons: the increase in sex offenders, contracts and first time admissions.

Chairman Delzer: Of those 221, what is the average length of stay?

Schweitzer: Usually thirty days or less. Those who do not leave because of serious conditions like depression, are 21-50 in age.

Chairman Delzer: The repeat admissions are eight percent--how quick? Do you track re-admissions if they have been out awhile.

Schweitzer: We look at 30-day re-admissions. We do not track after that. (He then explained Performance Measures.) North Dakota is 14th out of 18th facilities at \$363 per day. Hawaii is \$645 per day and South Dakota is \$338 per day. We track by acuity. Between the ages of 21-65, patients are no eligible in the Hospital for Medicaid. The insurance rate is not going up as there are more indigent individuals.

During overview of budget changes, **Chairman Delzer** asked what Medicare payments were.

Ken Schulz, Chief Financial Officer for State Hospital and Development Center: The revenue from third party communities are declining. Not many are over age 65. There are life-time maximums. **Chairman Delzer** asked for those numbers.

Chairman Delzer: How did you increase the Other Funds?

Schulz: On the TRCC the calculation was based on actual salaries with 44.05 FTEs and we added ten percent overhead. **Chairman Delzer** noted the 1.3 million is paid for by general funds.

Schweitzer: We added thirty additional women.

Chairman Delzer: Weren't we covered by ninety last time?

Schulz: We had estimated 31 FTEs. The problem was a different building was planned to be used, which would have meant less FTEs.

Schweitzer: We used staff from our current budget.

Chairman Delzer: Shouldn't there be a reduction in your traditional services budget? We will need to look more closely at that. OMB put all capital repairs in bonding?

Schulz: Yes, \$110,000 for the water tower project, \$40,000 for electric transformers and \$65,000 for roof repairs.

Chairman Delzer: You're requesting increases in FTEs? We need to track transferring them.

Vice Chair Pollert: Does your budget represent new legislation on sexual offenders?

Schweitzer: Our 42 beds are based on those released from prison.

Chairman Delzer: Has anyone challenged the constitutionality of the whole process?

Schweitzer: At all times.

Duane, **Counsel for the Governor:** Next week the House Judiciary takes up doubling the sentence for sexual predators. It would also add supervised probation. Electronic monitoring is not used very much.

Rep. Metcalf: What is the average daily cost in the sexual offender unit?

Schulz: We will check into that for you this morning.

Chairman Delzer: Do you expect to have 35 beds full?

Schweitzer: By July.

Chairman Delzer: Carol, we asked for a breakdown of transferring of FTEs. Add the funding sources.

(**Chairman Delzer** called a 10-minute recess.)

After reconvening at 9:30 a.m., **Ken Schulz** reviewed the State Hospital budget (see two-page handout SR05 Department of Human Services Reporting Level Year 1 expenditures for State

Hospital - Traditional; and two-page handout SR05 Budget Request Summary Reporting Level for State Hospital - Secure Services).

Chairman Delzer: Do you have a list of your FTEs along with your organization chart?

Schweitzer: Yes and it includes classification.

Chairman Delzer: Please make copies.

Salary and benefits were reviewed. **Chairman Delzer** asked how many employees are making less than \$25,000 per year as base salary. He asked Don/Legislative Counsel to check into.

Rep. Larry Bellew: What are the list of benefits? Government salary package?

Brenda Weisz, CFO of Department of Human Services: Three: FICAs - 1008 budget, Salary Increase - 1010 budget, Health Insurance - 1011. Only a portion of health insurance went up. The government salary package was calculated by OMB at only 4% and 3%. No authority included.

Schulz reviewed operating expenses.

Chairman Delzer: Brenda, where did we try to get current spend-down?

Weisz: The first-year expenditures for IT. Grants are current.

Vice-Chair Pollert: Are the meal requirements more at the State Hospital?

Schweitzer: Yes, because of more special diets due to serious medical conditions.

Chairman Delzer asked how they expected to handle traditional and secure costs for food and clothing in 05-07. **Schulz** explained how they would have a better handle on splitting out costs in 05-07, but actual expenses were not split out for this biennium. He later explained they would have a 16.5% overall increase of drugs which are bought through buying groups. **Chairman Delzer** asked for the purchase rate.

Schulz covered Equipment costs.

Chairman Delzer: When you split out for secure, did you take out part for traditional for all your operating expenses?

Schulz: 7.63% -- the percentage of their square footage.

Schulz reviewed Capital Improvements. They have two outstanding bond payments this biennium (see Other Capital Payments), originally requested as an OAR.

Chairman Delzer: Diane, ask OMB for repayment schedule of the bonds. Ken, what is the travel cost for secure for?

Schulz: For management staff to attend meetings.

Schweitzer explained travel for secure services is strictly for clinical services.

Schulz explained what is covered under Equipment Leases. He then talked on Vehicle Maintenance. Later he clarified the "resale supplies" item which deals with snack foods and toiletries that can be purchased and work activities.

Chairman Delzer asked **Schweitzer** to go through the organization chart. **Schweitzer** said the first page shows sharing between the sites and the second page shows the Department of Human Services and governing body. Overall FTEs are 424 which includes State Hospital secure services (see one-page Secure Services FTE BARS pay plan handout; five-page Traditional Services FTE BARS pay plan handout; seven-page ND Developmental Center BARS pay plan handout. Names are blacked out on all).

Rep. Metcalf: Is the turnover rate high at the State Hospital?

Schweitzer replied there is more turnover difficulty at the Development Center--a rate of 14% which is still below their 15% goal. (*TAPE II started.*) Discussion on employee satisfaction

surveys and exit interviews followed. When vacancies occur, there are workload compensation adjustments.

Chairman Delzer: Brenda, we would like a list of salary adjustments.

Chairman Delzer called a five-minute recess.

After reconvening, **Rep. Alon C. Wieland** asked for an explanation of the facilities in mentioned on the Developmental Center Pay Plan. After responding, **Schweitzer** started the overview on the Developmental Center (see page 10 of 19-page handout).

Rep. Metcalf: Alex, who makes the determination when a person is located in an institution or a community?

Schweitzer: It is a cooperative effort between the Developmental Center, local human service center, DD coordinator and private individuals.

Chairman Delzer: What authority does the family or guardian have?

Schweitzer: They can stop discharge, but it can be overridden.

Sue Foerster, Assistant Superintendent reviewed age levels at the Center. From 22-50, there are 104; 50-65, there are 30 or so; one is 80. All are admitted voluntarily, exact opposite for the Hospital.

Schweitzer reviewed Occupancy Trends on page 11 (also see Attachment C). He explained a handle needs to be on who will come back after being placed in a community. Acuity plays a role. There are three Performance Measures at the Developmental Center (see graphs on pages 13-14.)

Schweitzer next gave an overview of budget changes (see page 14). When asked to, he clarified the Total Federal Funds decrease sub-point (see page 15) and said these deal with Medicaid

requests. The \$1.2 million FMAP reduction is based on the FMAP in place. **Chairman Delzer** asked for a breakdown of other funds and their sources.

(Detail testimony started)

Schweitzer reviewed Developmental Center Expenditures (see three-page SR05 Expenditures handout). He explained positions being eliminated. **Chairman Delzer** asked for a list of workforce adjustments.

Rep. Bellew: If there is a total reduction in salaries, why don't the benefits go down?

Schweitzer: It is part of the health insurance increase.

Allen/LC said Health Insurance is in the 1008 category and Salary is 1011. Weisz had turned these figures around earlier.

Schweitzer reviewed Operating Expenses covering the assessment of all developmental facilities.

Chairman Delzer: Why would it charge that much?

Weisz: Their revenues and therefore tax rates went up. The law allows us to capture up to 90% (ICMFRs).

Chairman Delzer: How many are taking more than twenty medications?

Foerster was not sure.

Chairman Delzer also asked about the Food and Clothing expenditure being less in the second half of the biennium since they only listed a \$60,000 increase. **Carol Eberstowski, Director of Fiscal Operations** more online work instead of travel is taking place and printing costs aren't as high, for examples.

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HB 1012
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Chairman Delzer: On operating fees, out of 2.8% how much is provider tax money?

Eberstowski: 2.6%. **Chairman Delzer** asked for Medicaid line detail during DD detail.

(Tape II Side B) **Schweitzer** continued through the rest of the expenditures.

Vice Chair Pollert: On the second page, the \$240,000 is comparable to the State Hospital?

Schweitzer: What is included is bonding. \$105,000 will replace a pool filtration system and \$135,000 will go toward Cedar Grove building roof repairs.

Chairman Delzer called recess until 1:30 pm. today.

General Discussion

HB 1012

House Appropriations - Human Resources Division

Date: 1-17-05 Monday p.m.

	Tape Number	Side A	B Side	Meter #
II			X	
III		X	X	

Committee Clerk Signature



Chairman Delzer called the meeting to order at 1:48 p.m. Two handouts from **Ken Schulz**, **CFO for State Hospital and Development Center** were distributed. One sheet detailed the ND Developmental Center Budget Detail for the 05-07 Biennium and the other was a Revenue Comparison sheet.

Rep. Wieland: Do we know how many bonds we have statewide?

Allen/LC said to check the blue book schedule under capital construction and outstanding bonds. For the most part they are individual budgets.

Chairman Delzer: Brenda, what are the bond repayments, except SE, that the Department of Human Services are responsible for?

Brenda Weisz, CFO: Just bonds for the Development Center and State Hospital.

Allen/LC: Other capital payment. \$593,231 previous bonds. Others that do not have a single line are under Capital Assets, page 60, second line from the bottom.

(Rep. Kerzman came into meeting at 1:55 p.m.)

Jenny Witham, Director of Information Technology started detail on the MMIS issue (see one page Summary by ACC and BOC with Funding Sources handout; two-page pie charts on MMIS

Design Development and Implementation Estimated Turnkey Costs, and Estimated Fiscal Agent Costs). She said the budget reflects MMIS as a whole and the TECs division as a program within.

Chairman Delzer: We need a breakdown of the TECs.

Witham: One viable alternative is a Turnkey approach (keeping it state-based). It is estimated to be \$34.9 million.

Chairman Delzer: We need to see how you come up with your numbers to see comparisons.

Rep. Ken Svedjan: I have no idea how FOX arrived at these numbers (see pie charts).

Witham: The majority of these costs are labor over the next two years. It will take 50 to 60 FTEs to do the customization--more money unless we out source. We checked with other states. Idaho was \$28 million; Mississippi was \$40 million. When customizing a system, it should not be compared to the size of the state, rather it should be looked at from the complexity of the situation. Only 14 states have state-based system and we want to have one. It makes sense to look at any state's DDI costs.

Maggie Anderson: (On customization) Technically, we are not buying dollars. We will select the best proposed system out there. \$30,000 is the modification of a system to meet our needs.

Rep. Svedjan: Did the feds develop a product that would serve all the states?

Anderson: North Dakota has an EDS system and the feds have a MIDA system. We signed on as a MIDA adapter.

Witham: It is changing the market.

Chairman Delzer inquired about changing the fiscal agent.

Dave Zentner, Director of Medical Services: The ITD would not be in North Dakota. The system itself does not vary no matter if it is in-house or uses a fiscal agent. The real costs come after it is up and running.

Chairman Delzer: Would we have to conform to their system? Any other states that contract with other states?

Zentner: Hawaii and Arizona contract, but Hawaii wants out. The differences in their programs is a problem. Arizona is state-based.

Chairman Delzer: Every two years if we want to change the program, we would go to the fiscal agent and tell them the changes?

Zentner: Yes.

Chairman Delzer: We need a breakdown of ongoing operations (see pie charts).

Anderson: We can check with FOX on what it typically takes a contractor to do the work.

Rep. Svedjan: Did you look at EDS or Blue Cross Blue Shield or others?

Zenter: We looked at newer systems. Maine is building from scratch which is expensive. They were certifiable. We also looked at modifying the workers compensation.

Anderson: We looked at Montana because they are an EDS system. We only projected a percentage since we are not as large. Montana's and Iowa's costs are pretty equal and we took a 75% of price projected per FOX's recommendation. *(Tape III started)*

Zenter explained it would be difficult to ever go back to a turnkey and **Anderson** said the federal government restricts contracts to eight years.

Chairman Delzer: What time frame are you hoping for?

Zentner: March 14 so we could issue the RFP and then get the contract rolling by September 1.

The longer we wait, it could bump into the next biennium. We are short basically general funds.

First priority is the MMIS system; TECs is the second priority.

Chairman Delzer: The federal government might not want to do a 90-10 match.

Zentner: We feel we are safe with a 90% match.

Rep. Svedjan: In the testimony last week, who developed the advantages and disadvantages?

Zentner: FOX (see pages 3-5).

Rep. Svedjan: Is FOX a vendor?

Zentner: Yes

Later, **Anderson** explained more ITD staff and vendor contract staff are more expensive.

Average contract costs are \$125 per hour. A knowledge transfer would be utilized when running the system eventually with ITD staff members.

Rep. Svedjan: There has to be some resemblance of one Medicaid program to another. Why is the cost so high?

Zentner: One example is our system tracks spend-downs. Also we pay differently...

Requirements per state are different.

Anderson explained Montana's Fiscal Agent Contract. She also explained electronic transfers are used in 85% of North Dakota's claims. Responding to **Rep. Svedjan's** request, she gave all the reasons why she would like to do a turnkey. Anderson also explained her department did not want to outsource medical services to other states.

Witham explained computer replacement was not considered, but monthly hook-up was--it is two different line items. Ongoing expenses would all be in code 3002.

Rep. Svedjan: Under cost comparisons, South Dakota is spending 1.8 less (see page 4 and Attachment D in last week's testimony).

Zentner: FOX helped us arrive at administrative costs.

Anderson: In regards to South Dakota, they do not process their own dental claims. So not all costs show up there.

Rep. Svedjan: With concerns about accountability and system changes, it seems you could protect yourself in a contract and not outsource it. Thirty-seven states are doing that.

Zentner: A lot of this gets back to history. I do not mind the responsibility. If there is a change needed, I can generate a payment in five minutes.

Before calling for a 15-minute recess, **Chairman Delzer** asked for a copy of the whole RFP.

(Reconvened at 3:32 p.m.)

Zentner discussed the provider tax and that the IFSCR is an easy way to attract additional dollars. Estimated 6% of revenue (have a per day tax). He also explained the mixture of federal and state dollars will change, but revenue is going up. Bottom line: The amount of federal funds will be less.

Chairman Delzer asked Allen/LC to check how much ICFMs have been raised over the last three bienniums.

Weisz explained a three-page handout on FTE Reconciliation 03-05 Legislatively Approved vs 05-07 Request. She also reviewed a two-page handout on Federal Grant Programs with Federal % and Match %. She noted which grant titles were part of the Human Service Center. She concluded with a one-page Revenue Schedule handout.

Meeting adjourned at 4:19 p.m.

General Discussion

HB 1012

House Appropriations - Human Resources Division

Date: 1-18-05 Tuesday morning

Tape Number	Side A	B Side	Meter #
I	X	X	
II	X		End: 3.0

Committee Clerk Signature *Diane M. Overly*

Vice Chair Chet Pollert called the meeting to order at 8:33. All members present including Chairman Delzer who was testifying on bills until 9:27 a.m.

Blaine Nordwall, Director of Economic Assistance Policy of the Department of Human

Services gave detail testimony on Economic Assistance (see handouts: three-page SR05

Economic Assistance Policy - Grants; three-page Summary of Economic Assistance Program

Requirements; one-page flowchart of programs going to recipients; one-page Economic

Assistance Policy Division).

Vice Chair Pollert: From day one, how long does the process take?

Nordwall: It depends on the program, but usually 45 days. Food Stamps deals with expedited benefits.

Rep. James Kerzman: Three thousand is set aside for funeral, two thousand for energy assistance... You could have a five thousand dollar funeral go up to seven thousand. Did the department favor that?

Nordwall: The department supports the Medicaid bill. Medicaid is supporting the raise to \$5,500. Generally, if you are talking about basic care, it is important to align the programs so they are similar.

Rep. Kerzman: It seems like it is padding the funeral homes' pockets. The raise seems a little high.

Rep. Larry Bellew asked for current budget figures during operating expenses detail. A new handout was provided when **Deb McDermott, Assistant Fiscal Director** for the department, spoke. (See also one-page handout Economic Assistance Policy Operating Fees and Services.)

Rep. Bellew asked for justification the largest JOBS Program contract with Job Service North Dakota. **Nordwall** explained it is intended as a work program (TANF) and individuals required to work often need job hunting skills assistance. This is paid by federal dollars.

Nordwall talked about the Food Stamp and that there is a Food Stamp match of roughly 50-50. When asked if more people need food stamps, he said there are two impacts. First, there is 65% likely eligible individuals for Food Stamps and the economy benefits through grocery purchases. Second, there is the "hassle-factor" in which people perceive it is a hassle to get this benefit. It is basically an entitlement program.

Rep. Kerzman: Are there any other vendors besides JP Morgan?

Nordwall: The contractor issued earlier was CitiBank, who was taken over by EFS, and finally by JP Morgan. There are four others that compete for this kind of contract. In the 07-09 Biennium budget we will receive procurement.

Rep. Bellew asked for an explanation of Professional Services and **Nordwall** responded, saying the government is reviewing final rules (PERM) which will be done in August. He will issue a RFP, because his department cannot wait until the legislature is gone.

Vice Chair Pollert: The 1.9 million includes possibilities for FTEs?

Nordwall: It is either to hire a contractor or hire the staff if we do not have authority to get a contractor.

Nordwall distributed a one-page Grants Summary for BARS handout. **Rep. Bellew** asked where the matching money for the Indian County Allocation was. **Nordwall** mentioned Brenda Weisz' 16-page Grant Summary handout from the other day, shows some specifics. **Vice Chair Pollert** said the total of all the grants is on the "16 of 63" page in the three-page handout by Nordwall.

Paul Kramer, Liaison Accountant for the Department of Human Services, explained a discrepancy between \$197 million on this handout verses \$194 million on the one-page handout. **Vice Chair Pollert** asked when it is just a pass-through, where are the monies going through? He was told 50% Food Nutrition Service--\$2.5 million goes through N.D.S.U. For assistant funding of county nutrition.

(Chairman Delzer came in at 9:27 a.m.)

Nordwall talked about the TANF Benefit Grant Amounts (see one-page Economic Assistance Caseloads handout). **Chairman Delzer** asked for a copy of the current caseload figures. The status of reservations with TANF was discussed. **McDermott** said the carryover TANF from 03-05 to 05-07 is \$12.8 million and it is all in federal law that it can be used.

Chairman Delzer called a ten-minute recess at 9:48 a.m.

After reconvening, **Dave Zentner, Director of Economic Assistance Policy,** explained detail on the proposed funeral funds increase. Currently six thousand is allotted per household and three thousand per individual. The funeral allowance has been around since 1981. Bottom line: a

person cannot be buried for three thousand dollars. By increasing the amount to \$5,500 individuals are encouraged to sign up sooner and will not have to spend-down.

Chairman Delzer: For the fiscal note, you took the people you expect to come on the program and divided it by \$2,500?

Zentner: The maximum asset plus added on a percentage. We did not go 100%. It was an OAR.

Rep. Kerzman: Is there any way to raise the asset limit without raising burial funds?

Zentner: We could raise the \$3,000 limit.

Rep. Kerzman: In rural North Dakota an \$8,000 funeral is not affordable to many.

Zentner: It does not have to be designated as a funeral. But then it would be across the board for everyone.

Chairman Delzer: Cost?

Zentner: \$1.3 million. General Fund: \$446 thousand. (Zentner concluded testimony.)

Nordwall commented on each of the grant programs (see three-page Quarterly Budget Insight handout).

Chairman Delzer: When you get to Medicaid, we will want to see the numbers for at least six months for Long Term Care for in-patient and outpatient. Noted for the Child Care Assistance grant there is a mandatory 100% federal and a matching (FMAP) 100%. Reference was given to Brenda Weisz' two-page Federal Grant Program

Chairman Delzer asked **Allen/LC** to check detail on the JOB's DOT Grant Fund.

Chairman Delzer asked **Nordwall** what drove the 25% increase in the Food Stamps Program.

Nordwall said it is based on an outreach program planned for those in need. After he said they

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will issue money as small as \$10 per month, **Chairman Delzer** asked him to set the amount at \$25 per month. **Nordwall** said the Federal government in the farm bill encouraged pushing Food Stamps. **McDermott** added that they had the authority to receive and spend dollars.

During the LIHEAP grant comments, **McDermott** said a large share of administration costs incurred at the county level. She said they have enough caseloads to fund 2.8 FTEs.

Meeting adjourned.

Public Testimony
HB 1012
House Appropriations - Human Resources Division

Date: January 19, 2005 Wednesday

	Tape Number	Side A	B Side	Meter #
I		X	X	
II		X	X	End: 9.3

Committee Clerk Signature *Diane M. O'Neil*

Chairman Delzer called the meeting to order at 8:35 a.m. All members present. Public Testimony on HB 1012 began.

Larry Bernhardt, Director of Stark County Social Services in Dickinson, ND, came representing the North Dakota County Social Service Directors Association. (See six page handout or tape I meter 2.0-20.4)

Rep. James Kerzman: How are the QSPs in line with rates for county reimbursements?

Bernhardt: Considerably low. QSP rates are different for each county.

Rep. Ralph Metcalf made the point that there was only one OAR.

Chairman Delzer said the meeting will stand at ease at 9:00 a.m. until more testifiers come.

Chairman Delzer called the meeting back to order.

Jack McDonald testified on behalf of the **North Dakota Funeral Directors Association** in support of the funeral set-aside portion of HB 1012. (See one-page handout or tape I meter 22.3-33.2) **Chairman Delzer** asked **Legislative Counsel** to verify when the \$3,000 amount was set.

Rep. Kerzman: Most people buy a \$7,000 funeral.

McDonald: The \$3,000 people want to keep for personal purpose--they do not want to have the whole \$3,000 set aside for funeral.

Vice Chair Chet Pollert: In North Dakota everything seems to be behind the national average, but funerals are \$8,000. What are funeral homes' profit?

McDonald: Mr. Eastgate might address that during his testimony.

Rep. Metcalf asked if the cost for a pre-arranged grave plot and marker count against the money allotment.

Rep. Alon C. Wieland: Jack, how does the \$5,500 compare to indigent funerals?

McDonald: The county figure is a little bit smaller.

Bob Eastgate, owner of Eastgate Funeral Service in Bismarck, testified. (No handout. Tape I meter 33.3-43.0) Currently you can put \$3,000 into a burial fund and \$3,000 into an asset fund. If there is any left over and designated to the fund before death, that money allotment is okay. The consideration is for folks going into the nursing home and who need to spend down their assets. Comparing against the national average, North Dakota is higher because of more traditional funerals chosen. Pre-arranged funds ("prudent man's fund") meant you could invest ahead of time--until the Securities put more restrictions. Rates for indigent funerals vary among counties--average is \$1,500. The main reason for the bill: in the past a lot of money was passed to the kids, but there was overuse with that allowance. The grave site and headstone is not part of the asset amount.

Chairman Delzer said the meeting will stand at ease until more testifiers come.

Chairman Delzer called the meeting back to order at 10:10 a.m.

Arnold Thomas, President of the North Dakota Healthcare Association, testified on HB 1012 regarding the proposed Medicaid funding levels. (See three-page handout or Tape I meter 43.8-50.9) He then introduced John Doherty.

John Doherty, Chief Operating Officer at MeritCare Health System in Fargo, testified as a registered lobbyist for MeritCare Health System. (See eight-page handout or Tape I meter 50.1-side B 6.4) He then introduced Jim Long.

Jim Long, Administrator of West River Regional Medical Center in Hettinger, testified on HB 1012 regarding Cost Reimbursement verses Prospective Payment, Changes/Improvements in medicine not provided for, and Inflation. (See one-page handout or Tape I side B meter 6.4-10.7)

Jim Cooper, President/CEO of Medcenter One, testified on HB 1012. (See two-page handout or Tape I side B meter 11.9-15.2) The estimated percentage of costs that are derived from insurance is 4%-5%. (Follow-up discussion to these four testifiers is on Tape I side B meter 15.3-26.1)

Nancy Kopp, representing the **North Dakota Optometric Association**, testified on HB 1012. (See one-page handout or Tape I side B meter 26.9-32.5)

Chuck Stebbins, Advocate for Freedom Resource Center in Fargo, testified. (See two-page handout or Tape I side B meter 34.6-40.9) He spoke in support of Gyle Peterson independent long term care preference..

Public Testimony

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Shirley Peterson, mother of Gyle Peterson, testified in support of HB 1012 on behalf of her handicapped son. (See Lyle and Shirley Peterson's one-page handout or Tape I side B meter 42.2-45)

Gyle Peterson, testified on his own behalf, for changes in the Medicaid system. He's the oldest living person in the world born with his type of muscular dystrophy. (See Tape I side B meter 46.-48.) **Dawn Prentice**, care assistant, read Peterson's own prepared testimony. (See four-page handout or Tape I side B meter 48.0-Tape II side A meter 11.0) **Chairman Delzer** asked Peterson to leave his address and phone number.

Rep. Pam Gulleeson, District 26, testified briefly and later provided a one-page written testimony from Jeff Peterson, Gyle Peterson's cousin. (See Tape II side A meter 11.4-12.1)

Bruce Levi, Executive Director of the North Dakota Medical Association, testified regarding Medicaid. (See two-page handout or Tape II side A meter 12.2-15.5)

Megan Hanson, testified on behalf of her mother, Dona Hanson, who had a brain stem tumor and funding assistance is necessary. **Chairman Delzer** asked her to leave her mother's address and number.

Chairman Delzer called recess until 3:00 p.m.

Chairman Delzer called the meeting to order at 3:03 p.m.

Shelly Peterson, President of the North Dakota Long Term Care Association, testified in support of the Governor's proposed funding levels for nursing facilities. (See five-page handout or Tape II side A after Megan Hanson testimony)

Marilyn Bender, Director of Human Resources for Easter Seals Goodwill ND, Inc., testified in support of the Aging Services Division of the Department of Human Services. (See two-page handout or Tape II side A after Shelly Peterson testimony) Mandan is their state office. **Rep.**

Wieland asked about the 88,000 units of service mentioned. **Bender** said that reduces to 22,000 hours of service and each unit is based on fifteen minutes. **Rep. Metcalf** asked about additional funding and **Bender** the current \$8.01 per hour does not allow them to compete. They are trying for \$14 per hour.

Linda Wurtz, Associate State Director for Advocacy and Communication for AARP North Dakota, testified on HB 1012 urging an automatic inflationary increase for QSPs. (See two-page handout or Tape II side A after Marilyn Bender testimony)

James Moench, Executive Director of the North Dakota Disabilities Advocacy Consortium (NDDAC), testified in support of HB 1012. (See four-page handout or Tape II side A after Linda Wurtz testimony)

Carol Wright, President of North Dakota Senior Service Providers, testified on HB 1012 urging that the Senior Mill Levy Match program be restored to its original dollar for dollar match

Public Testimony

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of what is levied at the local level. (See three-page handout or Tape II side A after James Moench testimony-Tape II side B meter 6.1) She included examples of several senior service providers around North Dakota who have been forced to cut services and staff and consider closure.

Chairman Delzer said the meeting will stand in recess until 4:05 p.m. After reconvening briefly, meeting was adjourned until 8:00 a.m. Thursday.

Public Testimony
HB 1012
House Appropriations - Human Resources Division

Date: January 20, 2005 Thursday a.m.

	Tape Number	Side A	B Side	Meter #
I		X	X	
II		X	X	End: 18.3

Committee Clerk Signature *Diane M. Overley*

Chairman Delzer called the meeting to order at 8:00 a.m. in the Brynhild Haugland Room All members present except Rep. Kerzman who came in at 8:30. Written testimony by **Cheryl Bergian, Director of the North Dakota Human Rights Coalition**, was distributed (see one-page handout favoring passage of HB 1012). **Chairman Delzer** had asked Allen/LC for a senior meal levy report which Allen could explain later if needed. **Chairman Delzer** then continued public testimony for HB 1012.

Dave Marion, Executive Director of Prairie Learning Center in Raleigh, North Dakota, testified in support of HB 1012 (see two-page handout and Prairie Learning Center pamphlet or Tape I meter 2.0-6.8). Their current service cap is at \$11.51. Their program is 4 1/2 months long.

Carlotta McCleary, Executive Director for the North Dakota Federation of Families for Children's Mental Health, testified in support of HB 1012 (see three-page handout or Tape I meter 8.1-15.8). She spoke on behalf of the Federation as well as being a parent of a child with a

mental health disorder. At the conclusion, **Chairman Delzer** asked if the Region 7 CCC totally disbanded. She replied no, but there is not a lot of funding left.

Rep. Todd Porter, District 34, testified regarding the Medicaid amendment (see two-handout; also one-page handout from Legislative Counsel on proposed amendments to HB 1012; or Tape I meter 16.0-19.5). At conclusion, Porter explained example of how Medicaid was participating as a co-payer.

Mary Rennich testified on behalf of her husband David and herself in support of HB 1012 (see one-page handout or Tape I meter 20-23.2). As funding has been cut, they struggle to find more to help their two kids.

(Rep. Kerzman came in prior to **Chairman Delzer** calling the meeting to stand at ease at 8:30.)

Chairman Delzer called the meeting back to order at 9:05 a.m.

Sheree Spear, Director of Public Policy & Advocacy for the Mental Health Association in North Dakota, testified in support of HB 1012 (see five-page handout or Tape I 24-34.7). They plan to submit an amendment to the bill. At the conclusion, she explained that the drug court pilot program targets people whose mental health causes their drug problem.

D'Joyce Kitson Smutzler testified in support of HB1012 (see eleven pages in handouts regarding brain injuries; or Tape I meter 35.5-45.2). She spoke from personal experience of having suffered a brain injury and finding no real support for coping skills services.

(Rep. Metcalf left at 9:25 to speak on the Floor.)

Betty Keegan, representing the **Graying of North Dakota Coalition**, testified in support of HB 1012 (see four-page handout or Tape I side A meter 46.1-side B .05).

Rodger Wetzel, **Director of the Eldercare Program at St. Alexius**, testified on behalf of Graying of North Dakota Coalition in support of HB 1012 (one-page handout or Tape I side B meter 1.1-5.0). He said many folks favoring this bill could not attend this hearing yesterday and today due to the icy weather.

Rick Huekster, **Department of** , testified on HB 1012 and the capacity and bettering of treatment delivery by the drug court in Fargo (no written handout; see Tape I side B meter 5.2-8.1).

Bruce Murry, **staff attorney for the North Dakota Protection and Advocacy Program**, testified in support of HB 1012 (see five-page handout or Tape I side B meter 8.6-17.7).

Cal Rolfson, representing the **Anne Carlsen Center for Children**, testified in support of HB and introduced Dan Howell (see Tape I side B meter 18-19).

Dan Howell, **CEO of the Anne Carlsen Center for Children**, testified in support of 1012 with an amendment to increase funding \$2,269,398 for children with medical fragility and to require the Department to distinguish medically fragile children in North Dakota from the remaining

ICF/MR population without such complex medical disabilities. (See six page handout; a twelve-tabbed binder on the Center; a one-page Overview of DHS/DD Reimbursement/Losses for 17 Medically Fragile Children handout; or Tape I side B meter 19-27.2.) After concluding written statement, he said 100% of our costs are picked up from other states. No medically fragile kids are out-of-state.

Myra Quanrud, MD, at the Anne Carlsen Center for Children, testified on HB 1012 and the unpredictability of the childrens' medical conditions as a major funding drain (no handout; see Tape I side B meter 27.3-34.5). She referred to photos behind Tab 11 in binder.

Harvey Huber, Board Member for the Anne Carlsen Center for Children, testified in support of HB 1012 (see four-page handout or Tape I side B meter 34.6-38.7). The depreciation cost is part of the appropriation. Reserve balances are decreasing.

Roxane Romanick testified in support of HB 1012 (see two-page handout or Tape I side B meter 42.2-47.6). She is a parent of a girl with Down Syndrome, and is also a governor-appointed member and vice-chairperson of the North Dakota Interagency Coordinating Committee.

Tom Newberger, President of the North Dakota Association of Community Facilities, testified in support of HB 1012 (see three-page handout or Tape I side B meter 48.8-Tape II side A meter 2.4). He would like to see increased funding for developmental disability providers.

Barbara Murry, Chief Operations Officer at Pride, Inc., testified on behalf of **North Dakota Association of Community Facilities** in support of HB 1012 (see two-page handout or Tape II side A meter 2.6-6.1).

Sybil Wezelman testified on behalf of developmental disabilities caregivers, in support of HB 1012 (no handout; see Tape II meter 6.2-8.1).

Nicole Hager testified as a developmental disabilities caregiver, in support of HB 1012 (see one-page handout or Tape II meter 8.3-10.6).

(Rep. Wieland left meeting at 10:36; Rep. Metcalf returned from the floor sometime before 10:36)

Chairman Delzer asked Tom to provide the turnover rate at NDACF during detail.

Jon Larson, Executive Director of Enable, Inc., a licensed service provider for people with developmental disabilities, testified on behalf of NDACF in support of HB 1012. (See three-page handout or Tape II meter 11.5-15.9.) He focused on the ISLA issues that are part of NDACF.

Chairman Delzer asked if the Interim Committee put a bill out and **Larsen** said no, it is an OAR.

(Rep. Wieland returned to the meeting at 10:45.)

Donna Byzewski, Supervisor of the corporate guardianship program at Catholic Charities North Dakota, testified in support of HB 1012 (see two-page handout or Tape II meter

16.0-21.6). Her petition focused on people with developmental disabilities. When asked by **Chairman Delzer** she said they typically use attorneys from the communities.

Mary Simonson, Administrator of Open Door Center, Valley City, testified in support of HB 1012 (see one-page handout or Tape II 22.0-25.5). Their agency serves people with developmental disabilities.

Dianne Sheppard, Executive Director of The Arc, Upper Valley in Grand Forks, testified on HB 1012 in regards to developmental disabilities services (see 45 pages in handouts clipped together or Tape II meter 25.6-37.9). **Rep. Kerzman** asked in regards to their priorities, isn't the legislature doing what it can. **Sheppard:** We feel you are not (she referred to Priority One section on HCBS Waiver Spending graph). They need help with the continuation of de-institutionalization of DD people. **Rep. Metcalf** asked why the 30 individuals have not been released from the DD center in Grafton. **Sheppard:** It gets down to the will of the community. There are 100 individuals who could and should move today. She concluded by saying what they are after is a plan.

Chuck Stebbins, Freedom Center in Fargo, testified on behalf of **Mark Boatman**, a resident of Central Dakota Village nursing home in Jamestown and who has Duchene Muscular Dystrophy (see Boatman's one-page written testimony or Tape II 38.5-44.1). **Stebbins** also talked about the Freedom Resource Center's goal to help people achieve independent living outside an institution. He encouraged funding for CILs for an OAR (Tape II meter 45-49.4).

Sandra McMerty, parent of a child with Down Syndrome, testified in support of HB 1012 (see one-page handout or Tape II meter 49.5-50.1).

Royce Schultze, Dakota Center for Independent Living in Bismarck, testified in support of HB 1012 (see one-page handout or Tape II meter 50.2-52.6).

Linda White Owl, Bismarck resident who worked for the Indian Health Services for 27 years as a dental hygienist-assistant, testified in favor of HB 1012 (see one-page handout or Tape II side A meter 53.6-side B meter .07).

Jeff Brown, Bismarck resident with traumatic brain injury, testified in support of HB 1012 (see one-page handout or Tape II side B meter .8-2.2).

Lori Heiberg, Center for Independent Living Centers in Southwest North Dakota, testified in support of HB 1012 and distributed one-page written testimonies from Michelle Endres, Gerald Plunkett, Angela Warren and 14 citizens who make up the Bowman Advocates in Bowman, North Dakota. All have received independent living assistance. (See also Tape II side B 2.7-4.3)

Chairman Delzer then distributed a two-page written testimony from **Allan Peterson, Legislative Liaison for North Dakota Association of the Blind** in support of Vocational Rehabilitation's Older Blind Program.

Meeting adjourned.

Meeting immediately reconvened for one more testimony.

Dr. Kristin Kenner, Dentist from Devils Lake, testified regarding the dental Medicaid portion of HB 1012 (see 13-page handout or Tape II Side B meter 5.7-12.8).

Dennis Sommers, DDS, testified regarding the dental Medicaid portion on HB 1012 (no handout; see Tape II side B meter 13.0-16.2). He talked about the problem with finding attorneys willing to do the work with the indigent population.

(Rep. Wieland came in at 11:40.)

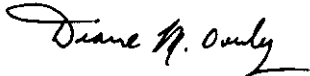
Brent Holman, DDS, testified regarding the dental Medicaid portion of HB 1012 (no handout; see Tape II side B meter 16.5-18). He is a past president of the North Dakota Dental Association.

Meeting adjourned.

General Discussion
HB 1012
House Appropriations - Human Resources Division

Date: January 20, 2005 Thursday p.m.

Tape Number	Side A	B Side	Meter #
III	X	X	
IV	X		End: 44.0

Committee Clerk Signature 

Chairman Delzer called the meeting to order at 2:00 p.m.

Mike Schwindt, Child Support Enforcement Director for the Department of Human Services, gave detail testimony (see one-page organizational chart; two-page Child Support Enforcement Expenditures handout; one-page Operating Fees and Services in HB 1012 handout). After reviewing organization chart, **Schwindt** reviewed the operating fees. The federal code reference in Social Security that establishes funds for kids is "4D," for Foster Care it is "4E" and TANF it is "4A." There are several pieces on the funding up to half a million dollars for two years to help a tribe to develop programs, and there is no matching requirements. To get direct federal funding they have to certify they are doing fourteen different things. Tribal cases and jurisdiction is an underserved jurisdiction.

Chairman Delzer: Do you still recommend that the Lake Region gets funding?

Schwindt: It is included in the budget and the legislature recommends it. Incentive training is federal money and we are under-spending it currently.

Chairman Delzer We would like a breakdown of this. How high has it grown? Is it federal law?

Schwindt: I do not know. No, it is state law. Other Fees is for state's attorney doing regional attorneys-type work.

Rep. Alon C. Wieland: For salaries, there is a \$300,000 change from 2001-03 to 2003-05. Is this because of a pay increase?

Schwindt: There was in 01-03, but not in 03-05. There has been a promotion. Also someone was gone in 01-03.

Chairman Delzer: Committee members, we are still waiting for the Vacant FTE report and would like a Salary Adjustment Report, too.

Chairman Delzer asked Allen/LC if they have researched what the dollar figures are when both spouses work for the state and draw salary and health insurance benefits (i.e. salary and health insurance roll-ups)

Allen/LC said no.

Chairman Delzer: Mike, does rent lease go up every year?

Schwindt: It is up from \$12 to \$13 now. We are in the workers compensation building now.

Rep. Wieland: Tell us where you are at with incentives.

Schwindt: Three fourths are counties, one fourth retained by state to fund our salaries opening line. Other Income is special funds due to the incentive dollars. The people can use it as "apply back" and invest it back in the program. The states attorneys are not reimbursed for regional attorney work. Grants go out to access and visitation programs and there is a 10% federal dollar match, but it is dedicated to that purpose only. On the incentive side, our best guess is we are going to get \$2 million. There is \$5 million for expenditures per year at regional offices and \$4.2

million of operation is county property tax money. There is no appropriation or fiscal note. We are hoping for general fund money.

Later **Schwindt** explained they can make the changes without FTEs, but would have to make changes around the state, like centralization.

Chairman Delzer: Committee members, it has little effect on HB 1012 so we will wait to see what the Senate does with it. We have \$2.3 for Indian County. (He asked Allen/LC to verify.)

Allen/LC: It is on the green sheet, number three on Economic Assistance. It is \$2.8 million or a \$200,000 increase.

Chairman Delzer: How long does it take to go the emergency access rout?

Schwindt: The timing is not bad, but if the legislature deleted it from the budget, then we cannot take it back to the emergency commission.

Allen/LC: That is statute. You cannot.

Chairman Delzer: I need a copy of that statute. We would just be taking it out of your spending authority.

Schwindt: If minutes reflect that it is OK for us to take request to the emergency commission, that should work.

Chairman Delzer: It makes a difference in the overall budget. (Allen/LC gave the requested statute to him.) That \$200,000 for Devils Lake is only for them, right?

Schwindt: Yes.

Vice Chair Pollert: On page 19-of-63, the Special Funds are what?

Schwindt: Check incentive money that matches the money going to the counties as grants, and check access and visitation is \$402,000.

Chairman Delzer: Is the incentive money going down for next time?

Schwindt: Yes, .0025 is our share or a little over \$1 million per year. Our piece is going to shrink.

Chairman Delzer called a recess until 3:10.

After reconvening, **JoAnne Hoesel, Director of Mental Health and Substance Abuse for the Department of Human Services**, started detail testimony (see one-page organizational chart).

Lynn Derman, Liaison Accountant for Mental Health and Substance Abuse in Fiscal Administration, explained two sections of funding--a larger one to the Department of Education and a smaller one to the governors of every state to delegate to whatever agency is he or she prefers. There is not an even split. There are standards for the FRP. All of it gets allocated out to the grants. If it is not expended, it goes back to the feds.

After **Brenda Weisz, CFO for the Department of Human Services**, gave a breakdown of the funds, **Derman** said the \$281,537 in the salary line is all out of S003 and is basically several different grants used, but they are all put into one grant.

Chairman Delzer: There are that many people working only on the Mental Health Block Grant? Or can you use that to cover someone doing different grant work too?

Derman: It can only be used for services dealing with mental health.

Chairman Delzer: How many people does it fund? *(Tape III Side B starts)*

Derman: Four FTEs.

Weisz told how budget is budget is built. Operating is funded as a line item. The Central Office Division is not easily broken down.

Chairman Delzer: Do you have a schedule of your grants?

Hoesel: Yes, on page 5-of-16 of your Grants Summary handout..

Rep. Ralph Metcalf: How come there is a reduction in the Olmstad?

Hoesel: It is a federal grant that will be ending halfway through the biennium. For the Mental Health and Consumer Services, we moved some of those dollars back up into operating fees and services because there is a plan to operate some practices out of the Human Service Centers.

Vice Chair Pollert: Brenda, all federal grants relate to a specific agency. Do you have the authority to transfer money?

Weisz: Yes, as long as we follow the guidelines.

Vice Chair Pollert: If there are grant items left over at the end of the biennium, could you use the money to spend down your expenses?

Weisz: We may or may not be able to.

Rep. Wieland asked some questions which **Derman** clarified for him.

Hoesel reviewed the operating budget (see one-page Breakdown of Operating Budget handout). Operating Fees and Services comprise 70% of their budget. **Weisz** said none of the programs under Mental Health and Substance Abuse are matched. They have a "maintenance of effort" requirement.

Chairman Delzer: If we find \$200,000 we feel should not be spent in operating, \$115,000 could come from General and interest. This would not jeopardize any of the federal for Operating?

Weisz: Correct. You compromise a program, but not a fund.

Derman later said enforcing the Underage Drinking Laws Grant should probably be with the Highway Patrol Department, but they choose not to at this time.

Don Wright, Assistant Director of MHSA, explained the majority of the overtime pay does not stay with the Highway Patrol but goes to various county sheriffs for deputy overtime.

Clarification of UPS shipping costs for the Prevention Resource Center's lending library was explained. **Hoesel** said out-of-state expenses were for conferences and grant training at an average cost of \$2,000 per trip. **Wright** explained that a stipend given to student was raised to \$5,200 (from \$750), but he or she had to remain employed in North Dakota for awhile. This was in the budget last time. It is too early to tell if there is any difference in people trying to get stipends. Basically they look for people in financial need. From three or four consortiums are 1,400 hours of internship training at Human Service Centers and with private employers.

Chairman Delzer asked for detail of pay status for those hired at the Human Service Level for pay (i.e. addiction counselors) and also the openings in the state system.

Hoesel said there were nine vacancies over the last year. **Vice Chair Pollert** asked about stipends for licensed addiction counselors--how many are trained in a biennium? **Hoesel:** There are four training consortiums around the state. Not all consortiums receive stipends. It varies from year to year how many are involved with training. Currently seven or eight full stipends and three half-stipends were given (eleven is the maximum). More \$750 ones are given. Stays are twelve months long. *(Tape II Side A starts)*

Chairman Delzer asked for grants to be covered next.

Chairman Delzer: How much did we spend on compulsive gambling? Is there a federal match?

Weisz: It is contingent funds turned back at the end of 2003.

Rep. Metcalf: A certain amount was set aside from the lottery.

Hoesel: Yes, as of December 31, \$259,027 was set aside from the lottery.

Chairman Delzer: Has the schedule of your continuing appropriations been given to us yet?

Weisz: Celeste (OMB) said you had it handed out to you this week.

Chairman Delzer: No, we have not seen it. Committee members, we need to find it. The biggest problem is we never see them.

Weisz: This biennium we are committed up to \$400,000.

Chairman Delzer: Is there any statutes that say we need to appropriate \$150,000 in General fund money every biennium?

Weisz: No. Each biennium only \$400,000 can be put into the lottery fund. More than \$400,000 could build up in that fund.

Chairman Delzer: We will have to look at that, too, I think. Allen, put this in your note for an amendment for a contingency if there is less **Hoesel** than \$400,000 coming in from the lottery.

Chairman Delzer asked **Hoesel** for a breakdown of how client coaching is being spent and how many are in the program.

Rep. Metcalf: How has the reduction of one FTE affected the department?

Hoesel: Our remaining staff absorbed more responsibilities. The mental health position has been vacant since before the biennium started.

Weisz explained "maintenance of effort" to the committee.

Chairman Delzer explained TANF, which replaced AFDC. He then asked **Hoesel** if the one less FTE has kept them from reaching goals. **Hoesel** said work force development has been slowed, but the clients are not directly being affected.

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House Appropriations - Human Resources Division

HB 1012

January 20, 2005

Chairman Delzer said Children and Family Services will start tomorrow at 8:00 a.m.

Allen/LC explained a nine-page Total Outstanding Bonds Schedule handout.

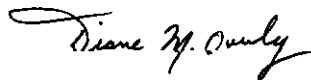
Meeting adjourned.

General Discussion
HB 1012
House Appropriations - Human Resources Division

Date: January 21, 2005 Friday a.m.

	Tape Number	Side A	B Side	Meter #
I		X	X	
II		X		End: 22.8

Committee Clerk Signature



Chairman Delzer called the meeting to order at 8:06 a.m. All members present. Distributed information that was requested from Celeste/OMB last week and will review later.

Paul Ronnigen, Director of Children and Family Services, provided detail testimony (see seven-page handout). He said they will be issuing a RFP to deal with issue of sexual predators.

Chairman Delzer: Average daily rate we pay out-of-state?

Ronnigen: North Dakota is unique in that we put cap on rate. Rates are the same as Minnesota. We try to place kids in facilities close as possible to their family, which is a federal rule.

Rep. Alon C. Wieland: At what age is a child no longer a child?

Ronnigen: At 18, for most situations. They can sign into foster care to finish their high school education.

Chairman Delzer: What is the occupancy rate in residential facilities in ND? Any closed?

Ronnigen: Red River Victory facility in Fargo is closed. A moratorium is still in place. We will get you occupancy rates.

Chairman Delzer: Where are the rest of the kids (referred to Attachment A)?

Ronnigen: There are 84 kids in PATH homes in Minnesota. Rates for Path MN kids is different from PATH ND kids because we have Medicaid dollars flowing in to help.

Ronnigen then reviewed one-page Organizational chart. There are 17 FTEs this biennium and the next. A targeted care management threat is on the horizon within a month or two. The feds may be removing and also rehab services which fund a lot of the care being done in the RTCs and the RCCFs. They will challenge the State for using Medicaid money for Medicaid kids instead of having the Foster Care division paying for it.

Chairman Delzer: What do you do with the \$12,000 for temporaries?

Ronnigen: Students every now and then help with clerical.

Ronnigen reviewed Operating Expenses (see three-page handout on Expenditures; one-page Summary of Operating Fees and Services). He explained Random Moment Studies in regards to cost allocations. **Chairman Delzer** asked for a schematic of the whole foster care system with costs allocated in each step, and where the dollars are for federal, state and county levels.

Rhonda Obrigewitch gave the adoption and foster care families background check costs (\$30 and \$22 respectively). **Chairman Delzer** referred everyone to see Weisz' two page handout on grants if they wanted to see the match. He asked if the breakdown of the \$150,000 in general all required a match. **Ronnigen:** Yes, all our general funds match federal funds.

Chairman Delzer: The special funds come from where? Where in the operating budget?

Ronnigen: The Bush grant (\$80,000) comes from Minneapolis. Special funds are in the training line item. **Obrigewitch** said they could get the breakdown.

Ronnigen reviewed one-page Summary of Significant Grant Changes. The total change in Foster Care is \$9.5 million; Subsidized Adoptions are \$2 million. Data shows more upcoming Foster care caseloads. (*Tape I Side B starts*) (Rep. Kerzman left at 9:02 to speak on the floor)

Chairman Delzer asked **Deb McDermott, Assistant Fiscal Systems Director**, to get detail on how the numbers are arrived at and why general funds are higher for Foster Care caseloads. For the one-page Children & Family Services Caseloads handout, he asked for actual caseload trendline numbers for this biennium. **Ronnigen** said the duplicated trendline graph was given in his overview on page seven.

Chairman Delzer: Do we have a list of all you grants submitted?

McDermott: See page 4-of-16 of Grants Summary 16-page handout that Brenda gave.

Chairman Delzer: Get on a graph of the kids who went through ASFA. Is it spiking still or leveling off?

Ronnigen: We have 90% of our kids who stay with their foster home--some are adopted, some are just staying. We've pushed permanency on several levels.

Chairman Delzer: It would be wise if you keep the average ages, so we can see the growth for the next three systems. The ASFA, since 1999, changed the requirements of how we deal with kids.

Rep. Larry Bellew asked about funding sources on Federal (S023s). **Ronnigen** distributed and reviewed one-page Title IV-E Eligibility handout. The program covers eligibility and reimbursability.

Chairman Delzer: How many kids are going into Foster Care because of court orders?

McDermott: On page 5-of-16 on OMB's yellow sheets, under Foster Care Services the special funds are 10.6 million.

After **Chairman Delzer** gave an example of a constituent's son being court-ordered to Minot in which the county tried to apply all \$60,000 of the expense to him, **Ronnigen** said 3.7 million in Child Support payments are in the Foster Care. **Chairman Delzer:** So the rest of the county funds is \$6.9 million? **Ronnigen:** Yes.

Chairman Delzer made the point that when these children are taken out of the home and put into foster care, the kids' home schools get the money. It does not follow the child. The State picks up the tab on ther other end.

Rep. Bellew: I introduced a bill to change that. Can we have a breakdown of funding sources for each grant?

Celeste/OMB: I will have that for Children and Family Services on Monday.

Chairman Delzer called a brief recess. He called the meeting back to order at 10:03. (*Tape II Side A starts.*)

Under Child Protective Services Grant, **Ronnigen** said they do not track spend-down amounts.

Chairman Delzer: Overall, you are underspending. Rhonda, do you have the numbers you have spent for the total grants line through December? **Obrigewitch:** No.

Ronnigen said the Collaborative Services section served as a pass-through agency--no funds in this grant area. For the County Reimbursement, we do RMTSs (Random Moment Time Study) which is the formula determining money that gets passed to counties. During the Early Childhood Services section, **Ronnigen** said he can provide a breakdown of county licensing and why counties are paid, which also involves resources and referral networks. During the Family

Preservation section, **Chairman Delzer** asked if many receive VR funds as well. **Ronnigen:** I'm not sure.

Vice Chair Pollert: You made reference to the Child Development Care Fund of \$712,000?

McDermott: The Child Care Development Block Grant Fund contains S019 and S115. There is mandatory, discretionary and general money. We made up these numbers so we could track them.

Chairman Delzer: They cannot be used for Foster Care families?

Ronnigen: Absolutely not.

Chairman Delzer commented he had a problem with their "idle federal authority."

Ronnigen reviewed Foster Care Services Funding Source section and Refuge Services section. Since 9-11, there has been a restricted flow of refugees.

Chairman Delzer: Is Lutheran Social Services and other parent companies being required to be responsible for these refugees once they get here?

Ronnigen: Not sure.

Rep. Wieland: When I served on the county board, it was a big problem. We thought it should be given to Social Services since they do the work.


Chairman Delzer: Monday morning we will finish before doing Medicaid.

Meeting adjourned until Monday at 8:30 a.m.

General Discussion
HB 1012
House Appropriations - Human Resources Division

Date: January 25, 2005 Tuesday p.m.

	Tape Number	Side A	B Side	Meter #
I		X	X	End: 42.5

Committee Clerk Signature 

Chairman Delzer called the meeting to order at 3:19 p.m. All members present for roll call except Rep. Kerzman who came in at 3:26.

Dave Zentner, Director of Medical Services, continued with the Medicaid portion. Healthy Steps is a contract with Blue Cross Blue Shield. Recommended increase is \$16.9 and might only come down 1% lower. He reviewed Treatment Services for Children next.

Chairman Delzer: Back on dental, do we treat children different from adults?

Zentner: We have a 15%-20% service differential between them. If it is medically necessary, kids pretty much get it.

(Rep. Wieland left at 3:25 to testify on the Floor; Rep. Kerzman came.)

Zentner later said on spend-down they should be looking at bed days rather than recipients. Essentially they are "backing into" the costs per day per recipient and the numbers rather than showing the actual days each month they are paying for. They are looking at \$9.8 million this biennium and \$10.6 for next biennium. They paid for 27,191 days the first year of the biennium.

Chairman Delzer: That comes out to 62 for average beds.

Zentner explained the difference between Hospice and Home Health Services. The latter is not for end-of-life care. The former is for intermittent and short term care and is only done if it is cost effective to pay for someone in long term care. It is for individuals not on Medicare or for services not covered by Medicare. A "unit of service" is a visit or "hours of service."

Premiums on Social Security Administration represents requirements to report to the federal government. Premiums cover 70%. (Rep. Wieland came back at 3:44)

Chairman Delzer asked for which medical services were mandated.

Zentner said mandates are required for Inpatient and Outpatient, Physician Services, Treatment Services for Children (if screen is needed), Home Health, Premiums - Social Security, Rural Health Clinics, Durable Medical Equipment, Transportation Services, Family Planning (90% match), Laboratory and X-ray Services, Ambulance Services, ND Health Tracks. Optional services are Net Drugs, Dental (except for kids), Premium Healthy Maintenance, Optometry, Special Education.

Zentner said many rural health centers were not making money, so federally-funding health clinics are increasing and, on the average, receive more. For durable medical equipment, they try to provide what is needed, but not "cadillac" styles. Premium Health Maintenance has saved between 2%-3% over what would have been spent in for services as well as given quality delivery of services like immunizations and prenatal care. The SSI is for elderly who would not otherwise qualify. With ND Health Tracks, it is voluntary for the recipient. It is important for kids to be screened or it will cost a lot of money later.

Chairman Delzer: You basically equalize all this into one line item, right?

Zentner: Yes. At the end of the Biennium if we are \$1 million short in one area and DD, for example, is running up dollars, we will use that to cover a shortfall.

Chairman Delzer: Did we ever get the comparison levels of reimbursements to billed costs?

In response, **Zentner** handed out one-page Billed to Paid Percentage by Provider Type handout.

(Tape I Side B starts)

Zentner continued with other mandated services: Federally Qualified Health Centers, Medicaid Buy-In Program, Hospice (nursing homes only), Premiums - SLMB, Refuge Assistance, CHIPs, Breast and Cervical Center (those without insurance). More optional services: Hospice (the services itself), Speech and Hearing, FC Family Support, Psychological, TCM DJS Alternative Care.

Zentner said in the next biennium the mandated Hospice (nursing homes) cost is moved into the LTC budget.

Chairman Delzer: I need to know exactly how you get your nursing home numbers.

Zentner: We are at 40 beds a day average. Hospice uses medically-certified organizations. We are paying \$4 million in nursing care costs. There were 14,919 days in the first twelve months, which is actual days paid August through July. A unit is the actual daily payment we make to hospice to manage care.

CHIPs is for kids who used to be on Medicaid. The FMAP is higher now. It eliminated the need to look at assets. Instead they ask only if a person above or below a certain number of assets.

There are 600-700 cases with the budget built on a four-week period. The 8,475 units is a combination of all services provided.

Chairman Delzer asked questions regarding the health care trust fund and capped amounts. He then asked Roxanne (LC) to do research on how much money is for Womens Way funding, how much was taken out in the current biennium, what is the authority language here or in Womens Way bill, and what is the effect of the proposed appropriation versus the governor's budget.

Zentner stated more mandated services: Physical Therapy, Premium - Group Health, Premiums - Qualified Individual 1 & 2, Funeral Set-aside. More optional services: Premiums - AIDS Insurance (all State funds), Chiropractic (limit of twelve payments--9,126 people in 2004) and Occupational Therapy.

Rep. Wieland: Regarding all of these insurances, who are the premiums paid to?

Zentner: The vast majority gets paid to providers.

Chairman Delzer: We will do MMIS tomorrow.

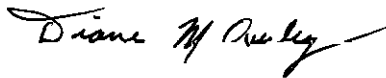
Meeting adjourned at 5:01 p.m.

General Discussion
HB 1012
House Appropriations - Human Resources Division

Date: January 26, 2005 Wednesday a.m.

Tape Number	Side A	B Side	Meter #
I	X	X	
II	X	X	
III	X		End: approx. 37.0

Committee Clerk Signature



Chairman Delzer called the meeting to order at 8:37 a.m. All members present.

Dave Zentner, Director of Medical Services for the Department of Human Services, gave detail testimony on the Medical Management Information System (see one-page MMIS Replacement Project State Operated map handout; one-page Comparison of Operational Cost Differences between Alternatives 3 and 5 for Year 1 of Operations handout). ITD would change dramatically with ten fewer FTEs. Contract Management and Business Analysts are different from each other. We need to monitor the contractor's work.

Chairman Delzer said the Fiscal Agent numbers are OK but not enough credit is given to the turnkey side.

Maggie Anderson, Assistant Director of Medical Services: We have been told with no uncertainty that because of our sizable contract we would need the staff. The business analysts will take the place of the ITT staff. The contractor contracts would be for MMIS, DSS and POS (point-of-sale pharmacy). These could be three separate ones or one getting all of them.

Zentner: For a fiscal agent we are looking at \$4.2 million. The total cost for year one is \$6.8 million versus \$5.3 million, a difference of the \$1.4 million estimate. Annualized over an

eight-year operation, it is \$59 million versus \$46 million. The difference is about \$3.6 million.

The General Fund difference is \$3.4 million. Once the system is up and operating, the matching rate is 75%. That is how we came up with the savings in the turnkey operation versus a fiscal agent.

Rep. Ken Svedjan: The staff costs are what I call direct costs. What are the indirect costs for these FTEs (i.e. computers, desks, phones, space)? My point is you get down to a difference of \$1.45 million and it would seem to me that 39 additional people would carry some costs not reflected.

Zentner: I cannot deny we are reducing operating costs.

Anderson: The device cost and connect charges are accounted for, some costs like space and rent is not. We can work with Brenda on that.

Zentner reviewed one-page Analysis Summary DDI handout for cost detail on getting the system up and running.

Chairman Delzer: How did you get twelve ITDs?

Zentner: It is an estimate from a contractor factored at \$90 per hour which is a blended rate. There would be the same number of people for DoIT and Medical Service.

Chairman Delzer: Why do you think you can use fourteen less FTEs?

Anderson: There are two shifts--an increase in ITD staff who will have a more significant role in the knowledge transfer, and a decrease in contractors staff.

Zentner: The IV & V Contractors assist monitoring the contract and system. Based on FOX, the total cost of DDI is \$34.9 million with a Fiscal Agent. The difference between year one and year two was figured at a 2.94% inflation.

Chairman Delzer: Why would it cost more on the turnkey side?

Anderson: The DDI costs were built on nonrecurring costs, but we built in extra time for the turnkey side. With a Fiscal Agent, they would be responsible for certifying the process. Fiscal Agent contract amounts do increase based on the consumer price index.

Vice Chair Chet Pollert: Does North Dakota have 64% of the Montana caseload?

Zentner: It is between 60%-75%. There are a certain amount of fixed costs (structures) and management (see one-page Comparison of Montana and Wyoming Operations to North Dakota handout). We have tried to compare apples to apples, with claim processing, computer operations and enrollment being the most important.

Zentner, in answer to **Rep. Svedjan's** questions, said FOX was hired to assist us them in the overall planning process and helped weigh pros and cons. Because they assist on the Spec development, they are forbidden to bid on the contract.

Rep. Svedjan: You have what you need to bid it both ways right?

Zentner: Yes, states usually decide up front. It is costly to put an RFP together--at least a half million each. The bidding will be done for one or the other.

Rep. Svedjan: You can put both RFPs out at the same time. We will need proposals or bids for both in front of us.

Zentner: You will have to require bidders to put out both; It is in their best interest to do the fiscal agent contract. We might get one turnkey.

Rep. Svedjan: Having both types of bids will help the legislature determine what to do.

Anderson: If we release two RFPs, what specific costs are you wanting? They will highball the turnkey, because their money is in the ongoing operation (fiscal contract). So it may not be a just comparison.

Rep. Svedjan: My interest is to get the best system at the best price.

Anderson: We felt we did that with FOX in getting the best cost comparison over the past nine months.

Chairman Delzer: We will discuss this as a committee later.

Additional handouts were distributed (see one-page Comparison Iowa Contract for Core MMIS Only; one-page Comparison Information Iowa Core MMIS Contract Services; one-page MMIS Replacement Information).

Rep. Alon C. Wieland: Please recap the MMIS time-frame starting with the RFP.

Zentner: In my full committee testimony, attachment E has project activity based on a March 14 release date. If we have to do two RFPs, March 14 will not happen.

Rep. Ralph Metcalf said he would like to see the work done in North Dakota and **Zentner** said they decide based on efficiency and what is most economical.

Zentner finished with the grants portion from yesterday.

The seven-page Long Term Care Estimates for Home and Community Based Care handout (SWAP comparison) prepared by Deb McDermott was distributed, and will be explained later when present.

Zentner: For Health and Children's Services we have numerous clinics to provide these services. We plan on spending \$319,000 for the biennium. This includes three parts: metabolic food, clinics operated and actual payment of services.

Jamie Stair, Liaison Accountant and Budget Specialist, told what they expect to spend and that they can never anticipate it exactly.

Zentner: We spent \$330,000 total for those three areas. Next, for Nursing Home Surveys, there is \$76,000 (\$34,000 SWAP and \$38 federal) with a 57/43 split. There are 80 facilities.

Chairman Delzer: Do you guys want to take nursing home surveys over?

Zentner: No thank you! It may not be in the best interest for the payer to also do the review process.

Chairman Delzer: Is there agents out there we could contract with?

Zentner: There are federal regulations that require that.

Zentner then covered Remedial Eye Care. The Health Center Grants are gone from the budget this time.

Chairman Delzer called a recess until 10:05

After reconvening, Long Term Care was detailed.

Zentner first reviewed Nursing Facility Limit History page showing the rate progression to January 2003.

Barb Fisher, Manager of Long Term Care for the Department of Human Services, explained how they average the rates and limit costs.

Zentner: Our average rate today is \$144.48. The Calculation of Nursing Facility Median Plus Limits page handout shows the rebasing process and what it will result in.

Chairman Delzer: When you build the budget, do you always build higher?

Zentner: Basically we use a 5% inflation factor.

Fisher: The budget is built on the most current figures available. We just received the 2005 rates, but they have not been audited.

Chairman Delzer: I would like to see the 2005 rates.

Zentner reviewed the Impact of 2% Inflation versus DRI/CPI page. He also explained what "909075" stands for from the Nursing Facility Limit History page and how it involves tiers of care costs and recognized cost containments. (*Tape II Side A starts*) By state law LTC facilities cannot set the rates any higher than what is set.

Chairman Delzer: There are 34 different rates and we will look at an average of all those rates.

Zentner reviewed one-page 2004 Rates Ranked Rebase 6/30/03 handout, covering facilities' direct, other direct and indirect costs. The yellow figure is the medium and is multiplied 120%.

Chairman Delzer: We need this for 2005 and for what you will do for 2006. Committee members, we are going to want to figure out what we want for numbers. But when we work on this later we will want HB 1257, which is the bill that authorizes this.

(Rep. Kerzman came back in at 10:45.)

Zentner reviewed three page handout on LTC 2005-2007 Budget, Nursing Homes and Basic Care.

Chairman Delzer: Can you change your actual numbers into equivalent occupied bed days?

Zentner: Yes.

Chairman Delzer asked for this comparison with Hospice and Basic Care, as well.

Zentner: For Personal Care, I have good news. The State Plan Amendment is approved, so we will be able to continue to claim dollars for Basic Care. Bottom line is we may not be getting as much federal money as we have built into the budget. We will have to work through the rates

process. Also in Personal Care, you are going to have expanded SPED individuals who previously were paid with state dollars; individuals on SPED who are Medicaid eligible and receiving personal care services (and so those dollars can be claimed as matching dollars); the waivers will move over to the personal care option. That is why you are going to see us going from \$2 million to \$14 million because of the big transition.

Chairman Delzer: We need a side-by-side of that for how it is paid this biennium and how it will be paid next biennium, and why the increases in each one.

Chairman Delzer asked Fisher to provide a breakdown between actual and how many beds for hospice there are. He also asked about Title III E money, which is Family Care Givers money that is allowed to be used for direct care services.

Basic Care was reviewed. **Brenda Weisz, CFO for the Department of Human Services**, said they went with a 2 % inflator across the board because there was not a statute; and because of Basic Care and nursing homes were able to receive inflationary increases all along whereas the other providers did not receive an inflationary increase for two years. They were made to put a clause in that limits them to the amount of what the legislature gives, or what the CPI is. More money can be given, but they would be limited on federal match purposes.

Deb McDermott, Assistant Fiscal Director, explained one-page SWAP sheet handout.

Basically, because things keep changing, the funding numbers keep losing credibility. They have made a number of assumptions in order to pull these numbers together.

(Rep. Metcalf left at 11:15.)

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House Appropriations - Human Resources Division

HB 1012

January 26, 2005

Weisz: After 26 years, our system is not the greatest, but we are trying to provide the best data we can. We have been looking at SPED services and it is not at the same level it used to be.

Chairman Delzer: We will stand in recess until this afternoon.

General Discussion
HB 1012
House Appropriations - Human Resources Division

Date: January 26, 2005 Wednesday p.m.

Tape Number	Side A	B Side	Meter #
II	A	B	A: from 35.0
III	A		End: 27.0

Committee Clerk Signature



Chairman Delzer called the meeting to order at 2:59 p.m. Detail on Long Term Care for HB

1012 continued from this morning. **Barb Fisher, Manager of Long Term Care for the**

Department of Human Services, reviewed one-page NF Limit Analysis handout. **Chairman**

Delzer: What will it cost to rebase from 2003-2006, inflating it at the CPI? **Fisher** said they will figure that out for the committee. She then reviewed two-page Comparison of Nursing Facility rates and census 1/1/2005 to 1/1/204 handout, citing the Kenmore facility as an example.

(Tape II Side B starts)

Dave Zentner, Director of Medical Services for the Department of Human Services: We

cannot just assume that inflation will take care of all issues. That is why you will see us

averaging a 5 % increase. **Fisher** reviewed one-page Nursing Facility Full-time Equivalent Beds handout.

Zentner: There are 48 out-of-state (Minnesota) beds. We have a reciprocal agreement to pay for two years, a process we have had for years.

Chairman Delzer: Your actual beds in the current has everything except hospice, right?

Zentner: Yes, 3665 was the appropriation. Hospice was estimated for 40. We are \$4 million over budget and almost all are Hospice nursing home.

Fisher: We will get the cost of the Hospice room and board (37 beds) that is included in the budget of \$348 million of the Nursing Homes. (She then reviewed two-page Detail of Selected Services 2003-2005 Actual for Nursing Homes and Basic Care handout.)

Deb McDermott, Assistant Fiscal Director, reviewed the seven-page Home and Community Based Care LTC estimates handout, with Weisz clarifying some things further. Tables included are on SPED, Expanded SPED, TBI Waiver, Waiver - Aged and Disabled, Targeted Case Management - Aged and Disabled, and Personal Care Option. (Rep. Kerzman came in at 3:29 p.m.)

Chairman Delzer: Wasn't the Personal Care included in the Expanded SPED budget?

McDermott: We just learned yesterday of more dollars and 44.5% of those costs will be moved over to personal care.

Linda Wright, Director of Aging Services for the Department of Human Services, explained what triggered the increase of TBI clients is greater residential services.

McDermott said each "unit" for the Targeted Case Management - Aged and Disabled is a case management visit, not people. It is based on previous tables and inflated by 2%. County case managers do the visits currently. **Chairman Delzer** asked them to check out where it is being paid for now and if they are double budgeting.

After **McDermott** finished handout, Long Term Care detail was concluded.

Wright reviewed one-page organizational chart for Aging Services. Next reviewed was a one-page Breakdown of Operating Budget handout.

Chairman Delzer: What happened to your lease?

Wright: We moved to the Capitol from the Dakota Development Foundation building.

Seventy volunteer ombudsmen work for North Dakota. **Lynn Derman, Liaison Accountant for Aging Services**, explained temporary worker contracts and why it was not put under Salaries.

They have a contract with an agency, so the worker is not a State employee.

Wright reviewed two-page Older Americans Act Programs 2004 handout. These are federally-funded and the mill levy match is used by several of these groups.

Chairman Delzer: We need how much total is going out by region and community so we know how much is for this and the mill levy match. Allen, please get how much is used for transit services. The Title III Program (Older Americans Act money) is used in your match figures--why?

Brenda Weisz, CFO for the Department of Human Services said it is a maintenance of effort and a match in state dollars as well. It is the Aging Services Older American Acts funding and these are the general funds that go toward that maintenance of effort requirement.

(Tape III Side A starts)

Vice Chair Pollert: Is there a bill to increase on that public transit fund?

Wright: Yes.

Chairman Delzer: None of the counties want to go up on their mill levy.

Wright said it is up to the local funding authority (county commissioners) to appropriate the money. State law says "up to two mils" but the counties determine what exactly.

Grants were reviewed for Aging Services (see page 4-of-16 of Grants Summary report). Listed are Mill Levy Match, Preventive Health Services, Supportive Community Services and Telecommunications Equipment.

Wright reviewed operating costs (see three-page Aging Services Expenditures handout). The Older American Act prohibits them to charge for any service. They need to target those in need, but cannot refuse anyone. There is a proposed cost-sharing and sliding fee scale, but Congress has not approved.

Chairman Delzer: Where is your compulsive gambling?

Weisz: Mental Health and Substance Abuse--\$150,000 of General Fund. The language of the cap is in our appropriation bill.

Chairman Delzer: We need language put into the amendment for code that caps it at \$400,000. Does \$50,000 per quarter work for you?

Weisz: We would have to reword the contracts.

Chairman Delzer: Check to see how the contracts are drawn down. We will consider what to do with the \$150,000.

Wright reviewed five more handouts: one-page County Funded Services - January 2005; one-page Qualified Service Provider Rates; two-page County Service Provider Rates; one-page Qualified Service Providers - As of 1/4/2005; and one-page QSPs Per County map.

Chairman Delzer: Do you have the number of individuals being served per county?

Wright: We could give the rate for each QSP that is going into each county.


Chairman Delzer: Well, not if it is too hard to get.

Meeting adjourned at 4:38 p.m.

General Discussion
HB 1012
House Appropriations - Human Resources Division

Date: January 27, 2005 Thursday

Tape Number	Side A	B Side	Meter #
I	X	X	
II	X		End: 15.5

Committee Clerk Signature 

Chairman Delzer called the meeting to order at 8:30. All members present. A two-page Major Funding Changes Affecting Developmental Disabilities Service Providers Since 1999 handout from Legislative Council was distributed. Also distributed a one-page memo from Blaine Nordwall, Director of Economic Assistance Policy, regarding TANF funds to purchase services for TANF beneficiaries from a transit authority. **Chairman Delzer** reviewed the upcoming schedule.

Gene Hysjulien, Director of Disability Services for the Department of Human Services, reviewed FTEs (see one-page organizational chart). There are 49.1 FTEs (a reduction of two). There has been a lot of turnover in the Disability Determination Services.

Chairman Delzer: Committee members, we should have the vacant FTE report from full committee. Allen (LC), can you get more copies of them? I would like to know how much health insurance increase is for each of the divisions. OMB should have this.

Hysjulien explained the Randall Shepard Funds have been collected through vending machines along Interstate highways, but these proceeds for blind people have diminished. The line item is under Grants - Equipment under \$5,000. He next reviewed operating costs (see three-page

Disability Services Expenditures and one-page Operating Fees and Services 2005-2007 Budget handouts). Salaries are 15% General and 85% Federal. **Mark Kolling, Assistant Director of Disability Services**, and **Colleen Stockert, Liaison Accountant for Disability Services**, responded to Corporate Guardianship questions. **Hysjulien** said Part C Early Intervention and Part C Right Track are both 100% federal funds. **Chairman Delzer** asked for a breakdown of counties served and the numbers for each one. **Hysjulien** reviewed conferences, speakers, temporary staff, ADA activities, DDS Temps and miscellaneous fees.

During the Interagency Program for Assisted Technology (IPAT) discussion, **Chairman Delzer** asked Allen/LC to find out for sure if the revolving loan fund does reside with P&A. **Hysjulien** said Teresa Larsen from P&A provided the committee information on this earlier.

Hysjulien finished operating expenditures.

Allen/LC distributed a five-page North Dakota State Agency and Institution Vacant Positions As of 12/31/04 handout. (*Tape I Side B starts*) **Chairman Delzer:** Committee members, for the Human Service Centers there are a fair number.

Vice Chair Pollert asked clarifying questions regarding the Revolving Loan Fund program running through P&A.

Chairman Delzer called a recess.

Meeting reconvened at 9:58.

Hysjulien reviewed grants (see one-page Summary of Grants 2005-2007 Budget handout).

During capital assets review, **Chairman Delzer** explained to committee members where the grants spend-down shows up in the bill (section 3 line 24) and that it is that way for all the divisions.

Kolling: With the dollar-for-dollar match requirement, when a provider submits their billing to us, on their billing they have to certify they have the match. A contract is in place for what each provider can bill for.

Chairman Delzer: How much for this? We need to know.

Kolling: There is \$218,000 contracted out for the current biennium.

Chairman Delzer: Why did we raise it to \$300,000 for next biennium with no match requirement?

Kolling: The providers have had a difficult time raising the match requirement. Dave Zentner has obtained a personal care option with the federal government, so some of the individuals will be switched over to receiving support under the Medicaid State Plan Personal Care option. There are potentially 106 people. Some providers have chosen not to go this route, so statewide we are at 69 individuals total for \$218,000. In 01-03 it would have been more than \$300,000. (Rep. Kerzman came in at 10:08.)

Stockert: Closer to \$800,000 in our budget for the 01-03 Biennium.

Chairman Delzer: So you are not going to require a match?

Kolling: Some of them would go under Personal Care.

Chairman Delzer: So you will be fully funding all 106 without any match at all?

Kolling: Yes, sir, that is our hope.

Chairman Delzer asked for a schematic of the whole grants program.

Hysjulien reviewed one-page Individuals Served by Program in 2004 handout, focusing particularly on Vocational Rehabilitation. **Chairman Delzer** asked for a breakdown of the education portion of VR cases as well as spend-down tables for Independent Living Contracts.

(Tape II Side A starts) **Hysjulien** reiterated Stockert's earlier comment that there have been times they have not spent Part C Early Intervention money and returned it to the federal government. It is treated as the tax-payers' money.

Handouts for selected services detail and provider increases were distributed, but will not be reviewed until the afternoon meeting.

Celeste/OMB explained the health insurance increase for the divisions. Salary and benefits go into different codes, which could not be done before. The information is also under the tab section Total on Insurance and Employee Assistance.

Chairman Delzer called meeting in recess until 2:30 or 3:00 p.m.

Chairman Delzer called the meeting to order at 3:03 p.m. A one-page North Dakota Association of Community Facilities handout was distributed. It has to do with the agency turnover rates before the 87 cents given last biennium and the turnover rates since then. The 2% inflator will mean an 18 cents per year pay raise.

Hysjulien distributed a two-page article on technology that helps a ND rancher overcome paralysis.

Kolling reviewed Medicaid Grants (see nine-page Detail of Selected Services 2005-2007 Budget and eight-page Provider Increases - OAR 3 w/ FMAP Review handouts). Day support family subsidies reimburse families of kids with disabilities. It is non-medical--a trained individual may come into the home so parents can go out to a movie or whatever for a relief break.

Chairman Delzer: This is what has been provided after lawsuit from Grafton residents' parents once their kids left that institution. How do you get your numbers?

Kolling: Units are total unduplicated hours billed individuals divided by 823 average. They operate Monday through Friday so the most we would charge is 174 hours a month. There are 151 units per person on average.

Chairman Delzer: Your overall number you serve? The point-in-time should be roughly equivalent to 42/13.

Kolling referred to a one-page DD Caseload by SFY handout and a one page Services by Region as of 1/3/2005 handout. He said the 4,006 day supports is an unduplicated number.

Vice Chair Pollert: For the actual persons receiving, are you using nine months to come up with your budget?

Kolling: The day supports starting number was 850. We projected last March we would end up with 810 people at the end of the present biennium. Since then approximately twenty individuals have been added for 838. Then from a school situation we ended up with 850.

Chairman Delzer: Looks like you are right on your units per person. How much is budgeted for the 03-05 biennium?

Kolling: \$26,856,000.

Stockert: There is 17.8 million through November. Our projection is \$28 million.

Kolling spoke on two individual day support cases. (*Tape II Side B starts*) He said there are approximately thirty day support providers. Their billings are current. Next Kolling reviewed ICF/MR Adults and pointed out error described in sub-note (see bottom of page three). The one type of DD claims that have to be HIPA-compliant are the ICF/MRs. The appropriated amount is \$39,979,000 and the expenditures to date are \$20.4 million. For the biennium, **Stockert** said \$32.8 million, but that does not account for November 2004 yet.

Chairman Delzer: Forty-one is budgeted for next time. Do they fall under the two-and-two inflator built in?

Kolling: Yes. See Table 11 on other handout.

Chairman Delzer: What is the cost per individual per day support?

Kolling: It is \$10.02 per hour for an average of 145 hours per month or \$67.26 per day using five-day average.

Chairman Delzer: Any other costs for the persons who have switched from ICF/MR to MSLA?

Kolling: No.

Chairman Delzer: Back to ICM/FRs, what is the cost per unit comparing this biennium to the next? There are no inflators this biennium. Next biennium you start with \$248.98, right?

Kolling: Yes. Our projected ending rate for ICF/MRs for the present biennium is not the full number (\$223.29) because it is the ICF/MR without the provider assessment.

Chairman Delzer: Why was not that built in?

Responding to Chairman Delzer's question, **Weisz** also referred to David Zentner's testimony on provider assessments and stated they can collect up to 6% of the revenue.

Chairman Delzer called a ten-minute recess.

After reconvening at 4:20 p.m., **Kolling** reviewed ICF/MR Children. These fall under the 2% and 2% and the assessment. The ICF/MR Children CHIPs Table (no handout) shows they can claim a higher FMAP and are averaging about twelve children currently. Each group home will have its own rate. The CHIPs Medicaid eligible children are in five ICF/MR homes.

Chairman Delzer: I want your handout on all the licensed homes.

Kolling distributed one-page Group Homes Licensed by Developmental Disabilities as of December 10, 2004 handout; also two-page Intermediate Care Facility for the Mentally Retarded handout. He explained how rates are set for the children, and referenced the Congregate Care, Minimally Supervised Living Arrangement, Specialized Placement and Transitional Community Living Facility sub-categories. Next he reviewed ICF/MR Physically Handicapped. **Stockert** said expenditures through October are \$13.2 million; projected is \$20.5 million and \$18.9 is appropriation. All fall under a 2.2 inflator. **Kolling** said an increase of five people, so they are using 118 people for the figures. (*Tape III Side A starts*)

Chairman Delzer: Brenda, do you remember the starting rate at Grafton?

Weisz: With the Governor's salary package, it was \$4.19. But what that includes at Grafton, which these ICM/FRs do not include, would be the dental, drugs and all the other services these folks would receive outside of this budget area under Medicaid.

Chairman Delzer: Have you ever done a side-by-side comparison?

Weisz: No. We could take clients in a community and do a sampling, then match against MMIS.

Chairman Delzer: The ending rate for this biennium is?

Kolling: \$227.49.

Chairman Delzer asked Kolling to put the last four DD Grants services on a handout and committee will try to cover next Monday after joint hearing.

Meeting adjourned at 4:58 p.m.

General Discussion
HB 1012
House Appropriations - Human Resources Division

Date: January 28, 2005 Friday a.m.

Tape Number	Side A	B Side	Meter #
I	X	X	
II	X		End: 46.8

Committee Clerk Signature



Chairman Delzer called the meeting to order at 8:03 a.m. All members present for roll call except Rep. Kerzman who came in at 8:21.

Yvonne Smith, Deputy Director of the Department of Human Services, gave an overview of statewide trends (see nine-page handout). She referred to Attachment A for a Summary of Core Services for the regional Human Service Centers. Payment rates for the foster care families can be provided. The SMI's are Medicaid Eligible.

Chairman Delzer: Look up for me the bill that talks about using a certain amount of money for faith-based treatment. There is a problem with licenser. We need to make this program available, if nothing else, on a pilot-program basis.

Smith said there are very few programs outside of core services--only Domestic Violence and Sexual Offender Treatment. They can provide a sliding fee scale, which is the same statewide, as well as provide a collection rate. The VR clients have disability that prevents employment. On the DD side, there is mental retardation. The distinction is in the definition.

Brenda Weisz, CFO for the Department of Human Services: No counseling is done in Gene's division (DD). All the work, assessments, etcetera is done in the Centers. The numbers you see in the VR budget are the office costs and grant payments. VR does not do the assessments.

Chairman Delzer: Please get me the number of clients at DDS.

Smith referred to Attachment B pie charts on the North Dakota Population by Region and the Percent of Total HSC Clients by Region. There is considerable consistency between these two sets of data.

Chairman Delzer asked Weisz to go through that with him with Allen/LC sometime. Are there more private entities doing the same things as the HSCs?

Smith: I really do not think so. But that is a question you can ask the regional directors.

Vice Chair Pollert: Are there 30- or 60-day waits to get into a Center?

Smith: Our standard is to get people in within ten days. The courts would like it sooner.

Chairman Delzer called for a recess once Smith concluded her overview and asking committee members to retrieve performance books from full committee room.

Chairman Delzer called the meeting back to order at 9:03 a.m.

Lynn Nelson, Regional Director for South Central and Lake Region Human Service Centers, gave an overview (see eleven-page handout).

Chairman Delzer referenced the 310 individuals who received VR (see page two) and asked for a breakdown of successful cases for all the HRCs. (*Tape I Side B starts*) He later asked what kinds of reports are used for operating.

Weisz: They are required to follow the same format as BARs, which Celeste did (see pages 41-43 of Department of Human Services detail on yellow sheets).

Chairman Delzer asked for the spend-down of each.

Rep. Ralph Metcalf: With travel decreases, is it affecting your ability to provide services?

Nelson: No, we are doing training through poly.com so people do not have to travel down.

Nelson reviewed the organizational chart.

Chairman Delzer: Can we get the South Central Budget for all FTE classification Time and Service, like the ones we received for the North Dakota State Hospital, by next Wednesday?

Weisz said yes and explained how HSC budgets are built.

Chairman Delzer: The big question is how do we make things more efficient for direct client services.

Nelson said they are looking at how to streamline paperwork before reviewing the three-page Lake Region HSC Expenditures handout. Half-time position benefits are based on percentage of time worked.

Clinton DeVier, Regional Health Service Centers Fiscal Manager, commented on a contract with one person which costs \$10,000 of the \$50,000 budgeted.

Chairman Delzer: Why is there is \$56,000 in federal funds carryover?

Weisz: It has been difficult to find someone to do the work on the reservation.

Chairman Delzer: We need a breakdown of all the grants for each region.

Weisz: That is on my Grants Summary 16-page report. Lake Region's are on page nine.

Chairman Delzer: Brenda, we would like a breakdown of the Psych/Social Club grant.

Nelson explained Psych/Social Club services were for. He also reviewed the Psychiatric/Psychological/Medical Service, Residential Services, (*Tape II Side A* starts) Respite Care, and Substance Abuse Treatment or Prevention Services grants.

Weisz commented on turn-back money for all the HSCs--she will not see their data until next week. But they are still \$12 million over at the State Hospital.

Chairman Delzer called a five-minute recess.

At 10:22, meeting reconvened to cover the South Central HSC information (see page seven of Nelson's handout). Nelson said they are not getting the increase in numbers like they used to from the State Hospital in Jamestown. (Rep. Metcalf left at 10:30 to testify on a bill.)

Mark Anderson, Regional HSC Fiscal Manager, reviewed statistics about Region VI.

Chairman Delzer: Why do you have the vacant FTE position listed?

Nelson: We have great difficulty filling the Psych FTE role. No other psychologists are in our region. (He then referred to three-page South Central HSC Expenditures handout.)

Chairman Delzer: We would like a breakdown of Grants/Benefits/Claims for other centers so we can see the specific contracts and programs.


Nelson and **Anderson** reviewed the South Central HSC grants on pages 12-13 of Grants Summary handout. These include: Adult Protective Services, Case Aide, Crisis/Safe Beds, Crisis Care/Safe Beds (federal), DD Services, Detoxification, Psych/Social Club, Residential Services and Substance Abuse Treatment or Prevention Services.

Meeting adjourned.

General Discussion
HB 1012
House Appropriations - Human Resources Division

Date: January 31, 2005 Monday p.m.

Tape Number	Side A	B Side	Meter #
I	X	X	End: 16.5

Committee Clerk Signature 

Chairman Delzer called the meeting to order at 3:30 p.m. All members present for except Rep. Wieland who came in by 3:45, and Rep. Metcalf. The week's schedule was reviewed, noting former Rep. Coates' funeral and President Bush's Fargo visit on Thursday.

Mark Kolling, Assistant Director of Disability Services for the Department of Human Services, finished testimony for Developmental Disabilities from January 27 (see one page DD Grants 05-07 Budget Information Requested 1-27-05 handout). Adjusted projections noted for ICF/MR Adult and ICF/MR PH. The last five DD Grants were reviewed, starting with ISLAs (see page six of Developmental Disability Grants Detail of Selected Services handout).

Chairman Delzer: For Individualized Supported Living Arrangements, what are your actual expenditures to date?

Kolling: It is \$1,818,182. Our starting project number is \$732 which includes twenty individuals transferring to the Medicaid State Plan Personal Care Option.

Chairman Delzer: We probably have a little more room than what your projection is.

Kolling: The total number of units for the 16-month period is 351,218 or 720 people per month.

The projected daily rate is \$84.45 which includes the 2% inflator.

Rep. Larry Bellew: What is DD State?

Kolling: It is the payment for one individual we will not be able to claim for Medicaid reimbursement, so it is paid out of General Fund.

Chairman Delzer: What triggered the fact of covering this individual not covered by Medicaid?

Kolling explained their criteria ties back to a combination of what the North Dakota Century Code and DDABRA (Developmental Disabilities Assistance Bill of Rights Act of 1978) say.

Four individuals were affected by the definition, as well as a few others who were able to get into other services.

Chairman Delzer: It is almost \$6,000 per month for one ISLA individual.

Kolling: Two individuals.

The MSLA or Minimally Supervised Living Arrangement service is higher than ISLAs, even when MSLA and ISLA share living space in same building. **Kolling** explained licensing can and does vary per apartment complex, but it is not a cumbersome process. For a seven-month average with a 122 individuals the average is \$88.68; then add in eleven ICF/MR individuals at 147.61; the weighted average is then 95.42 (includes 2% inflator) for the 133 individuals.

Transitional Community Living Facility and the Family Subsidy services were reviewed.

Chairman Delzer: On today's handout, the actual number of those receiving are quite low compared to what you have projected. You are not using the actual number.

Kolling: The actual contracts for the first year is \$616, 000 and the second year is \$641,000. We spent \$689,000 for the whole sixteen months. We tend to see request for reimbursements as we get close to the end of the fiscal year.

Chairman Delzer: How do you figure to do it for \$243,000 next biennium?

Kolling explained it is because of consumer choice and President Bush's Freedom Initiative, allowing for self-directed support services for family and adults. Fiscal agents will process and pay the bills for these families. The total of self-directed support is \$2.5 million, \$892,000 in General funds. There will be more choices and more responsibility with Family Subsidies, Family Support Services and Home Supports.

Chairman Delzer: I would like to see something on this. I do not think you can spend the whole subsidy. We want to see the side-by-side so we can see how you increase and justify it.

(Tape I Side B starts)

Brenda Weisz, CFO for the Department of Human Services, explained Family Subsidies further. Each biennium, the total Family Subsidy amount is spent because the amount given to families with disabilities involved is way below what they actually need. The money is not fronted to them--they need to incur the expenditures--so it is more of a timing issue with their submitted claims. A side-by-side comparison, though, can be provided.

Chairman Delzer: Yes, it should be for what services they are going to do; how much is an expansion of services and how much is a different way; whether or not we are recapturing federal dollars that we currently were not with Family Subsidies.

Kolling: We can write \$5,200 in Family Subsidy contracts with \$1,416 as an average contract or \$1,568 average contract over six months of year.

Chairman Delzer: Brenda, do you add them to the Home Community Base charts?

Weisz: No, we keep it within the waiver.

Kolling reviewed Extended Services (see two page handout).

Chairman Delzer: It is a five-day week for most people. How do you come up with your actual number of units?

Kolling: The actual units of intervention bill comes from DD case management authorizing a set of actual hours. Intervention is the actual hours that the provider spends with the individual on the job for training or adaptation to a change on the job.

Chairman Delzer: What is the 03-05 budget built on?

Kolling: The beginning caseload was 330; the ending caseload is 335. The cost per service is \$19.59 per hour. Twenty dollars is what has been used for the first seven months (i.e. Net expenditures).

Gene Hysjulien, Director of Disability Services, provided handouts for requested information from last Thursday's hearing. (See one-page Individuals Served by County in 2004 handout.)

Chairman Delzer: Why is Vocational Rehabilitation higher?

Hysjulien: It covers a variety of disabilities, plus it is time-limited. We know if a person comes through more than once. (See one-page Percent of Vocational Rehabilitation consumers still employed after nine months handout; and one-page Vocational Rehabilitation clients who attended college/university programs, FFY 2004 handout.)


Chairman Delzer: We will meet back here 8:30 a.m. Wednesday.

Meeting adjourned.

General Discussion
HB 1012
House Appropriations - Human Resources Division

Date: February 2, 2005 Wednesday

Tape Number	Side A	B Side	Meter #
I	X	X	
II	X	X	
III	X		End: 4.7

Committee Clerk Signature 

Chairman Delzer called the meeting to order at 8:33 a.m. All members present including Rep. Kerzman was meeting with students and came in shortly after. **Chairman Delzer:** I have asked Legislative Council to give us a side-by-side between the PERs and Medicaid plans. Tomorrow two of our members will be seeing President Bush. We will take in information on HB 1252 in the morning. **Brenda Weisz, CFO for the Department of Human Services,** gave requested handout on the Human Service Centers classifications. If employee is hourly, then there will be an hourly amount. She also provided clarification in response to **Rep. Ralph Metcalf's** question on rates. **Lynn Bingham, Fiscal Manager for Northeast Human Service Center,** responded to question on married couples working.

Nancy McKenzie, Director of Northeast and Southeast Human Service Centers, gave an overview starting with Region IV NE HSC (see nine-page handout). There is no indication the Substance Abuse and Treatment Block Grant is ending. Those block grants are designated to improve services. Twice they tried to RFP the Ruth Meiers Adolescent Treatment program, but were unsuccessful. Temporaries were used, but without benefits, so turnover was high.

(Rep. Metcalf left at 8:55 to speak on a bill.)

Chairman Delzer: Yvonne, do you have a sense that the psychologists are demanding a 2% increase?

Yvonne Smith, Deputy Director of the Department of Human Services: It needs to be negotiated. There are some providers we will have to go higher with in order to maintain services. Depends upon the market they are in.

McKenzie explained 90% or higher are serviced at the Ruth Meiers home. Specific numbers can be provided. There are seventeen employees (full-time, part-time and temporaries). Benefits are not doubled.

Rep. Larry Bellew: How many people are working as shared FTEs?

Chairman Delzer: I would like to see that split out.

McKenzie reviewed organizational chart, and the spend-down (see one-page Northeast HSC Expenditures handout). Discussion on FTEs moved in order for the NE HSC to maintain positions, took place.

Chairman Delzer: I do not think we have given you authority to move FTEs.

Weisz: An OMB memo said any agency could shift FTEs. We did not add FTEs, though, just shifted them internally.

Bingham: There was no impact on General Funds.

Chairman Delzer: What is the split on Ruth Meiers now?

Bingham: I do not know.

Weisz: Each HSC has to manage their own budget. Although no general funds were added to the NE HSC conversion, they did take a look at the efficiency that they could afford within the business office. The overall General fund increase is \$556,000.

Chairman Delzer: What are you expecting for turn-back?

McKenzie: A bit over \$100,000. There was a vacancy in the psychiatrist position for awhile.

Chairman Delzer: What is the ID number for that psychiatrist?

Bingham: Position 3838 on page two.

McKenzie said they would prefer to hire another psychiatrist instead of contracting out as this would save costs. **Bingham** said hourly contract rates vary by market. They have three contracts at: \$140, \$130 and \$120.

Chairman Delzer asked for anybody with two-and-two inflator built into their contract.

McKenzie reviewed temporaries, including crisis line staffing costs. (Rep. Metcalf came back at 9:23.)

Weisz said the NE HSC health insurance increased from \$488.66 per month to \$559.16.

Chairman Delzer reviewed benefits being put in. (*Tape I Side B starts*) Could OMB check where all the percentages come from?

Celeste/OMB: I will check that out.

Bingham reviewed travel costs and leases. The building rent is now \$12.05 per square foot. The recent increase was the first time since NE HSC occupied the building. The primary expense under Operating is the National Family Caregiver Program.

Chairman Delzer: I would like to see the Repairs line item broken down.

For NE HSC grants, see two-page Grants Summary handout.

Weisz: For Adult Protective Services grant, the Title III Older Americans Act grant is capped. The Care Coordination grant increased. **Bingham** said the DD Services audiologist was under operating; Altru does not provide detoxification services for them anymore, so they are trying to find a new facility. There are 174 clients in the Psych Social Club (27 clients average daily) and the increase may be because of the work program they added. Residential Services and the Substance Abuse Treatment and Prevention grants were reviewed.

Rep. Alon C. Wieland: Brenda, is there a different standard for line items among agencies for repairs, professional services and operating fees.

Weisz: The chairman is smiling! When you are seeing the inconsistency, it is probably for SC HSC Psychiatric. At the HSCs we have tried to streamline the inconsistencies and work on core services. It is cleaner in the Central Center for what is a purchased service and what is a grant.. OMB set up a grant coding specifically for HSCs which has been complicated and left to the discretion of the fiscal officer.

Chairman Delzer called a recess.

After reconvening at 10:21, **Chairman Delzer** read and explained Celeste's/OMB information on retiree health contribution. The state retirement contribution is 4.12%; 4% is contributed by the state on behalf of the employee in lieu of increase in 1983 and 1984; 1% is the retiree health contribution (Century Code 54-52.1).

Nancy McKenzie gave overview on the Southeast Human Service Center (starting page four of handout). **Weisz** explained Fund325C dealing with carryover collection. **McKenzie** continued with Trends and Characteristics.

Rep. Metcalf inquired about the best methamphetamine program available and **Rep. Kerzman** asked if a faith-based initiative is used in their substance abuse treatment. **McKenzie** said they have better methamphetamine treatments, but still researching. They like to see their providers licensed, but would want faith-based providers to follow some standards. Screening infants with DD has grown. They are required by law to ID infants at risk, but early intervention will prevent serious problems and costs later. **Rep. Metcalf** asked if she was aware of the Prescription Connection (i.e. The RX program running through the insurance commissioner's office).

McKenzie: I know we access all the programs out there. **James Gebhardt, Fiscal Manager for Southeast Human Service Center**, commented on the subject. *(Tape II Side A starts)*

Reviewed Overview of Budget Changes, and Organization. **Chairman Delzer:** Brenda, do you have a list of how many positions you have filled since November?

Weisz: Yes, and how many vacancies in December.

McKenzie: Addiction counselors and nursing positions have proven difficult to fill.

Rep. Kerzman: What adjustments did you do with less FTEs?

McKenzie: Residential Services were contracted. We cut services in order to maintain critical areas.

Chairman Delzer: Why is the General Fund Percentage higher here than the other centers'? Are Medicaid eligibles going to private providers?

Gebhardt: There are several reasons. First, reallocated resources. Also, greater demand. We had between 200-300 admissions. Historical cost was used when going to use interactive video programs. Our motor pool is not large enough to meet serving clients.

McKenzie: Eighty percent of our clients are in Cass County. We have staff out every day of the week. We have always provided outreach services, since not all clients can come to us.

Chairman Delzer: I would be very interested in knowing if you plan on having less people on ongoing services in the future.

McKenzie: We try to serve those most in need and transferring them to lesser programs.

Vice Chair Pollert: Why has the operating fees and services increased by \$15,000 from 01-03 to now?

Gebhardt: It is related to the Family Caregiver Program started last biennium.

Chairman Delzer: It seems we have a lot of overlapping services. With federal money coming, we seem to expand our services. But is it really worth doing all these programs?

McKenzie: That is why we have reporting on federal block grants. We have worked really hard to tighten the front door at Southeast HSC.

Chairman Delzer: Why wouldn't repairs fall under Buildings and Maintenance?

Weisz: OMB separates parts from services and we follow their coding.

Chairman Delzer: The \$289,000 is a huge chunk of change for temporaries and overtime? How are you handling your crisis line?

McKenzie: We handle it differently. "On call" staff is given comp time.

Gebhardt gave breakdown of temporary job positions.

Reviewed the three-page Grants Summary handout for SE HSC. The Experienced Parent program under DD is a mentoring program for Parents with DD children. The Psych Social Club has a 555 membership with 35-40 average daily, 20 per day on weekends and three new members each month.

Chairman Delzer: What kind of fundraising does the Psych Social Club do? How much of their contract is with the Center? How much of your grant goes for staff?

McKenzie: Historically, a high percentage, if not all of it, has been our contract. We encouraged them to not rely fully on us. We have that contract information if you like.

Chairman Delzer: I would like detail for one or two.

Could we see a sliding fee schedule for your clients?

Weisz described the types of clients serviced (i.e. indigent mainly). Their DD is not ever cured, so mainly it is finding the right level of service for them.

McKenzie: Our contract with Meritcare is 70% of cost. We cannot negotiate anymore because there is no more money. We discourage emergency room usage. Our roll-up is a little over \$100,000.

Yvonne Smith, Deputy Director of the Department of Human Services, commented on inpatient hospitalization.

Chairman Delzer encouraged the department to send another waiver request to the federal government. (*Tape II Side B* starts)

Chairman Delzer called the meeting to stand in recess until the afternoon.

Chairman Delzer called the meeting to order at 2:34 p.m. (Rep. Bellew was not present due to illness; Rep. Metcalf gone until 3:00 p.m.)

Marilyn Rudolph, Director of Northwest and North Central Human Service Centers, gave an overview starting with Region I Northwest HSC (see five-page handout; two-page organizational chart; three-page Northwest HSC Expenditures handout).

Rep. Kerzman: Have you seen a decrease in methamphetamine uses in the NW HSC?

Rudolph: There are fewer meth lab busts and emergency admittance, but problem is still prevalent.

Chairman Delzer: Why are there 230 in temporaries?

Rudolph: We are one of the few who provide job coaching.

Chairman Delzer: Why are they funded through the HSC instead of DD?

Smith: Because they use an in-house program, unlike the other centers.

Chairman Delzer: Your FTE number?

Rudolph: Fifty.

Chairman Delzer: Operating Fees include?

Keith Welch, Business Manager for NW and North Central Human Service Center: A little bit of everything. The main increase is due to the Family Caregiver Program.

Reviewed grants for NW HSC (see one-page Grants Summary handout). DD Services does not have a federal match. Psychiatric services contracts are \$100 per hour. The Medication

Monitoring includes SSMI and two-and-two inflator and affects 30% of the clients. Psych Social Clubs is seven days per week and mostly SSMI individuals. They contract with Mercy Hospital

for Substance Abuse Treatment and get their dollar's worth out of them with 720 unduplicated cases served. (Rep. Metcalf came in at 3:00.)

Reviewed the North Central Human Service Center (see page five of handout).

Chairman Delzer: where is the increase of \$200 in "Other" coming from?

Welch: TANF and collection.

The spend-down was reviewed (see three-page North Central HSC Expenditures handout).

Travel is for outreach and some in-town. The average workload is 35 per case aide and 40-45 for SSML. Their lease rate is \$9.34 per square foot with 41,182 square feet. They saved \$4,000 this biennium by pulling everyone under one roof again. Food and clothing cost were clarified more.

Rudolph and **Welch** reviewed their grants (see two-page Grants Summary handout). Flex Funds is down on a sliding-fee scale basis. Psychiatric Services has two contracts at \$129 and \$130 per hour with no inflation. (*Tape III Side A starts*) Reviewed CD Residential grant and then their relationship with Indian Health Services. The turn-back amount is \$152,000.

Chairman Delzer called a recess to see if bill carriers for other bills were available to give an overview.

Meeting adjourned.


2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1012

House Appropriations Committee
Human Resources Division

Hearing Date: 2-4-05 Friday p.m.

Tape Number	Side A	Side B	Meter #
I		X	
II	X		18.2

Committee Clerk Signature 

Minutes: **Chairman Delzer** called the meeting to order at 2:17 p.m. **Brenda Weisz, CFO for the Department of Human Services** provide a one-page Funeral Set-aside Rates handout.

Tim Sauter, Director of West Central and Badlands Human Service Centers, gave testimony starting with Region VII West Central (see seven-page handout). (Rep Kerzman left at 2:27.) He reviewed the Overview of Budget Changes and Organizational Chart. The penitentiary and Missouri River Correction Service does impact them as there is a lot of probation and parole and many stay in the community. There is some concern for the additional planned beds and that some of their counselors will resign. The major portion of their service deals with substance abuse: alcohol, marijuana, methamphetamine, others.

Vice Chair Chet Pollert: Do you have spend-downs?

Sauter: Yes (see three-page West Central HSC Expenditures handout). We used to have four full-time temporaries on staff and some overtime when we did some automation. When the

addiction demand increased, we converted four temporary positions to regular. They previously were not on benefits.

Rep. Larry Bellew: By converting these people to full-time, you increased your authorized full-time employees. How did you do that?

Weisz: On the FTE schedule, we made internal changes by moving two from the State Hospital and two from _____ back in March. The authorization is at the 124, which he currently is at for the current budget. And the .5 is all that will be requested for the next biennium.

Sauter: The majority of our operating fees is for the Family Caregiver Program--\$115,000.

Vice Chair Pollert: Your turn-back?

Sauter: We are anticipating \$150,000, mostly from vacant positions and contracting with nurse specialists.

Vice Chair Pollert: Do you do any outside contracting for psychiatrists? Where is it in the spend-down?

Sauter: Under Grants and Benefits. Sixteen hours per month is psychiatry time at \$129 per hour for a child psychologist; 32 hours per week is for nurse specialists at \$45 per hour.

Vice Chair Pollert: Is there an inflationary increase on some of these psychiatric contracts?

Sauter: No, the two-and-two inflation is only for residential and case aide services. We have twelve providers. We will be paying \$13.54 per square foot on our lease.

Chairman Delzer: Do you have handout on grants?

Sauter: We lost the Crisis Care / Safe Beds contract and are looking for a new vendor. (See three-page Grants Summary handout.)

Chairman Delzer: For Evaluation Services - VR, how did you shift that from state to federal?

Tom Klein, Business Manager for Region VII West Central Human Service Center: The majority was simply an internal switch.

Chairman Delzer: What is your spend-down for Inpatient Hospitalization for Addiction?

Sauter: It is a purchase services agreement. We pay only if beds are filled. We have psychiatric services because before the people come to their appointment, they go to UND to have a screening first. We are reimbursed for Title XIX for that screening.

Chairman Delzer: Do you keep a running total of AR?

Sauter: No. We bill clients on a regular basis.

Weisz: We have a centralized collection office and one contact in fiscal administration.. They keep 25% of the collection, but we first try to set up a payment schedule so we can get 100% of the payment.

Chairman Delzer: Did we ever get a list of higher pay raises?

Weisz: We can provide that.

Chairman Delzer called a recess.

After reconvening at 3:25, **Sauter** reviewed Region VIII Badlands HSC. (See also three-page Badlands HSC Expenditures and one-page Grants Summary handouts.)

(Tape II Side A starts)

Rep. Ralph Metcalf: Why did DD increase?

Sauter: A number of factors caused it: the children are screened better and earlier; children are surviving more; and there are changes in child abuse neglect laws.

Chairman Delzer: These have more federal funding all along. How about after the screenings?

Gene Hysjulien, Director of Disability Services for the Department of Human Services: The

Part C funding is constant. Title XIX funding is different.

Chairman Delzer: What is your turn-back?

Sauter: \$20,000.

Chairman Delzer: Why was your lease a lot less than the first year?

Sauter: That was an 11-month lease and we were behind in billing.

Vice Chair Pollert: Why did your Operating Fees and Services increase \$70,000?

Sauter: It is related to the Experienced Parent Program (\$41,000) and the Family Caregiver Program (\$28,000).

Chairman Delzer: Why is the \$12,600 in General Funds for Adult Protective Services?

Dana Rivinius, Business Manager for Region VIII Badlands Human Service Center: It was a funding shift..

Vice Chair Pollert: Back on Medical / Dental / Optical, why is there \$30,000 in 05-07?

Sauter: We took a look at our needs. Medical assistance is vital for indigents, but not every medication is available. We try to keep them stabilized in the community, rather than sending them to the State Hospital.

Chairman Delzer: Committee members, go home this weekend and review your notes. Allen, there was a discussion to draw amendments of dropping sections two and three off the bill.

Allen/LC: We wanted to keep section one so you can see what was appropriated last time.

Meeting adjourned.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1012

House Appropriations Committee
Human Resources Division

Hearing Date: 2-11-05 Friday a.m.

Tape Number	Side A	Side B	Meter #
I	X	X	End: 48.7

Committee Clerk Signature

Diane M. Overley

Minutes: **Chairman Delzer** called the meeting to order at 8:02 a.m. All members present, including Vice Chair Pollert who was delayed briefly with legislative work.

Chairman Delzer: We will start with HB 1012's Overview of Administration and Support. We had issues with FTEs (i.e. moving and vacant FTEs). We have underfunded the State Hospital, Development Center and the Department of Human Services. We should add \$600,000 to the \$1.2 or \$1.4 appropriated. I request an amendment on this, but not necessarily pro rata. I am concerned about the hiring we have seen just before session started.

Rep. James Kerzman: I agree with that.

Chairman Delzer: Any comment of the moving FTEs in December? I understand why it happens, but it bothers me that it happens.

Rep. Ralph Metcalf: Perhaps they did it based on the cuts we put on them last year.

Chairman Delzer: I would feel better if they came to us first. We have discussed it, at least. I want to add that I think the department is doing a really good job and for how they presented the budgets and for their cooperation.

Rep. Alon C. Wieland: I would like to see the salary lines broken out by: current salaries, current FTEs and projected FTEs and benefits. This should be under each section and for BARS.

Chairman Delzer: Maybe we can come up with a better format, but I do not think BARS handles it. Diane, call to have an OMB rep here. Let's cover DoIT next. It is an OMB budget bill that requests all departments to go to four-year replacement cycles. They need the money because of updating computers. Committee members, I need someone to bring this issue up in full committee. I am not sure I agree with all of the charges that come out of ITD. We are using special funds derived from other agencies.

Rep. Kerzman: Are we going to make the determination for MMIS about turn-key or not?

Chairman Delzer: I think we will have that discussion in full committee. They hope to get more information on a fiscal agent.

Rep. Kerzman: I would favor a turn-key and request an amendment for that.

Chairman Delzer: Allen (LC), I do not know if we have done anything.

Allen/LC: We will add section to let the department know what direction.

Chairman Delzer: Put that on there for all the sections and then we will take a vote on them one at a time. Economic Assistance is next. I was concerned about the level of funding. Allen, I would like contingency language about the PERM. If the feds relinquish the request, then we want the money put back in the general fund.

Vice Chair Pollert: I would like an amendment eliminating the \$50,000 on the Food Stamps Program outreach, which is 50/50 match. Employee and Training is 50/50, too.

Chairman Delzer: Overall, they are running a pretty tight ship.

Vice Chair Pollert: I think there needs to be more accountability with the Lake Region. I would like to see an amendment dropping the \$215,000 down \$65,000 to \$150,000.

Rep. Larry Bellew: I would like an amendment to restore total funding.

Chairman Delzer: Is it okay to do the \$215,000 one first, then the \$65,000?

Vice Chair Pollert and Rep. Bellew: Yes.

Allen/LC: When Mike Schwindt, Director of Economic Assistance, was here on HB 1172, he said we will take the continuing appropriation of \$23,000 out of there.

Chairman Delzer: I would like committee discussion on the Indian Counties. In two years I might present a bill that puts it before the Legislature.

Rep. Kerzman: The Indian Counties do not have the tax base to support programs. This bill would relieve some of the pressure.

Chairman Delzer: We are subsidizing them to the tune of \$2.8 million now and have a number of places we have increased support.

Rep. Bellew made a point about the Food Stamp Program meal costs.

Chairman Delzer: It seems like a lot of the money is going to administration rather than benefiting the recipient. Allen, that was HB 1172 and that came out of full committee, right?

Allen/LC: Yes.

Chairman Delzer: Looking at the trends for Medical Services, we have to remember it all rolls into one line item. There is movement between these. We will have to make adjustments for

Drugs. The MMA is coming in and the dual eligibles will shift from Medicaid to Medicare.

There is the 90% claw-back. The usage was up and the inflator was up. Allen, we want to list changes separately, but at the end list in one amendment. For Drugs, take \$1 million of General fund out; for Home Health take \$100,000; for Optometry take \$50,000. For add-backs we were about \$2.2 million short.

Rep. Kerzman: I have a \$1.8 million General fund as an add-back.

Vice Chair Pollert: I want the \$475,000 for MedVantics Re-distribution of HSCs generic drugs on the table.

Chairman Delzer: We looked at HB 1459 yesterday. We need to add to the \$200,000 for a \$565,000 total funds with a 50/50 match, and reduce out of FMAP grants \$800,000 total funds.

Rep. Kerzman: Is that going to take care of projections of being off by about \$7 million in outpatient hospitals? How about the \$50,000 on Medical Assistance grants?

Chairman Delzer: Tie it to anything. I think we should add \$60,000 to the ambulance side at a split of \$30,000 for ground and \$30,000 for air.

Vice Chair Pollert: Global Insight?

Chairman Delzer: Allen, we need an amendment to reduce that on HB 1252 (more so than on LTC).

Rep. Kerzman: I support an amendment for a \$500,000 increase for Dentistry in general funds.

Chairman Delzer: For CHIPS, the acid test removal.... yet received higher match rate for these children (i.e. the Childrens' Health Insurance program) and it is at the same funding level as Healthy Steps. Salaries discussion? There will be salary adjustments under HB 1050 in full

committee. Allen, we need an amendment to remove the Pharmacy Assistance. I do not know what the match or the money is.

Allen/LC: Mr. Chairman, the funding is \$88,538 total funds and \$22,165 special funds. It is just salary, no operating.

Rep. Bellew: I would like to request the additional employee for the Healthy Steps program. I would like that amendment drawn up.

Chairman Delzer: The LTC money resides in same line item. Are there any other amendment requests under Medicaid? Okay, Long Term Care. In 1997, I voted for the different inflator for long term care. The inflators should be the same for everyone in the department. I would like an amendment to take that out of Code and go with a two-and-two, the same as everybody else.

There is also something in the Code somewhere that limits Basic Care below the two-and-two.

Allen, double-check those numbers. The other LTC item I noticed is that our bed usage in long term care is coming down and it should continue going down. I think we should base it on 3,600 per bed, rather than 3,631. We have talked about HB 1252 and can do a Study Resolution until Tuesday, right Allen? First, I would like an expectation set up for the Legislature, the industry and the department to get together. We need to look at where LTC is going in the future and what the acuity levels are. We may also need a rate structure change that supports getting patients healthy and back to their homes. Second, I would look at how to streamline administrative costs, maybe with a federal waiver to reduce and free up more staff time to go toward more care for individuals. Third, there needs to be a bed buyout discussion. Fourth, study the equalization of rates. The last study was four years ago when we hired a consultant, but I want to point it in a different direction now. Fifth, the other issue is allowing the industry to branch out and serve

people in the home setting if they can. I think Rep. Wieland brought up mid-risk plans for insurances. *(Tape I Side B starts)* For either LTC or Aging, when we passed HB1148 on the personal care waiver option, there was discussion that there was availability of some funds there of \$1,987,064. Allen, that should be there. I think we should raise the cap on QSPs from \$135 per month to \$185 so people can stay at home longer. I want an amendment adding that back in.

Rep. Kerzman: For the QSP amendment on OAR #12, I request \$1.1 million of General fund for QSP increase. Also, the budget increase of \$1.6 million should be raised with full dollar match. And another amendment is needed that cuts it in half to \$800,000.

Chairman Delzer: Allen, what happened to that in the Senate?

Allen/LC: SB 2267 was amended to add \$500,000 to General fund which gets them to 60%. It has not passed the Senate Floor yet.

Chairman Delzer: Children and Family Services is next.

Rep. Kerzman: I would cap actual service costs at \$15. Currently it is \$11.80. Prairie Learning would be capped at \$14.30. We did not ask about capping it at \$14.

Vice Chair Pollert: Could we have discussion on Adoption Services. I think we could have \$250,000 savings.

Chairman Delzer: I think so, too. We need an amendment of \$250,000 s General fund on the Foster Care and Subsidized Adoption line item. Allen, also an amendment for \$35,000 on top of what Rep. Kerzman asked for.

Rep. Bellew: The department has a grant line item for federal funds under the Family Preservation Service. If we allow that, and they get the money, they can spend it without coming to the budget section. We need an amendment to remove the \$750,000 in Federal funds.

Chairman Delzer: Under Program and Policy, and the Aging and Mental Health operating line, we should consider removing \$50,000 General fund. The Mental Health and Substance Abuse section is next.

Vice Chair Pollert: We should decrease operating costs by \$50,000 General funds.

Rep. Bellew: The lottery has been providing compulsive gambling funds. I think we should remove that.

Allen/LC: We did do that. But we did not sweep out the \$100,000. We can add a section to direct OMB to transfer \$100,000 from that fund to General fund.

Chairman Delzer: Allen, regarding the breast and cervical cancer issue, under Medical Assistance, did we ever get any research on the level of authority we are giving them compared to the level of authority that is in the Health Department? Last session, we appropriated \$114,000 from the Tobacco Settlement funds. Ten percent goes to the Community Health Care trust fund. There is \$314 in the budget, but I am not sure the authority is there.

Allen/LC: The amount included in the budget is \$254,356. Those services would need to be reduced.

Chairman Delzer: Draw up the amendment. I will discuss what to do with the tobacco dollars. We will do DD next.

Rep. Kerzman: We need an amendment for OAR #26, raising the amount to one dollar per hour. We also need an amendment for 30 cents per hour.

Vice Chair Pollert: Aren't the DD providers eligible for the two-and-two? I would like an amendment for an additional 10 cents which is approximately \$600,000 General funds.

Chairman Delzer: Allen, get us the specific numbers.

Rep. Kerzman: We need an amendment on OAR #22 for \$30,000 for Guardianship. Also on OAR #20, administrative reimbursement should go from \$230 per month to \$290.

Vice Chair Pollert: I would like an amendment for the ICF/MR for the Anne Carlsen School, specifically for the 17 medically fragile kids.

Chairman Delzer: Allen, for discussion purposes, I think we should have an amendment for \$50,000 then. I would also like an amendment on taking the family subsidy down to \$800,000 from \$900,000.

Vice Chair Pollert asked for a similar amendment with a \$100,000 increase for these kids.

Chairman Delzer: when I looked through the trends and did the math, I think we have some maneuvering room. So, Allen, I would like an amendment to reduce that by \$500,000 General funds. So basically we have ten offers on amendments. Human Service Centers is next.

Vice Chair Pollert: It seems we should have a lock-in on the numbers on FTEs.

Chairman Delzer: We will have this discussion on Monday. I request an amendment for removing \$400,000 out of General funds for all the HSCs, but it does not have to be even splits.

Allen/LC: We have to add a section to allow that.

Vice Chair Pollert: After reviewing the HSCs and doing the math on the client load for FTEs, it seems there is an efficiency problem at NE, SE and Badlands. These regions should be hit just a little bit harder.

Chairman Delzer: Anything further on HSCs? We want to congratulate the department for the good work with the HSCs. We will cover the State Hospital next. The civil commitment to the sexual predators is most disturbing to me. They should be incarcerated, not put in the State Hospital.

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Human Resources Division

Bill/Resolution Number 1012

Hearing Date: 2-11-05

Rep. Ralph Metcalf: I understand and agree. Can we get that reduced but still get them more treatment than what is currently being given?

Chairman Delzer: Carol, I know this is short notice, but we request information on different treatment levels for different sexual predators. It is a very "high cost prison" currently. There is a lot of movement of FTEs and underfunding. Allen, I would request an amendment of reducing \$100,000 out of the State Hospital budget. The DD Center in Grafton is next. I firmly believe in the aspect of helping individuals being moved out of the facility. It should be set up when they are ready to be moved, then close the cottage or wing and the money would be available. To fund both of them at the same time, so you can move one at a time, seems unnecessary. The DD Center has a \$1 million bonding request. I would request a reduction of \$250,000. I am not sure if we will have to adjust all these budgets or if it will all be done in one bill.

Allen, when will these amendments be ready? Late this afternoon?

Allen/LC: Monday morning.

(Ended HB1012 at 48.7 on side B.)

2005 HOUSE STANDING COMMITTEE MINUTES

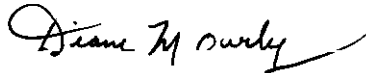
BILL/RESOLUTION NO. 1012

House Appropriations Committee
Human Resources Division

Hearing Date: 2-14-05 Monday

	Tape Number	Side A	Side B	Meter #
I		X	X	
II		X		End: 14.6

Committee Clerk Signature



Minutes: **Chairman Delzer** called the meeting to order on HB 1012 to discuss and vote on the amendments (see proposed amendments 58035.0107 and ten-page 2005-07 Biennium

Department of Human Services Budget - Summary of Pending House Changes. Voice vote totals are recorded on these handouts; Roll calls were taken for three items and noted so). All members present.

Allen/LC: They are set up by subdivisions. The first summary page is for the overall numbers.

The top of page two reflects going to a four-and-three from a four-and-four.

Chairman Delzer: Since page two affects all sections on the bill, we will not take a vote on each section.

Rep. James Kerzman: I will stand firm on a four-and-four. We need to do something to retain employees.

Chairman Delzer: The turnover rate is 3% which is relatively low. We will take a voice vote.

Motion passes 4-2. Next we will cover the section five proposed amendment on Funding Transfers - Exception - Authorization.

Rep. Kerzman: I think flexibility is needed and I support it.

Allen/LC: This has to do with the appropriation of money.

Chairman Delzer: Personally, I cannot vote for it. We will take a voice vote. Motion passes 5-1.

On section four of the written bill, it gives the department the ability to hire FTEs for Medicaid programs in lieu of eligibility payments.

Celeste/OMB: This is for the PERM Program.

Chairman Delzer: I have concern about hiring full-time people for this.

Celeste/OMB: The feds want to make this a permanent ongoing thing. We wanted it to be a contract and issue a RFP.

Chairman Delzer: Section eight Medicaid Eligibility Reviews - Contingent Funding is next.

Committee members, we should combine that with parts of this. They should come before the section to ask for approval for PERM. Allen, could you write something up? Back to page three of other handout. The second line item is part of our \$600,000 underfunding Human Services regarding vacant positions. To me it should be department-wide.

Rep. Ralph Metcalf: Underfunding as in less then their request or less than there need?

Chairman Delzer: They have always been underfunded around \$3 million. It is basically a guess. With 2,200 people in the department, there will be at least so much roll-up.

Rep. Metcalf: If you are wrong, what recourse does the department have?

Chairman Delzer: Then it would be a case of leaving one or two positions or a number of positions open longer.

We will take a voice vote. It passes 4-2. We will take a roll call vote on "Reduces operating expenses of all programs with this subdivision." It passes 4-2.

The Economic Assistance Policy Program subdivision item of removing funding for outreach services of the Food Stamp program passed 5-1.

The Child Support Program subdivision had three items which were voted on.

The Medical Services Program subdivision, with sixteen proposals, was discussed and voted on next. The pharmacy assistant position in the executive budget was removed.

Rep. Metcalf: I will resist the Healthy Steps position removal. We have to rely on the department for some knowledge. If we trust them and get more kids into the program, the better we will be.

Chairman Delzer: The department is valid on this one. I am going to vote to keep this. We will take a voice vote. Motion fails 3-3. I changed my mind!

After committee voted to carry motion on reducing medical assistance grants to reflect provisions of HB 1181, **Chairman Delzer** said committee will stand in recess until the call of the chair.

After reconvening at 3:03 p.m., the committee continued with the Medical Services Program subdivision.

Chairman Delzer: There was a Senate bill dealing with Dental services. The pay rate for dentists is among the highest. Not all take Medicaid patients. I am not going to support it.

Rep. Kerzman: Dentists do not have to take the Hippocratic Oath.

Allen/LC: The SB 2213 was Do Pass from Appropriations. Dentists will receive 85% reimbursement.

Chairman Delzer: I guess it will have to be worked out in conference committee. With voice vote, motion fails 2-4. The ambulance service amendment is mine, with 50% of funds going for air and 50% of them going for ground. This would be an increase over the two-and-two inflator. With voice vote, motion carries 6-0.

For the reduction of funding from the community health trust fund for breast and cervical cancer treatment services, **Dave Zentner, Director of Medical Services for the Department of Human Services**, commented. Whether the money comes out of the trust fund and if that is no longer available, the money will have to come out of general fund money.

Chairman Delzer: But these people are at 200% of poverty?

Zentner: I believe so.

Chairman Delzer: I am not sure how I feel about that. The \$169,000, would that affect federal funds? It is in the Health Department's budget and I am not sure what the appropriation level is. Committee members, we should consider adding this and then look back at it when it is in the Senate.

Chairman Delzer reviewed the Long Term Care subsection, with six proposals, on page four next. Voice votes were taken.

Rep. Kerzman noted that QSPs do a lot of work and he asked for serious consideration in increasing their funding. The QSPs will be getting a two-and-two. *(Tape I Side B starts)*

The Aging Services Program subsection, with two proposals, was discussed and voted on next.

The Children and Family Services Program subsection, with five proposals, was discussed and voted on next. Roll call was taken on the proposal of adding funding for increasing the maximum treatment services payment for residential child care facilities by \$2.65 per day. Motion carried 4-2.

Rep. Kerzman: For the second amendment proposal in this section, that is not quite my intent. I wanted them to freeze them at the current levels with a cap of \$15 a day. That would come to about \$71,000 statewide. A \$15 cap could capture two-thirds of them. Higher priced ones will still have to depend on donations to cover their excess.

Chairman Delzer: Do you have any information on how long it has been since this cap has been changed? I do not know if I agree with going up to \$15. Rep. Kerzman, do we need to change the language so it freezes at the stated level? Our intent was to capture their actual costs up to \$15. It is not a lot of General fund dollars.

Rep. Kerzman: We will look at both capping and the freezing in two years.

The Mental Health and Substance Abuse Program subsection, with two proposals, was discussed and voted on. Roll call was taken on the reduction of program's operating expenses proposal. Motion carried 4-2.

The Disabilities Program subsection, with ten proposals, was discussed and voted on next.

Rep. Kerzman: I had a daughter working in one of these DD homes and after visiting, I saw how much they need their caregivers. It is hard work. They more than earn their money. But we are losing them. These providers should get the \$1.05 per hour increase.

Rep. Metcalf: I echo what Rep. Kerzman said. Also we have a disparity of \$2-\$3 per hour and it is not right. Plus they have to take additional tests above what others do.

Chairman Delzer: The two-and-two is 18 cents per year. I understand the work they do, but I do not know if we have the funding to support \$6 million worth.

Rep. Kerzman: That two-and-two has not kept up with the CPI.

Chairman Delzer called for voice votes: The \$1.05 provider pay increase proposal failed 2-4; the 30 cents pay increase proposal failed 2-4; the 10 cents pay increase proposal passed 5-1.

Rep. Metcalf: It sure won't help them retain the people they are already losing left and right.

Vice Chair Pollert: There are 28 kids total, not just the Anne Carlsen School 17 kids, who have funding needs.

Rep. Kerzman: I am going to support the increase. I do not like just sending the funds out to only one institution.

Vice Chair Pollert: When I learned there were more kids, I favored the \$100,000 increase.

Rep. Larry Bellew: If we leave it like this, it all goes to Anne Carlsen?

Chairman Delzer: I think we should make it so it falls to all these kids. I am not supportive of the "mentally fragile" language. I lean toward the \$50,000 increase, instead of the \$100,000.

Rep. Metcalf: The term better used is "extensive medically needy."

Vice Chair Pollert: There must be a reason the department could tell us there are eleven children in another facility.

Chairman Delzer: Dave, can you tell us will the \$100,000 or \$50,000 go to just these kids?

Zentner: We would have to work it out so that in fact happens.

Chairman Delzer: We will take a voice vote for \$100,000 with the understanding it gets distributed to all the kids and not just at Anne Carlsen. Motion carries 5-1.

Took three additional voice votes on amendment proposals for DD. The Other changes affecting Program and Policy programs subsection, with two proposals, was discussed and voted on.

Section four of the bill and section eight regarding Medicaid Eligibility Reviews - Contingent Funding was discussed next. **Chairman Delzer** said section eight will be kept as is; section four will be changed so they have to come to budget section before they hire the FTE. It should go through emergency first and then before the budget group. These both will be taken as one motion. Motion passed 6-0.

Section nine Compulsive Gambling Prevention and Treatment Fund - Transfer (of \$100,000) to the General Fund was discussed next. Motion passed 6-0 with voice vote.

Vice Chair Pollert: Are you going to look at an amendment for this bill regarding a LTC study?

Chairman Delzer: Yes, for conference committee discussion. Allen, you can draw up an amendment for an interim committee, in conjunction with the department and the industry, to look better ways to improve the funding and sustainability of Long Term Care, including the case mix and rate equalization; also supporting facilities that do extra restoration care outside the direct care line; request a waiver based on past performance, and future reports regarding quality care, and streamlined paperwork. Committee members, be discussing this with other people in their areas. Would we like this before full committee, or just have my name on it? It is up to you.

Rep. Metcalf: I favor the study so I would be supportive.

Chairman Delzer: All those in favor of adding an amendment like this for discussion purposes and with the understanding it will be refined for the conference committee, signify by saying "aye." With a voice vote to amend LTC, motion passes 5-1.

Rep. Kerzman: LTC has been studied recently. My experience is that little is done with studies.

Chairman Delzer: My hope is that we would not be spending extra money, but as a directive for getting ideas for changes and maintaining the care level while reducing costs. We will discuss the State Hospital subsection next. You think the Senate took it out of the bonding fund?

Celeste/OMB: I believe so.

Motion passed 4-2 for replacing funding from the general fund with special funds in anticipation of general fund savings and additional third-party collections. The reduction in funding for operating costs of the Developmental Center motion passed 4-2. *(Tape II Side A starts)*

Chairman Delzer: Can we take the Human Service Centers subsections all in one motion?

Vice Chair Pollert: I will support this but I think we could look more favorably on those performing well.

Chairman Delzer: For the underfunding of \$400,000 for the HSCs we will vote. Motion carries 4-2. We still need to look at the bill. Section six is the Legislative Intent - Medicaid Management Information System.

Rep. Kerzman: I sure hope we can adopt this for a number of reasons. We are capable of handling the changeover. We do not want to become captive to a private entity.

Chairman Delzer: I would like to go on record and say I think the overall costs of this is deplorable. It is funny the feds will support each state's spending of \$30 million like this. I do not think I will support it at this time, mostly because I want to see what the other one is in full committee. I am not saying that I do not agree with what Rep. Kerzman has said, but I think when we look at it we can have both of them.. Rep. Kerzman, I think you should have the amendment prepared for the other section if it does not go on here. On a voice vote of whether section six gets put in the bill, motion carries 5-1.

Section seven Estimated Income - Limit - Community Health Trust Fund was discussed next.

Chairman Delzer: Allen, when we adopted the money side, we basically adopted this section, right?

Allen/LC: That is correct. This goes along with those special funds for breast and cervical treatment.

Chairman Delzer: I would like to see a motion to remove section five dealing with full consideration of FTEs within the HSCs. We took this out of the bill last biennium.

Vice Chair Pollert: I move to remove page eight lines 24-31 and page nine lines 1-5.

Rep. Bellew: I second it.

Rep. Kerzman: I think this will give the department some flexibility it needs.

Chairman Delzer: The difference between what you described and what section five, is it would allow them to increase the number two over the authorized number two, which I do not agree with.

With a voice vote of 4-2, section five is deleted. Section six was discussed.

Chairman Delzer: If there is more money than is in the department's appropriation for food stamps or LIHEAP, they would not have to go through the emergency commission and budget section. Why do you prefer that?

Brenda Weisz, CFO for the Department of Human Services: When we looked back the last three bienniums, the federal government always provided the funds needed. The money is in and out, all 100% federal funds.

Rep. Bellew: Has the budget section or emergency commission ever turned these down?

Chairman Delzer: I do not think we have ever had anyone denied. I think it is a case of letting the Legislature know the levels above what is appropriated, and I would like to keep it as it currently is.

Vice Chair Pollert: I would move to amend out section six on page nine, lines 6-9.

Rep. Alon C. Wieland: I second it.

Rep. Metcalf: We are always looking for ways for less paperwork, etc. To me, the extra steps is a time-waster. The Legislature gets the reports every month on the expenses of LIHEAP and Food Stamps. What more do we need? I will vote against it.

With a voice vote, motion carries 4-2 to remove section six.

Section seven of the bill regarding MMIS was discussed next.

Chairman Delzer: Allen, that would make everything under subdivision one subject to the emergency clause. Wouldn't we want that tighter, or just the IT part?

Allen/LC: We can have it apply strictly to the MMIS project.

Chairman Delzer: I think we should consider that, and need a motion.

Rep. Bellew: I will make that motion.

Vice Chair Pollert: I second it.

Chairman Delzer: I would feel more comfortable if we had that in there and will support the motion. With a voice vote, motion carries 6-0.

Chairman Delzer: Anything further? Allen, work the amendments up. I do not know if we have to meet here briefly before full committee. Committee members, we did save \$250,000 out of operating on Program and Policy. After the Floor, we have full committee and will have

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Human Resources Division

Bill/Resolution Number 1012

Hearing Date: 2-14-05

discussions on this. Anyone that wants to offer amendments on this in full committee is welcome to do so. We are adjourned until the call of the chair.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1012
Human Services

House Appropriations Full Committee

☐ Conference Committee

Hearing Date February 15, 2005

Tape Number	Side A	Side B	Meter #
4		X	#43.7 - # end
5	X		#0 - #38.8

Committee Clerk Signature

Chris Alexander

Minutes:

Rep. Ken Svedjan, Chairman opened the discussion on HB1012.

Rep. Jeff Delzer moved amendment #0110 to HB1012

Rep. Larry Bellew seconded.

Rep. Jeff Delzer explained that there is the situation of \$32 million in FMAPP money going away but we will continue these programs pretty much the way they are. The state hospital is showing a significant increase in the sex offender treatment services going from 22 beds to 42 beds for \$3 million. Amendment proposals are listed starting on page 6 and how they effect the general funds, federal funds and special funds (see attached proposed amendment)

Rep. Clark Williams asked about the \$1.05 per hour for DD.

Rep. Jeff Delzer answered that the \$1.05 an hour for DD was defeated, the \$.30 was defeated, but the \$.10 was accepted and then you add the 2 and 2 inflators for \$.18 per year. So if you add the 2 \$.18 and the dime it is \$.46. (meter Tape #5, side A, #11.5)

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to adopt amendment #0110 to HB1012. Motion carried.

Rep. Ralph Metcalf explains that amendment #0111 adds \$1.05 per hour for the DD facility. If approved it will add \$6,057,000 out of general fund and the total funds \$17,017,000.

Rep. Ralph Metcalf moved to adopted amendment #0111 to HB1012.

Rep. Ole Aarsvold seconded.

Rep. Jeff Delzer asked if this was on top of the 10 cents and the 2 and 2 inflator.

Rep. Ralph Metcalf answered that this was not his intent. It should just be the \$1.05 plus the 2 and 2. Legislative Council will make the corrections to the amendment.

Rep. Mike Timm, Vice Chairman asked if this was instead of what Rep Delzer's amendment wanted.

Rep. Ralph Metcalf answered that it would be \$1.41 total and said that the DD facilities are behind the pay schedules between \$2 and \$3 per hour. We train these folks and then they go to work for other people. These DD providers dispense pharmacy prescriptions and are therefore more difficult to train. They do additional correspondence training and have to show proficiency to a registered nurse in dispensing prescription drugs. Plus DD clients get attached to these providers and then the providers work elsewhere. We have to find a way to slow down this turnover.

Rep. Ole Aarsvold commented that there was a lawsuit that decided that the state would provide independent community providers with salaries equivalent to what they were receiving at the state institution. The state institution salaries have far outstripped reimbursement to the nonprofit DD providers in our communities. (meter Tape #5, side A, #17.3)

Rep. Jeff Delzer opposed the amendment because this is \$6 million in general funds moneys.

This is matched with FMAPP dollars and we think \$.46 was as far as we could go. Last session we added \$.87 plus 3% on the benefit side. This has been adjusted a small amount each session.

Rep. Ralph Metcalf commented that DD employees are also paying their own health insurance.

Rep. Ralph Metcalf requested a roll call vote on the motion to adopt amendment #0111 to HB1012.

Rep. Ken Svedjan, Chairman called for a roll call vote on the motion to adopt amendment #0111 to HB1012. Motion failed with a vote of 7 yeas, 16 neas, and 0 absences.

Rep. Ralph Metcalf requested a Minority Report on amendment #0111 to HB1012.

Rep. Mike Timm, became acting Chairman, while Rep Svedjan introduced an amendment.

Rep. Ken Svedjan introduced amendment #0108 to HB1012 and explained that this amendment removes the funding for the MMIS system and the removal of section 7 of the amendments.

Rep. Ken Svedjan moved to adopt amendment #0108 to HB1012.

Rep. Tom Brusegaard seconded.

Rep. Ken Svedjan explained that it is unclear so far as to whether it should be done internally or out sourced through a fiscal agent. The purpose of this amendment is to do an expedited RFP to look at the fiscal agent option instead of doing this project in house or "turnkey" and what the cost options are.

Rep. Ole Aarsvold asked about the fiscal agent option.

Rep. Ken Svedjan explained that this meant out sourcing the contract. Three major companies around the country that do this. Another option is maybe Blue Cross Blue Shield of North Dakota.

Rep. James Kerzman commented that he will resist the amendment because if this project does not get started there is a jeopardy of losing \$30 million in federal grants, and it is very hard to put money back into the budget once it has been removed. There is no guarantee that there will be a cost savings down the road and once you sign with this kind of a vendor you are pretty well stuck with them. (meter Tape #5, side A, #27.9)

Rep. Ralph Metcalf commented that he will resist the amendment because the \$35 million price tag on this project might go out of state if this project is out sourced. The continued operation of this would then go out of state too.

Rep. Al Carlson commented that by removing it now does not mean that the project will not be accomplished at some later date.

Rep. Ken Svedjan clarified that the result of this could be that we have a turnkey operation or one with a fiscal agent. There is no side that has the advantage, we just want to have more time to look at this.

Rep. Jeff Delzer explained that the mechanics of this is that the Senate will have this bill in the second half of session and the decision to conference this bill is the House's. Rep Delzer commented that he reluctantly supports this because it brings the issue to the forefront and we'll get the chance to talk about it in the Senate.

Rep. Eliot Glassheim asked what the process is for getting an RFP and will removing these funds make an RFP happen. Also, can't the conversation happen even if the money is left in.

Rep. Jeff Delzer answered that the Senate could decide to leave it the way it is and then we would be out of the discussion.

Page 5

House Appropriations Committee

Bill/Resolution Number HB1012

Hearing Date February 15, 2005

Rep. Mike Timm, acting Chairman called for a voice vote on the motion to adopt amendment

#0108 to HB1012. Motion carried.

Rep. Ken Svedjan, resumed Chair of committee.

Rep. Jeff Delzer moved a Do Pass As Amended motion for HB1012.

Rep. Chet Pollert seconded.

Rep. Ken Svedjan, Chairman called for a roll call vote on the Do Pass As Amended motion

for HB1012. Motion carried with a vote of 16 yeas, 7 nays and 0 absences. Rep Delzer will carry the bill to the house floor.

Rep. Ken Svedjan, Chairman closed the discussion on HB1012.

These excerpts from agency
overview minutes —
Full set is filed in a separate
marked binder following Senate
concurrent resolutions

With regard to p. 1 and "campus operations," Rep. Francis J. Wald asked if the \$319 million was a combination of all of those numbers in the various campuses that were moved into the pool and the Senate moved it back out.

Ms. Glatt confirmed, but she said some of the numbers that are blended in represent adjustments which are difficult to see when looking at the aggregate because the numbers don't match up evenly. She referred the Committee to page 10 for an overview of the total budget. (tape #1, side A, meter #8.0)

Ms. Glatt continued her review pointing out the changes made in the Senate.

Regarding "Common Information Services" p. 11, Rep. Mike Timm, Vice Chairman asked why the Senate took out the \$950,000. Ms. Glatt answered that it was unclear to her why this was done other than possibly just to reduce the budget. Ms. Glatt continued her review and defining "parity" as the cost it would take to continue at the same level we are now.

With regard to the 4th & 5th columns, under the line "Child Care Grant Program" on p. 11, Rep.

Ken Svedjan, Chairman said that he thought the Senate added \$300,000. Ms. Glatt explained that in the Governor's budget, there was an increase of \$2 million for the Child Care Grant Program for Human Service clients. That \$200 million got put into the financial aid program line item and it came out of that \$28.8 million of the Higher Ed budget. Two million went into that financial aid program, but with other earmarked for child care grants. The Senate took that \$2 million out of the Child Care Grant Program, and then they added back \$400,000 back to the financial aid line item. From that it was down \$1.6 million. They added language that said that the Board could allocate the funding either to need-based financial aid or the Child Care Grant Program. Rep. Francis J. Wald asked what funds made up the child care (tape #1, side A,

meter #21.4) **Ms. Glatt** answered that it was all in the general funds. She said she understood there is a comparable program in the Department of Human Services budget. **Rep. Jeff Delzer** commented with regard to Human Services that this is not a required match.

Rep. David Monson asked who benefits from this child care. **Ms. Celeste Kubasta** from OMB answered that this was put in the Board office so it could be designated to students who needed child care. If it had gone to Human Services it would have to follow federal guidelines as to how it is distributed and it would have had to go to only the individuals in need that weren't necessarily students.

Ms. Glatt continued.

2023
With regard to the line item regarding bonding on p. 11, **Rep. Pam Guleson** asked about the bonding bill SB2023. **Ms. Glatt** said that they have asked for bonding for all capital projects. For two of smaller projects, the Governor appropriated general funds and that appropriation is in SB 2003. Several other projects are bonded in SB 2023. A schedule of the capital projects from both bills is attached to the end of the testimony (See p. 19-20).

Ms. Glatt continued her review.

Rep. David Monson commented that she had stated earlier that there should be 80% parity and the 20% equity. He referred to the figures under BSC which indicate a figure a lot higher than 20% for equity. He asked if this means the whole pool is 80/20. (tape #1, side A, meter #27.1)

2063
Ms. Glatt answered the rules apply to the total new dollars that apply to the University System as a whole. No less than 80, no more than 20. Some campuses are further behind their equity benchmark than are others. As a result, they get more of the equity pool. Some campuses didn't get any equity funding because they may be close or at their benchmark already.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 4, line 10, replace "79,097,595" with "79,242,165"

Page 4, line 11, replace "126,311,778" with "126,456,348"

Page 4, line 12, replace "68,635,940" with "68,729,766"

Page 4, line 13, replace "57,675,838" with "57,726,582"

Page 6, line 2, replace "79,291,218" with "79,341,962"

Page 6, line 3, replace "87,146,839" with "87,240,665"

Page 6, line 4, replace "166,438,057" with "166,582,627"

Page 6, line 25, replace "1,000,774,769" with "1,000,919,339"

Page 6, line 26, replace "1,396,151,539" with "1,396,296,109"

Page 6, line 27, replace "1,027,728,022" with "1,027,821,848"

Page 6, line 28, replace "368,423,517" with "368,474,261"

Page 8, line 14, replace "490,373,041" with "490,423,785"

Page 8, line 15, replace "1,184,948,771" with "1,185,042,597"

Page 8, line 16, replace "1,675,321,812" with "1,675,466,382"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Dept. 325 - Department of Human Services

HOUSE - The medical assistance - grants line item is increased by \$144,570, of which \$50,744 is from the general fund and \$93,826 is from federal funds to increase payment rates under the medical assistance program for ambulance services.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 1, line 2, after the semicolon insert "to provide an exception; to provide a statement of legislative intent; to provide for a transfer to the general fund;"

Page 8, after line 23, insert:

"SECTION 5. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.

Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within each subdivision of section 3 of this Act, and between subdivisions within section 3 of this Act for the biennium beginning July 1, 2005, and ending June 30, 2007. The department shall notify the office of management and budget of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2006, any transfers made in excess of \$50,000 and to the appropriations committees of the sixtieth legislative assembly regarding any transfers made pursuant to this section.

By Voice
vote unless
otherwise
noted.

Adopted
5-1

SECTION 6. LEGISLATIVE INTENT - MEDICAID MANAGEMENT

INFORMATION SYSTEM. It is the intent of the fifty-ninth legislative assembly that the department of human services proceed with the replacement of the medicaid management information system by retaining the system within the department rather than contracting with a fiscal agent for the biennium beginning July 1, 2005, and ending June 30, 2007.

Adopted
5-1

SECTION 7. ESTIMATED INCOME - LIMIT - COMMUNITY HEALTH TRUST

FUND. The estimated income line item in subdivision 2 of section 3 of this Act includes \$114,755 from the community health trust fund. The department of human services expenditures from this fund may not exceed this amount for the biennium beginning July 1, 2005, and ending June 30, 2007.

Adopted
4-2

SECTION 8. MEDICAID ELIGIBILITY REVIEWS - CONTINGENT FUNDING.

The appropriation in subdivision 2 of section 3 of this Act includes \$615,000 from the general fund and \$615,000 of federal funds for payment error rate measurement eligibility reviews for the medical assistance program. If the department of human services is not required by the federal government to conduct these reviews, the department may not spend these funds for the biennium beginning July 1, 2005, and ending June 30, 2007.

Adopted
6-0

SECTION 9. COMPULSIVE GAMBLING PREVENTION AND TREATMENT FUND - TRANSFER TO THE GENERAL FUND. On July 1, 2005, the director of the office of management and budget and the state treasurer shall transfer \$100,000 from the compulsive gambling prevention and treatment fund to the general fund."

Adopted
6-0

Renumber accordingly

MASTER

Prepared by the Legislative Council staff for
House Appropriations - Human Resources
February 12, 2005

By
Voice Vote
Unless Otherwise
Noted.

2005-07 BIENNIIUM DEPARTMENT OF HUMAN SERVICES BUDGET -
SUMMARY OF PENDING HOUSE CHANGES

The amounts shown reflect all amendments under consideration, including duplicative adjustments for the same programs providing different funding levels.

	FTE	General Fund	Estimated Income	Total
Executive budget recommendation				
Management	99.10	\$23,164,639	\$48,374,575	\$71,539,214
Program and Policy	233.30	368,423,517	1,027,728,022	1,396,151,539
State Hospital	424.01	32,117,667	15,610,871	47,728,538
Developmental Center	451.54	11,696,425	31,349,952	43,046,377
Northwest Human Service Center	50.00	3,688,546	3,691,210	7,379,756
North Central Human Service Center	113.78	8,163,022	7,270,196	15,433,218
Lake Region Human Service Center	62.00	4,974,499	4,221,881	9,196,380
Northeast Human Service Center	141.90	8,484,532	12,211,610	20,696,142
Southeast Human Service Center	183.60	10,148,529	13,673,717	23,822,246
South Central Human Service Center	88.00	5,916,635	6,322,357	12,238,992
West Central Human Service Center	124.50	9,025,416	9,675,203	18,700,619
Badlands Human Service Center	76.70	4,569,614	4,819,177	9,388,791
Total executive budget recommendation	2,048.43	\$490,373,041	\$1,184,948,771	\$1,675,321,812
Pending House changes				
Management	0.00	(\$26,083)	(\$12,015)	(\$38,098)
Program/Policy Management	(2.00)	8,932,506	15,005,444	23,937,950
State Hospital	0.00	(244,123)	66,007	(178,116)
Developmental Center	0.00	(297,502)	(524,272)	(821,774)
Northwest Human Service Center	0.00	(54,338)	(6,447)	(60,785)
North Central Human Service Center	0.00	(142,338)	(12,683)	(155,021)
Lake Region Human Service Center	0.00	(86,966)	(7,825)	(94,791)
Northeast Human Service Center	0.00	(178,240)	(20,950)	(199,190)
Southeast Human Service Center	0.00	(267,702)	(28,122)	(295,824)
South Central Human Service Center	0.00	(87,770)	(12,076)	(99,846)
West Central Human Service Center	0.00	(178,561)	(16,290)	(194,851)
Badlands Human Service Center	0.00	(70,824)	(9,680)	(80,504)
Total Senate changes	(2.00)	\$7,298,059	\$14,421,091	\$21,719,150
Pending House version				
Management	99.10	\$23,138,556	\$48,362,560	\$71,501,116
Program/Policy Management	231.30	377,356,023	1,042,733,466	1,420,089,489
State Hospital	424.01	31,873,544	15,676,878	47,550,422
Developmental Center	451.54	11,398,923	30,825,680	42,224,603
Northwest Human Service Center	50.00	3,634,208	3,684,763	7,318,971
North Central Human Service Center	113.78	8,020,684	7,257,513	15,278,197
Lake Region Human Service Center	62.00	4,887,533	4,214,056	9,101,589
Northeast Human Service Center	141.90	8,306,292	12,190,660	20,496,952
Southeast Human Service Center	183.60	9,880,827	13,645,595	23,526,422
South Central Human Service Center	88.00	5,828,865	6,310,281	12,139,146
West Central Human Service Center	124.50	8,846,855	9,658,913	18,505,768
Badlands Human Service Center	76.70	4,498,790	4,809,497	9,308,287
Total House version	2,046.43	\$497,671,100	\$1,199,369,862	\$1,697,040,962
Section 1 Totals		\$411,081,823	\$1,097,801,932	\$1,508,883,755
Section 2 Totals		\$86,589,277	\$101,567,930	\$188,157,207

MANAGEMENT SUBDIVISION

	FTE	General Fund	Estimated Income	Total
Executive budget recommendation	99.10	\$23,164,639	\$48,374,575	\$71,539,214
Management -House changes:				
Reduces compensation adjustments to 3% for the first year and 4% for the second year		(\$26,083)	(\$12,015)	(\$38,098)
Administration Support Program				
None				
Division of Information Technology Program				
None				
Total House changes - Management	0.00	(\$26,083)	(\$12,015)	(\$38,098)
House Version - Management Subdivision	99.10	\$23,138,556	\$48,362,560	\$71,501,116
Section 1 Amounts		13,717,616	34,130,107	47,847,723
Section 2 Amounts		9,420,940	14,232,453	23,653,393

4-2

Other changes affecting Management programs or multiple programs of the department:

A section is added authorizing the department to transfer funds between line items and between subdivisions without Emergency Commission approval. The department is to report any transfers to the Office of Management and Budget and to the Appropriations Committees of the 2007 Legislative Assembly, and any transfers over \$50,000 to the Budget Section after June 30, 2006.

A section of legislative intent is added providing that the department proceed with the replacement of the medicaid management information system by retaining the system within the department rather than contracting with a fiscal agent.

By Voice Vote
Unless
Otherwise
Noted.

PROGRAM AND POLICY SUBDIVISION	FTE	General Fund	Estimated Income	Total	
Executive budget recommendation	233.30	\$368,423,517	\$1,027,728,022	\$1,396,151,539	
Program and Policy - House changes:					
Reduces compensation adjustments to 3% for the first year and 4% for the second year		(\$26,297)	(\$45,923)	(\$72,220)	4-2
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(140,000)	0	(140,000)	4-2
Reduces operating expenses of all programs within this subdivision		(50,000)	0	(50,000)	Roll Call: 4-2 (A)
Economic Assistance Policy Program					
Removes funding for outreach services of the Food Stamp program		(25,000)	(25,000)	(50,000)	5-1
Child Support Program					
Reduces the operating expenses line item to remove federal funds for cooperative agreements with a county or tribe for centralized administration of child support enforcement services. House Bill No. 1172 includes a continuing appropriation for these funds.		0	(822,970)	(822,970)	6-0
Removes general fund support for the Lake Region Child Support Enforcement Unit		(215,016)	0	(215,016)	1-4 Failed
Reduces general fund support for the Lake Region Child Support Enforcement Unit from \$215,016 to \$150,016		(65,000)	0	(65,000)	4-2
Medical Services Program					
Removes the pharmacy assistant position added in the executive budget	(1.00)	(22,135)	(66,403)	(88,538)	4-2
Removes the Healthy Steps eligibility position added in the executive budget	(1.00)	(18,231)	(63,964)	(82,195)	3-3 Failed
Removes funding for the Global Insight contract due to changes in determining inflationary rates for nursing homes as provided in House Bill No. 1252		(5,920)	(5,919)	(11,839)	4-2
Removes funding for the department to contract for generic prescription drug detailing services		(237,775)	(237,775)	(475,550)	5-1
Adds funding for operating expenses associated with provisions of House Bill No. 1459 relating to management of the medical assistance program		282,500	282,500	565,000	6-0
Reduces medical assistance grants to reflect savings as a result of provisions of House Bill No. 1459 relating to management of the medical assistance program		(537,030)	(992,970)	(1,530,000)	
Reduces medical assistance grants to reflect provisions of House Bill No. 1181 which allow a Medicaid recipient to set aside up to \$5,000 for funeral expenses rather than \$3,000 under current law and \$5,500 as recommended by the Governor		(91,405)	(161,095)	(252,500)	4-2
Makes the following adjustments to the anticipated funding needed for medical assistance grants:					
Prescription drugs		(1,000,000)	(1,849,003)	(2,849,003)	5-1
Home health services		(100,000)	(184,900)	(284,900)	4-2
Optometry services		(50,000)	(92,450)	(142,450)	4-2
Inpatient and outpatient hospital services and physician services		2,200,000	4,067,806	6,267,806	6-0
Inpatient and outpatient hospital services		1,800,000	3,328,205	5,128,205	2-4 Failed
Dental services		500,000	924,501	1,424,501	2-4 Failed
All service categories		(50,000)	(92,450)	(142,450)	0-6 Failed
Adds funding for increasing ambulance services payment rates with 50 percent of the funds to be used for increasing air ambulance rates and 50 percent for ground ambulance rates		60,000	110,940	170,940	6-0
Reduces funding from the community health trust fund for breast and cervical cancer treatment services to the 2003-05 appropriation level. A section is added to the bill limiting the department's expenditures from this special fund during the 2005-07 biennium.		0	(169,601)	(169,601)	6-0

	FTE	General Fund	Estimated Income	Total	
Long Term Care Program					
Reflects the department's reprojections of anticipated funding needed for home and community-based services programs		(1,987,684)	5,724	(1,981,960)	4-2
Reduces funding for nursing facilities to reflect provisions of House Bill No. 1252 which base nursing home payment rates on inflationary rates as determined by the Legislative Assembly. The inflationary rates being used for nursing home rates for the 2005-07 biennium are two percent for each year of the biennium.		(1,755,456)	(3,164,516)	(4,919,972)	4-2
Reduces funding for nursing facilities to reflect a reduction in the estimated average number of nursing facility beds needed for Medicaid recipients from 3,631 to 3,600		(1,025,765)	(1,893,498)	(2,919,263)	4-2
Adds funding for basic care facilities to reflect provisions of House Bill No. 1252 which base basic care payment rates on inflationary rates as determined by the Legislative Assembly. The inflationary rates being used for basic care rates for the 2005-07 biennium are two percent for each year of the biennium.		162,051	73,408	235,459	4-2
Adds funding for increasing qualified service provider (QSP) payment rates (OAR 12)		1,106,031	633,969	1,740,000	2-4 Failed
Adds funding to increase the maximum amount of services an individual may receive from qualified service providers (QSP) under the service payments for the elderly and disabled (SPED) and expanded SPED programs from \$135 to \$185 per month		217,260	9,540	226,800	6-0
Aging Services Program					
Adds funding for increasing the senior citizen mill levy matching grant program to 100 percent		1,483,513	0	1,483,513	3-3 Failed
Adds funding for increasing the senior citizen mill levy matching grant program to 75 percent		696,899	0	696,899	2-4 Failed
Children and Family Services Program					
Reduces federal funding for family preservation services. The department may seek Emergency Commission approval if additional federal funds become available for these services		0	(750,000)	(750,000)	5-1
Adds funding for increasing the maximum treatment services payment for residential child care facilities by \$3.50 per day, from the current level of \$11.50 to \$15 per day		71,630	404,314	475,944	2-4 Failed
Adds funding for increasing the maximum treatment services payment for residential child care facilities by \$2.65 per day, from the current level of \$11.50 to \$14.15 per day		50,008	348,248	398,256	Roll Call: 4-2 (B)
Adds funding for increasing the maximum treatment services payment for residential child care facilities by \$2.27 per day, from the current level of \$11.50 to \$13.77 per day		35,016	309,336	344,352	
Reduces funding anticipated to be needed for foster care and subsidized adoption services		(250,000)	(344,106)	(594,106)	5-1
Mental Health and Substance Abuse Program					
Removes funding from the general fund for compulsive gambling treatment services and provides \$400,000 from the compulsive gambling treatment fund for these services		(150,000)	400,000	250,000	6-0
Reduces operating expenses of this program		(50,000)	0	(50,000)	Roll Call: 4-2 (C)

Developmental Disabilities Council

None

Disabilities Program

	FTE	General Fund	Estimated Income	Total	
Adds funding for increasing the average wage for employees of developmental disabilities services providers by \$1.05 per hour (OAR 26)		6,057,035	10,960,848	17,017,883	2-4 Failed
Adds funding for increasing the average wage for employees of developmental disabilities services providers by 30 cents per hour		1,725,579	3,136,671	4,862,250	2-4 Failed
Adds funding for increasing the average wage for employees of developmental disabilities services providers by 10 cents per hour		575,193	1,045,557	1,620,750	5-1
Adds funding for petitioning costs for corporate guardianship services (OAR 22)		30,000	0	30,000	3-3 Failed
Adds funding for increasing the administrative reimbursement rate for providers of individualized supported living arrangement (ISLA) services (OAR 20)		282,505	573,571	856,076	2-4 Failed
Adds funding for increasing payment rates for the Anne Carlsen Center for Children		100,000	184,900	284,900	5-1
Adds funding for increasing payment rates for the Anne Carlsen Center for Children		50,000	92,450	142,450	
Reduces funding for the family subsidy program to \$810,056 from the general fund		(100,000)	0	(100,000)	4-2
Reduces funding for supported living/extended services to \$200,000 from the general fund		(100,000)	0	(100,000)	4-2
Reduces funding anticipated to be needed for developmental disabilities grants		(500,000)	(924,501)	(1,424,501)	4-2
Total House changes - Program and Policy	<u>(2.00)</u>	<u>\$8,932,506</u>	<u>\$15,005,444</u>	<u>\$23,937,950</u>	
House Version - Program and Policy Subdivision	<u>231.30</u>	<u>\$377,356,023</u>	<u>\$1,042,733,466</u>	<u>\$1,420,089,489</u>	
Section 1 Amounts		310,747,679	959,092,082	1,269,839,761	
Section 2 Amounts		66,608,344	83,641,384	150,249,728	
Other changes affecting Program and Policy programs:					
A section is added providing that if the federal government does not require states to conduct payment error rate measurement eligibility reviews, the department not spend the \$1,230,000, of which \$615,000 is from the general fund, included in its appropriation.					6-0 ; replaced Section 4 of HB1012
A section is added directing the Office of Management and Budget to transfer \$100,000 from the compulsive gambling prevention and treatment fund to the general fund on July 1, 2005.					6-0

STATE HOSPITAL

	FTE	General Fund	Estimated Income	Total
Executive budget recommendation	424.01	\$32,117,667	\$15,610,871	\$47,728,538
State Hospital - House changes:				
Reduces compensation adjustments to 3% for the first year and 4% for the second year		(\$144,123)	(\$33,993)	(\$178,116)
Replaces funding from the general fund with special funds in anticipation of general fund savings and additional third-party collections		(100,000)	100,000	0
Total House changes - State Hospital	0.00	(\$244,123)	\$66,007	(\$178,116)
House Version - State Hospital	424.01	\$31,873,544	\$15,676,878	\$47,550,422
Section 1 Amounts		25,484,201	16,405,360	41,889,561
Section 2 Amounts		6,389,343	(728,482)	5,660,861
Other changes affecting the State Hospital:				

4-2

DEVELOPMENTAL CENTER

	FTE	General Fund	Estimated Income	Total
Executive budget recommendation	451.54	\$11,696,425	\$31,349,952	\$43,046,377
Developmental Center - House changes:				
Reduces compensation adjustments to 3% for the first year and 4% for the second year		(\$47,502)	(\$62,021)	(\$109,523)
Reduces funding for operating costs of the Developmental Center		(250,000)	(462,251)	(712,251)
Total House changes - Developmental Center	0.00	(\$297,502)	(\$524,272)	(\$821,774)
House Version - Developmental Center	451.54	\$11,398,923	\$30,825,680	\$42,224,603
Section 1 Amounts		8,811,229	31,949,828	40,761,057
Section 2 Amounts		2,587,694	(1,124,148)	1,463,546
Other changes affecting the Developmental Center:				

4-2

NORTHWEST HUMAN SERVICE CENTER

	FTE	General Fund	Estimated Income	Total
Executive budget recommendation	50.00	\$3,688,546	\$3,691,210	\$7,379,756
Northwest Human Service Center - House changes:				
Reduces compensation adjustments to 3% for the first year and 4% for the second year		(13,719)	(6,447)	(20,166)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(20,000)	0	(20,000)
Reduces funding for operating costs of the human service center		(20,619)	0	(20,619)
Total House changes - Northwest Human Service Center	0.00	(\$54,338)	(\$6,447)	(\$60,785)
House Version - Northwest Human Service Center	50.00	\$3,634,208	\$3,684,763	\$7,318,971
Section 1 Amounts		3,630,039	3,645,640	7,275,679
Section 2 Amounts		4,169	39,123	43,292

4-2

\$400,000
of General
Fund out
of HSCs

NORTH CENTRAL HUMAN SERVICE CENTER

	FTE	General Fund	Estimated Income	Total
Executive budget recommendation	113.78	\$8,163,022	\$7,270,196	\$15,433,218
North Central Human Service Center - House changes:				
Reduces compensation adjustments to 3% for the first year and 4% for the second year		(\$31,652)	(\$12,683)	(\$44,335)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(\$57,120)	0	(\$57,120)
Reduces funding for operating costs of the human service center		(53,566)	0	(53,566)
Total House changes - North Central Human Service Center	0.00	(\$142,338)	(\$12,683)	(\$155,021)
House Version - North Central Human Service Center	113.78	\$8,020,684	\$7,257,513	\$15,278,197
Section 1 Amounts		7,841,196	6,723,674	14,564,870
Section 2 Amounts		179,488	533,839	713,327

LAKE REGION HUMAN SERVICE CENTER

	FTE	General Fund	Estimated Income	Total
Executive budget recommendation	62.00	\$4,974,499	\$4,221,881	\$9,196,380
Lake Region Human Service Center - House changes:				
Reduces compensation adjustments to 3% for the first year and 4% for the second year		(\$17,745)	(\$7,825)	(\$25,570)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(\$38,052)	0	(\$38,052)
Reduces funding for operating costs of the human service center		(31,169)	0	(31,169)
Total House changes - Lake Region Human Service Center	0.00	(\$86,966)	(\$7,825)	(\$94,791)
House Version - Lake Region Human Service Center	62.00	\$4,887,533	\$4,214,056	\$9,101,589
Section 1 Amounts		4,637,960	3,782,973	8,420,933
Section 2 Amounts		249,573	431,083	680,656

NORTHEAST HUMAN SERVICE CENTER

	FTE	General Fund	Estimated Income	Total
Executive budget recommendation	141.90	\$8,484,532	\$12,211,610	\$20,696,142
Northeast Human Service Center - House changes:				
Reduces compensation adjustments to 3% for the first year and 4% for the second year		(\$27,919)	(\$20,950)	(\$48,869)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(\$97,692)	0	(\$97,692)
Reduces funding for operating costs of the human service center		(\$2,629)	0	(\$2,629)
Total House changes - Northeast Human Service Center	0.00	(\$178,240)	(\$20,950)	(\$199,190)
House Version - Northeast Human Service Center	141.90	\$8,306,292	\$12,190,660	\$20,496,952
Section 1 Amounts		7,996,363	11,444,820	19,441,183
Section 2 Amounts		309,929	745,840	1,055,769

SOUTHEAST HUMAN SERVICE CENTER

	FTE	General Fund	Estimated Income	Total
Executive budget recommendation	183.60	\$10,148,529	\$13,673,717	\$23,822,246
Southeast Human Service Center - House changes:				
Reduces compensation adjustments to 3% for the first year and 4% for the second year		(\$43,102)	(\$28,122)	(\$71,224)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(\$137,046)	0	(\$137,046)
Reduces funding for operating costs of the human service center		(87,554)	0	(87,554)
Total House changes - Southeast Human Service Center	0.00	(\$267,702)	(\$28,122)	(\$295,824)
House Version - Southeast Human Service Center	183.60	\$9,880,827	\$13,645,595	\$23,526,422
Section 1 Amounts		9,509,320	11,215,222	20,724,542
Section 2 Amounts		371,507	2,430,373	2,801,880

SOUTH CENTRAL HUMAN SERVICE CENTER

	FTE	General Fund	Estimated Income	Total
Executive budget recommendation	88.00	\$5,916,635	\$6,322,357	\$12,238,992
South Central Human Service Center - House changes:				
Reduces compensation adjustments to 3% for the first year and 4% for the second year		(\$21,647)	(\$12,076)	(\$33,723)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(\$20,000)	0	(\$20,000)
Reduces funding for operating costs of the human service center		(46,123)	0	(46,123)
Total House changes - South Central Human Service Center	0.00	(\$87,770)	(\$12,076)	(\$99,846)
House Version - South Central Human Service Center	88.00	\$5,828,865	\$6,310,281	\$12,139,146
Section 1 Amounts		5,627,107	5,731,868	11,358,975
Section 2 Amounts		201,758	578,413	780,171

WEST CENTRAL HUMAN SERVICE CENTER

	FTE	General Fund	Estimated Income	Total
Executive budget recommendation	124.50	\$9,025,416	\$9,675,203	\$18,700,619
West Central Human Service Center - House changes:				
Reduces compensation adjustments to 3% for the first year and 4% for the second year		(\$32,866)	(\$16,290)	(\$49,156)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(\$69,804)	0	(\$69,804)
Reduces funding for operating costs of the human service center		(\$75,891)	0	(\$75,891)
Total House changes - West Central Human Service Center	0.00	(\$178,561)	(\$16,290)	(\$194,851)
House Version - West Central Human Service Center	<u>124.50</u>	<u>\$8,846,855</u>	<u>\$9,658,913</u>	<u>\$18,505,768</u>
Section 1 Amounts		8,463,209	9,121,635	17,584,844
Section 2 Amounts		383,646	537,278	920,924

BADLANDS HUMAN SERVICE CENTER

	FTE	General Fund	Estimated Income	Total
Executive budget recommendation	76.70	\$4,569,614	\$4,819,177	\$9,388,791
Badlands Human Service Center - House changes:				
Reduces compensation adjustments to 3% for the first year and 4% for the second year		(\$18,089)	(\$9,680)	(\$27,769)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(\$20,286)	0	(\$20,286)
Reduces funding for operating costs of the human service center		(32,449)	0	(32,449)
Total House changes - Badlands Human Service Center	0.00	(\$70,824)	(\$9,680)	(\$80,504)
House Version - Badlands Human Service Center	<u>76.70</u>	<u>\$4,498,790</u>	<u>\$4,809,497</u>	<u>\$9,308,287</u>
Section 1 Amounts		4,365,904	4,558,723	8,924,627
Section 2 Amounts		132,886	250,774	383,660
Other changes affecting the Human Service Centers:				

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 1, line 2, after the semicolon insert "to provide an exception; to provide a statement of legislative intent; to provide for a legislative council study; to provide for a transfer to the general fund;" and remove "between agencies and"

Page 1, line 3, remove "institutions"

Page 3, line 28, replace "(\$448,535)" with "(\$486,633)"

Page 4, line 1, replace "23,691,491" with "23,653,393"

Page 4, line 2, replace "14,244,468" with "14,232,453"

Page 4, line 3, replace "9,447,023" with "9,420,940"

Page 4, line 6, replace "1,000,559" with "699,801"

Page 4, line 7, replace "851,164" with "(109,195)"

Page 4, line 9, replace "45,368,268" with "44,572,418"

Page 4, line 10, replace "79,097,595" with "71,360,100"

Page 4, line 11, replace "126,311,778" with "116,517,316"

Page 4, line 12, replace "68,635,940" with "63,463,933"

Page 4, line 13, replace "57,675,838" with "53,053,383"

Page 4, line 18, replace "104,077" with "43,292"

Page 4, line 19, replace "45,570" with "39,123"

Page 4, line 20, replace "58,507" with "4,169"

Page 4, line 22, replace "868,348" with "713,327"

Page 4, line 23, replace "546,522" with "533,839"

Page 4, line 24, replace "321,826" with "179,488"

Page 4, line 26, replace "775,447" with "680,656"

Page 4, line 27, replace "438,908" with "431,083"

Page 4, line 28, replace "336,539" with "249,573"

Page 5, line 1, replace "1,254,959" with "1,055,769"

Page 5, line 2, replace "766,790" with "745,840"

Page 5, line 3, replace "488,169" with "309,929"

Page 5, line 5, replace "3,097,704" with "2,801,880"

Page 5, line 6, replace "2,458,495" with "2,430,373"

Page 5, line 7, replace "639,209" with "371,507"

Page 5, line 9, replace "880,017" with "780,171"

Page 5, line 10, replace "590,489" with "578,413"

Page 5, line 11, replace "289,528" with "201,758"

Page 5, line 13, replace "1,115,775" with "920,924"

Page 5, line 14, replace "553,568" with "537,278"

Page 5, line 15, replace "562,207" with "383,646"

Page 5, line 17, replace "464,164" with "383,660"

Page 5, line 18, replace "260,454" with "250,774"

Page 5, line 19, replace "203,710" with "132,886"

Page 5, line 21, replace "383,417" with "230,001"

Page 5, line 22, replace "5,455,560" with "5,430,860"

Page 5, line 23, replace "5,838,977" with "5,660,861"

Page 5, line 24, replace "(794,489)" with "(728,482)"

Page 5, line 25, replace "6,633,466" with "6,389,343"

Page 5, line 27, replace "2,285,320" with "1,463,546"

Page 5, line 28, replace "(599,876)" with "(1,124,148)"

Page 5, line 29, replace "2,885,196" with "2,587,694"

Page 5, line 30, replace "16,434,788" with "14,254,086"

Page 5, line 31, replace "4,266,431" with "3,694,093"

Page 6, line 1, replace "12,168,357" with "10,559,993"

Page 6, line 2, replace "79,291,218" with "73,034,316"

Page 6, line 3, replace "87,146,839" with "81,390,479"

Page 6, line 4, replace "166,438,057" with "154,424,795"

Page 6, line 12, replace "ADMINISTRATION - SUPPORT" with "MANAGEMENT"

Page 6, line 13, replace "10,567,750" with "10,529,652"

Page 6, line 16, replace "71,539,214" with "71,501,116"

Page 6, line 17, replace "48,374,575" with "48,362,560"

Page 6, line 18, replace "23,164,639" with "23,138,556"

Page 6, line 20, replace "PROGRAM/POLICY MANAGEMENT" with "PROGRAM AND
POLICY"

Page 6, line 21, replace "23,054,340" with "22,753,582"

Page 6, line 22, replace "38,232,573" with "37,272,214"

Page 6, line 24, replace "334,055,993" with "333,260,143"

Page 6, line 25, replace "1,000,774,769" with "993,037,274"

Page 6, line 26, replace "1,396,151,539" with "1,386,357,077"

Page 6, line 27, replace "1,027,728,022" with "1,022,556,015"

Page 6, line 28, replace "368,423,517" with "363,801,062"

Page 7, line 1, replace "7,379,756" with "7,318,971"

Page 7, line 2, replace "3,691,210" with "3,684,763"

Page 7, line 3, replace "3,688,546" with "3,634,208"

Page 7, line 5, replace "15,433,218" with "15,278,197"

Page 7, line 6, replace "7,270,196" with "7,257,513"

Page 7, line 7, replace "8,163,022" with "8,020,684"

Page 7, line 9, replace "9,196,380" with "9,101,589"

Page 7, line 10, replace "4,221,881" with "4,214,056"

Page 7, line 11, replace "4,974,499" with "4,887,533"

Page 7, line 13, replace "20,696,142" with "20,496,952"

Page 7, line 14, replace "12,211,610" with "12,190,660"

Page 7, line 15, replace "8,484,532" with "8,306,292"

Page 7, line 17, replace "23,822,246" with "23,526,422"

Page 7, line 18, replace "13,673,717" with "13,645,595"

Page 7, line 19, replace "10,148,529" with "9,880,827"

Page 7, line 21, replace "12,238,992" with "12,139,146"

Page 7, line 22, replace "6,322,357" with "6,310,281"

Page 7, line 23, replace "5,916,635" with "5,828,865"

Page 7, line 25, replace "18,700,619" with "18,505,768"

Page 7, line 26, replace "9,675,203" with "9,658,913"

Page 7, line 27, replace "9,025,416" with "8,846,855"

Page 7, line 29, replace "9,388,791" with "9,308,287"

Page 7, line 30, replace "4,819,177" with "4,809,497"

Page 7, line 31, replace "4,569,614" with "4,498,790"

Page 8, line 2, replace "42,272,978" with "42,119,562"

Page 8, line 3, replace "5,455,560" with "5,430,860"

Page 8, line 4, replace "47,728,538" with "47,550,422"

Page 8, line 5, replace "15,610,871" with "15,676,878"

Page 8, line 6, replace "32,117,667" with "31,873,544"

Page 8, line 8, replace "43,046,377" with "42,224,603"

Page 8, line 9, replace "31,349,952" with "30,825,680"

Page 8, line 10, replace "11,696,425" with "11,398,923"

Page 8, line 11, replace "207,631,059" with "205,450,357"

Page 8, line 12, replace "108,846,174" with "108,273,836"

Page 8, line 13, replace "98,784,885" with "97,176,521"

Page 8, line 14, replace "490,373,041" with "484,116,139"

Page 8, line 15, replace "1,184,948,771" with "1,179,192,411"

Page 8, line 16, replace "1,675,321,812" with "1,663,308,550"

Page 8, line 17, after "**MEDICAID**" insert "- **EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL**" and replace "The" with "Subject to emergency commission and budget section approval, the"

Page 8, line 21, remove "The department of human services"

Page 8, replace lines 22 through 31 with:

"SECTION 5. MEDICAID ELIGIBILITY REVIEWS - CONTINGENT FUNDING.

The appropriation in subdivision 2 of section 3 of this Act includes \$615,000 from the general fund and \$615,000 of federal funds for payment error rate measurement eligibility reviews for the medical assistance program. If the department of human services is not required by the federal government to conduct these reviews, the

department may not spend these funds for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 6. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.

Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within each subdivision of section 3 of this Act and between subdivisions within section 3 of this Act for the biennium beginning July 1, 2005, and ending June 30, 2007. The department shall notify the office of management and budget of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2006, any transfers made in excess of \$50,000 and to the appropriations committees of the sixtieth legislative assembly regarding any transfers made pursuant to this section.

SECTION 7. LEGISLATIVE INTENT - MEDICAID MANAGEMENT

INFORMATION SYSTEM. It is the intent of the fifty-ninth legislative assembly that the department of human services proceed with the replacement of the medicaid management information system by retaining the system within the department rather than contracting with a fiscal agent for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 8. ESTIMATED INCOME - LIMIT - COMMUNITY HEALTH TRUST

FUND. The estimated income line item in subdivision 2 of section 3 of this Act includes \$114,755 from the community health trust fund. The department of human services expenditures from this fund may not exceed this amount for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 9. COMPULSIVE GAMBLING PREVENTION AND TREATMENT

FUND - TRANSFER TO THE GENERAL FUND. On July 1, 2005, the director of the office of management and budget and the state treasurer shall transfer \$100,000 from the compulsive gambling prevention and treatment fund to the general fund.

SECTION 10. LEGISLATIVE COUNCIL STUDY - LONG-TERM CARE.

During the 2005-06 interim, the legislative council shall consider studying, with input from representatives of the department of human services and the long-term care industry, methods of improving the sustainability of funding long-term care services in the state, including a review of case mix and rate equalization, consideration of additional support for facilities providing additional restorative care services, and consideration of options for reducing the number of required reports of facilities providing high-quality care or for seeking waivers to change the survey process."

Page 9, remove lines 1 through 9

Page 9, line 11, after "technology" insert "for the medicaid management information system replacement project of \$29,188,859, of which \$3,667,820 is from the general fund"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
DHS - Management			
Total all funds	\$71,539,214	(\$38,098)	\$71,501,116
Less estimated income	48,374,575	(12,015)	48,362,560
General fund	\$23,164,639	(\$26,083)	\$23,138,556
DHS - Program/Policy			
Total all funds	\$1,396,151,539	(\$9,794,462)	\$1,386,357,077
Less estimated income	<u>1,027,728,022</u>	<u>(5,172,007)</u>	<u>1,022,556,015</u>

General fund	\$368,423,517	(\$4,622,455)	\$363,801,062
DHS - State Hospital			
Total all funds	\$47,728,538	(\$178,116)	\$47,550,422
Less estimated income	15,610,871	66,007	15,676,878
General fund	\$32,117,667	(\$244,123)	\$31,873,544
DHS - Developmental Center			
Total all funds	\$43,046,377	(\$821,774)	\$42,224,603
Less estimated income	31,349,952	(524,272)	30,825,680
General fund	\$11,696,425	(\$297,502)	\$11,398,923
DHS - Northwest HSC			
Total all funds	\$7,379,756	(\$60,785)	\$7,318,971
Less estimated income	3,691,210	(6,447)	3,684,763
General fund	\$3,688,546	(\$54,338)	\$3,634,208
DHS - North Central HSC			
Total all funds	\$15,433,218	(\$155,021)	\$15,278,197
Less estimated income	7,270,196	(12,683)	7,257,513
General fund	\$8,163,022	(\$142,338)	\$8,020,684
DHS - Lake Region HSC			
Total all funds	\$9,196,380	(\$94,791)	\$9,101,589
Less estimated income	4,221,881	(7,825)	4,214,056
General fund	\$4,974,499	(\$86,966)	\$4,887,533
DHS - Northeast HSC			
Total all funds	\$20,696,142	(\$199,190)	\$20,496,952
Less estimated income	12,211,610	(20,950)	12,190,660
General fund	\$8,484,532	(\$178,240)	\$8,306,292
DHS - Southeast HSC			
Total all funds	\$23,822,246	(\$295,824)	\$23,526,422
Less estimated income	13,673,717	(28,122)	13,645,595
General fund	\$10,148,529	(\$267,702)	\$9,880,827
DHS - South Central HSC			
Total all funds	\$12,238,992	(\$99,846)	\$12,139,146
Less estimated income	6,322,357	(12,076)	6,310,281
General fund	\$5,916,635	(\$87,770)	\$5,828,865
DHS - West Central HSC			
Total all funds	\$18,700,619	(\$194,851)	\$18,505,768
Less estimated income	9,675,203	(16,290)	9,658,913
General fund	\$9,025,416	(\$178,561)	\$8,846,855
DHS - Badlands HSC			
Total all funds	\$9,388,791	(\$80,504)	\$9,308,287
Less estimated income	4,819,177	(9,680)	4,809,497
General fund	\$4,569,614	(\$70,824)	\$4,498,790
Bill Total			
Total all funds	\$1,675,321,812	(\$12,013,262)	\$1,663,308,550
Less estimated income	1,184,948,771	(5,756,360)	1,179,192,411
General fund	\$490,373,041	(\$6,256,902)	\$484,116,139

House Bill No. 1012 - Department of Human Services - Management - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION		
Salaries and wages	\$10,567,750	(\$38,098) ¹	\$10,529,652		
Operating expenses	60,968,708		60,968,708		
Capital assets	<u>2,756</u>		<u>2,756</u>		
Total all funds	\$71,539,214	(\$38,098)	\$71,501,116		
Less estimated income	<u>48,374,575</u>	<u>(12,015)</u>	<u>48,362,560</u>		
General fund	\$23,164,639	(\$26,083)	\$23,138,556		
FTE	99.10	0.00	99.10		
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
¹ Management - House Changes:					
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year			(\$26,083)	(\$12,015)	(\$38,098)
Administration Support Program					
None					
Division of Information Technology Program					
None					
Total House Changes - Management		0.00	(\$26,083)	(\$12,015)	(\$38,098)

Other changes affecting management programs or multiple programs of the department:

A section is added authorizing the department to transfer funds between line items and between subdivisions without Emergency Commission approval. The department is to report any transfers to the Office of Management and Budget and to the Appropriations Committees of the 2007 Legislative Assembly and any transfers over \$50,000 to the Budget Section after June 30, 2006.

Section 5 of the bill is removed which authorized the department to transfer appropriation authority and to transfer or add FTE positions to the State Hospital, Developmental Center, or human service centers.

Section 6 of the bill is removed which appropriated any additional federal funds received by the department for low-income home energy assistance and food stamp benefits in excess of the amounts appropriated by the Legislative Assembly for the 2005-07 biennium.

A section of legislative intent is added providing that the department proceed with the replacement of the Medicaid management information system by retaining the system within the department rather than contracting with a fiscal agent.

Section 7 of the bill is amended to clarify that the emergency clause relates to the Medicaid management information system computer system project.

House Bill No. 1012 - Department of Human Services - Program/Policy - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
Salaries and wages	\$23,054,340	(\$300,758)	\$22,753,582
Operating expenses	38,232,573	(960,359)	37,272,214
Capital assets	33,864		33,864
Grants	334,055,993	(795,850)	333,260,143
Grants - Medical assistance	<u>1,000,774,760</u>	<u>(7,737,495)</u>	<u>993,037,274</u>
Total all funds	\$1,396,151,539	(\$9,794,462)	\$1,386,357,077
Less estimated income	<u>1,027,728,022</u>	<u>(5,172,007)</u>	<u>1,022,556,015</u>
General fund	\$368,423,517	(\$4,622,455)	\$363,801,062
FTE	233.30	(1.00)	232.30

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
¹ Program/Policy - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$26,297)	(\$45,923)	(\$72,220)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(140,000)		(140,000)
Reduces operating expenses of all programs within this subdivision		(50,000)		(50,000)
Economic Assistance Policy Program				
Removes funding for outreach services of the food stamp program		(25,000)	(25,000)	(50,000)
Child Support Program				
Reduces the operating expenses line item to remove federal funds for cooperative agreements with a county or tribe for centralized administration of child support enforcement services			(822,970)	(822,970)
House Bill No. 1172 includes a continuing appropriation for these funds.				
Reduces general fund support for the Lake Region child support enforcement unit from \$215,016 to \$150,016		(65,000)		(65,000)
Medical Services Program				
Removes the pharmacy assistant position added in the executive budget	(1.00)	(22,135)	(66,403)	(88,538)
Removes funding for the Global Insight contract due to changes in determining inflationary rates for nursing homes as provided in House Bill No. 1252		(5,920)	(5,919)	(11,839)
Removes funding for the department to contract		(237,775)	(237,775)	(475,550)

for generic prescription drug detailing services

Adds funding for operating expenses associated with provisions of House Bill No. 1459 relating to management of the medical assistance program

282,500 282,500 565,000

Reduces medical assistance grants to reflect savings as a result of provisions of House Bill No. 1459 relating to management of the medical assistance program

(537,030) (992,970) (1,530,000)

Reduces medical assistance grants to reflect provisions of House Bill No. 1181 which allow a Medicaid recipient to set aside up to \$5,000 for funeral expenses rather than \$3,000 under current law and \$5,500 as recommended by the Governor

(91,405) (161,095) (252,500)

Adds funding for medical assistance grants to adjust the anticipated funding needed for medical assistance services

1,050,000 1,941,453 2,991,453

Adds funding for increasing ambulance services payment rates with 50 percent of the funds to be used for increasing air ambulance rates and 50 percent for ground ambulance rates

60,000 110,940 170,940

Reduces funding from the community health trust fund for breast and cervical cancer treatment services to the 2003-05 appropriation level. A section is added to the bill limiting the department's expenditures from this special fund during the 2005-07 biennium.

(139,601) (139,601)

Long-Term Care Program

Reflects the department's reprojections of anticipated funding needed for home and community-based services programs

(1,987,684) 5,724 (1,981,960)

Reduces funding for nursing facilities to reflect provisions of House Bill No. 1252 which base nursing home payment rates on inflationary rates as determined by the Legislative Assembly. The inflationary rates being used for nursing home rates for the 2005-07 biennium are 2 percent for each year of the biennium.

(1,755,456) (3,164,516) (4,919,972)

Reduces funding for nursing facilities to reflect a reduction in the estimated average number of nursing facility beds needed for Medicaid recipients from 3,631 to 3,600

(1,025,765) (1,893,498) (2,919,263)

Adds funding for basic care facilities to reflect provisions of House Bill No. 1252 which base basic care payment rates on inflationary rates as determined by the Legislative Assembly. The inflationary rates being used for basic care rates for the 2005-07 biennium are 2 percent for each year of the biennium.

162,051 73,408 235,459

Adds funding to increase the maximum amount of homemaker services an individual may receive from qualified service providers (QSP) under the service payments for the elderly and disabled (SPED) and expanded SPED programs from \$135 to \$185 per month

217,260 9,540 226,800

Aging Services Program

None

Children and Family Services Program

Reduces federal funding for family preservation services. The department may seek Emergency Commission approval if additional federal funds become available for these services.

(750,000) (750,000)

Adds funding for increasing the maximum treatment services payment for residential child care facilities by \$2.65 per day, from the current level of \$11.50 to \$14.15 per day. The funding level provided maintains each facility's service rate at its current rate for the 2005-07 biennium.

50,008 348,248 398,256

Reduces funding anticipated to be needed for foster care and subsidized adoption services

(250,000) (344,106) (594,106)

Mental Health and Substance Abuse Program

Removes funding from the general fund for compulsive gambling treatment services and provides \$400,000 from the compulsive gambling treatment fund for these services in accordance

(150,000) 400,000 250,000

with provisions of House Bill No. 1259

Reduces operating expenses of this program	(50,000)	(50,000)
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Developmental Disabilities Council

None

Disabilities Program

Adds funding for increasing the average wage for employees of developmental disabilities services providers by 10 cents per hour	575,193	1,045,557	1,620,750
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Adds funding for increasing payment rates for facilities serving children with extensive medical needs	100,000	184,900	284,900
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Reduces funding for the family subsidy program to \$180,056 from the general fund	(100,000)		(100,000)
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Reduces funding for supported living/extended services to \$200,000 from the general fund	(100,000)		(100,000)
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Reduces funding anticipated to be needed for developmental disabilities grants	(500,000)	(924,501)	(1,424,501)
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Total House Changes - Program/Policy	(1.00)	(\$4,622,455)	(\$5,172,007)	(\$9,794,462)
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Other changes affecting Program/Policy programs:

A section is added providing that if the federal government does not require states to conduct payment error rate measurement eligibility reviews, the department not spend the \$1,230,000, of which \$615,000 is from the general fund, included in its appropriation.

Section 4 of the bill is amended to require Emergency Commission and Budget Section approval before the department may hire FTE positions to assist with the payment error rate measurement eligibility reviews.

A section is added directing the Office of Management and Budget to transfer \$100,000 from the compulsive gambling prevention and treatment fund to the general fund on July 1, 2005.

A section is added providing for a Legislative Council long-term care study.

House Bill No. 1012 - Department of Human Services - State Hospital - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
Traditional	\$42,272,978	(\$153,416)	\$42,119,562
Secure	<u>5,455,560</u>	<u>(24,700)</u>	<u>5,430,860</u>
Total all funds	\$47,728,538	(\$178,116)	\$47,550,422
Less estimated income	<u>15,610,871</u>	<u>66,007</u>	<u>15,676,878</u>
General fund	\$32,117,667	(\$244,123)	\$31,873,544
FTE	424.01	0.00	424.01

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
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¹ State Hospital - House Changes:

Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year	(\$144,123)	(\$33,993)	(\$178,116)
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Replaces funding from the general fund with special funds in anticipation of general fund savings and additional third-party collections	(100,000)	100,000	
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Total House Changes - State Hospital	0.00	(\$244,123)	\$66,007	(\$178,116)
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House Bill No. 1012 - Department of Human Services - Developmental Center - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
Human service centers/institutions	\$43,046,377	(\$821,774)	\$42,224,603
Total all funds	\$43,046,377	(\$821,774)	\$42,224,603
Less estimated income	<u>31,349,952</u>	<u>(524,272)</u>	<u>30,825,680</u>

General fund	\$11,696,425	(\$297,502)	\$11,398,923
FTE	451.54	0.00	451.54

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
1 Developmental Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$47,502)	(\$62,021)	(\$109,523)
Reduces funding for operating costs of the Developmental Center		(250,000)	(462,251)	(712,251)
Total House Changes - Developmental Center	0.00	(\$297,502)	(\$524,272)	(\$821,774)

House Bill No. 1012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	HOUSE CHANGES 1	HOUSE VERSION
DHS - Northwest HSC	\$3,688,546	(\$54,338)	\$3,634,208
DHS - North Central HSC	8,163,022	(142,338)	8,020,684
DHS - Lake Region HSC	4,974,499	(86,966)	4,887,533
DHS - Northeast HSC	8,484,532	(178,240)	8,306,292
DHS - Southeast HSC	10,148,529	(267,702)	9,880,827
DHS - South Central HSC	5,916,635	(87,770)	5,828,865
DHS - West Central HSC	9,025,416	(178,561)	8,846,855
DHS - Badlands HSC	4,569,614	(70,824)	4,498,790
Total general fund	\$54,970,793	(\$1,066,739)	\$53,904,054

House Bill No. 1012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES 1	HOUSE VERSION
DHS - Northwest HSC	\$3,691,210	(\$6,447)	\$3,684,763
DHS - North Central HSC	7,270,196	(12,683)	7,257,513
DHS - Lake Region HSC	4,221,881	(7,825)	4,214,056
DHS - Northeast HSC	12,211,610	(20,950)	12,190,660
DHS - Southeast HSC	13,673,717	(28,122)	13,645,595
DHS - South Central HSC	6,322,357	(12,076)	6,310,281
DHS - West Central HSC	9,675,203	(16,290)	9,658,913
DHS - Badlands HSC	4,819,177	(9,680)	4,809,497
Total other funds	\$61,885,351	(\$114,073)	\$61,771,278

House Bill No. 1012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES 1	HOUSE VERSION
DHS - Northwest HSC	\$7,379,756	(\$60,785)	\$7,318,971
DHS - North Central HSC	15,433,218	(155,021)	15,278,197
DHS - Lake Region HSC	9,196,380	(94,791)	9,101,589
DHS - Northeast HSC	20,696,142	(199,190)	20,496,952
DHS - Southeast HSC	23,822,246	(295,824)	23,526,422
DHS - South Central HSC	12,238,992	(99,846)	12,139,146
DHS - West Central HSC	18,700,619	(194,851)	18,505,768
DHS - Badlands HSC	9,388,791	(80,504)	9,308,287
Total all funds	\$116,856,144	(\$1,180,812)	\$115,675,332
FTE	840.48	0.00	840.48

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
1 Human Service Center Changes:				
Northwest Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$13,719)	(\$6,447)	(\$20,166)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(20,000)		(20,000)
Reduces funding for operating costs of the human service center		(20,619)		(20,619)
Total House Changes - Northwest Human Service Center	0.00	(\$54,338)	(\$6,447)	(\$60,785)
North Central Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$31,652)	(\$12,683)	(\$44,335)
Reduces salaries and wages funding in anticipation		(57,120)		(57,120)

of savings from vacant positions and employee turnover

Reduces funding for operating costs of the human service center		(53,566)		(53,566)
Total House Changes - North Central Human Service Center	0.00	(\$142,338)	(\$12,683)	(\$155,021)
Lake Region Human Service Center - House Changes:				
Reduces compensation adjustments 3 percent for the first year and 4 percent for the second year		(\$17,745)	(\$7,825)	(\$25,570)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(38,052)		(38,052)
Reduces funding for operating costs of the human service center		(31,169)		(31,169)
Total House Changes - Lake Region Human Service Center	0.00	(\$86,966)	(\$7,825)	(\$94,791)
Northeast Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$27,919)	(\$20,950)	(\$48,869)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(97,692)		(97,692)
Reduces funding for operating costs of the human service center		(52,629)		(52,629)
Total House Changes - Northeast Human Service Center	0.00	(\$178,240)	(\$20,950)	(\$199,190)
Southeast Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$43,102)	(\$28,122)	(\$71,224)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(137,046)		(137,046)
Reduces funding for operating costs of the human service center		(87,554)		(87,554)
Total House Changes - Southeast Human Service Center	0.00	(\$267,702)	(\$28,122)	(\$295,824)
South Central Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$21,647)	(\$12,076)	(\$33,723)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(20,000)		(20,000)
Reduces funding for operating costs of the human service center		(46,123)		(46,123)
Total House Changes - South Central Human Service Center	0.00	(\$87,770)	(\$12,076)	(\$99,846)
West Central Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$32,866)	(\$16,290)	(\$49,156)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(69,804)		(69,804)
Reduces funding for operating costs of the human service center		(75,891)		(75,891)
Total House Changes - West Central Human Service Center	0.00	(\$178,561)	(\$16,290)	(\$194,851)
Badlands Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$18,089)	(\$9,680)	(\$27,769)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(20,286)		(20,286)
Reduces funding for operating costs of the human service center		(32,449)		(32,449)
Total House Changes - Badlands Human Service Center	0.00	(\$70,824)	(\$9,680)	(\$80,504)

Total amounts for selected reductions reflected in this amendment include:

1. The 3 percent and 4 percent compensation package is \$718,769, of which \$450,744 is from the general fund.

2. Anticipation of savings from vacant positions and employee turnover is \$600,000 from the general fund.
3. Human service center operating cost reductions is \$400,000 from the general fund.

Date: 2/14/05
Roll Call Vote #: ①

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1012

House Appropriations - Human Resources

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken *Proposed change for Program : Policy Subdivision :
" Reduces operating expenses of all programs within this subdivision." (A)**

Motion Made By Rep.

Seconded By Rep.

Representatives	Yes	No	Representatives	Yes	No
Chairman Jeff Delzer	✓		Rep. James Kerzman		✓
Vice Chairman Chet Pollert	✓		Rep. Ralph Metcalf		✓
Rep. Larry Bellew	✓				
Rep. Alon C. Wieland	✓				

Total (Yes) 4 No 2

Absent

Floor Assignment Rep.

If the vote is on an amendment, briefly indicate intent:

* See 2005-07 Biennium Department of Human Services Budget —
Summary of Pending House Changes worksheet.

Date: 2/14/05
Roll Call Vote #: ①

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1012

House **Appropriations - Human Resources**

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken *Proposed change for Children & Family Service Subdivision: "Adds funding for increasing the maximum treatment services payment for residential child care facilities by \$2.65 per day, from the current level of \$11.50 to \$14.15 per day."*

Motion Made By Rep.

Seconded By Rep.

Representatives	Yes	No	Representatives	Yes	No
Chairman Jeff Delzer	✓		Rep. James Kerzman	✓	
Vice Chairman Chet Pollert		✓	Rep. Ralph Metcalf	✓	
Rep. Larry Bellew		✓			
Rep. Alon C. Wieland	✓				

Total (Yes)

4

No

2

Absent

Floor Assignment Rep.

If the vote is on an amendment, briefly indicate intent:

* See 2005-07 Biennium Department of Human Services Budget — Summary of Pending House Changes worksheet.

Date: 2/14/05
Roll Call Vote #: ①

**2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.**

House **Appropriations - Human Resources**

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken *Proposed Change for Mental Health & Substance Abuse Program Subdivision: (C)*
"Reduces Operating Expenses of this program by \$50,000."*

Motion Made By Rep.

Seconded By Rep.

Representatives	Yes	No	Representatives	Yes	No
Chairman Jeff Delzer	✓		Rep. James Kerzman		✓
Vice Chairman Chet Pollert	✓		Rep. Ralph Metcalf		✓
Rep. Larry Bellew	✓				
Rep. Alon C. Wieland	✓				

Total (Yes) 4 No 2

Absent

Floor Assignment Rep.

If the vote is on an amendment, briefly indicate intent:

* See 2005-07 Biennium Department of Human Services Budget —
Summary of Pending House Changes worksheet.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 1, line 2, after the semicolon insert "to provide an exception; to provide for a legislative council study; to provide for a transfer to the general fund; and" and remove "between agencies and"

Page 1, line 3, remove "institutions; and to declare an emergency"

Page 3, line 28, replace "\$448,535" with "\$486,633"

Page 3, line 29, replace "27,401,520" with "(1,787,339)"

Page 4, line 1, replace "23,691,491" with "(\$5,535,466)"

Page 4, line 2, replace "14,244.468" with "(11,288,586)"

Page 4, line 3, replace "9,447,023" with "5,753,120"

Page 4, line 6, replace "1,000,559" with "699,801"

Page 4, line 7, replace "851,164" with "(109,195)"

Page 4, line 9, replace "45,368,268" with "44,572,418"

Page 4, line 10, replace "79,097,595" with "71,360,100"

Page 4, line 11, replace "126,311,778" with "116,517,316"

Page 4, line 12, replace "68,635,940" with "63,463,933"

Page 4, line 13, replace "57,675,838" with "53,053,383"

Page 4, line 18, replace "104,077" with "43,292"

Page 4, line 19, replace "45,570" with "39,123"

Page 4, line 20, replace "58,507" with "4,169"

Page 4, line 22, replace "868,348" with "713,327"

Page 4, line 23, replace "546,522" with "533,839"

Page 4, line 24, replace "321,826" with "179,488"

Page 4, line 26, replace "775,447" with "680,656"

Page 4, line 27, replace "438,908" with "431,083"

Page 4, line 28, replace "336,539" with "249,573"

Page 5, line 1, replace "1,254,959" with "1,055,769"

Page 5, line 2, replace "766,790" with "745,840"

Page 5, line 3, replace "488,169" with "309,929"

Page 5, line 5, replace "3,097,704" with "2,801,880"

Page 5, line 6, replace "2,458,495" with "2,430,373"

Page 5, line 7, replace "639,209" with "371,507"

Page 5, line 9, replace "880,017" with "780,171"

Page 5, line 10, replace "590,489" with "578,413"

Page 5, line 11, replace "289,528" with "201,758"

Page 5, line 13, replace "1,115,775" with "920,924"

Page 5, line 14, replace "553,568" with "537,278"

Page 5, line 15, replace "562,207" with "383,646"

Page 5, line 17, replace "464,164" with "383,660"

Page 5, line 18, replace "260,454" with "250,774"

Page 5, line 19, replace "203,710" with "132,886"

Page 5, line 21, replace "383,417" with "230,001"

Page 5, line 22, replace "5,455,560" with "5,430,860"

Page 5, line 23, replace "5,838,977" with "5,660,861"

Page 5, line 24, replace "(794,489)" with "(728,482)"

Page 5, line 25, replace "6,633,466" with "6,389,343"

Page 5, line 27, replace "2,285,320" with "1,463,546"

Page 5, line 28, replace "(599,876)" with "(1,124,148)"

Page 5, line 29, replace "2,885,196" with "2,587,694"

Page 5, line 30, replace "16,434,788" with "14,254,086"

Page 5, line 31, replace "4,266,431" with "3,694,093"

Page 6, line 1, replace "12,168,357" with "10,559,993"

Page 6, line 2, replace "79,291,218" with "69,366,496"

Page 6, line 3, replace "87,146,839" with "55,869,440"

Page 6, line 4, replace "166,438,057" with "125,235,936"

Page 6, line 12, replace "ADMINISTRATION - SUPPORT" with "MANAGEMENT"

Page 6, line 13, replace "10,567,750" with "10,529,652"

Page 6, line 14, replace "60,968,708" with "31,779,849"

Page 6, line 16, replace "71,539,214" with "42,312,257"

Page 6, line 17, replace "48,374,575" with "22,841,521"

Page 6, line 18, replace "23,164,639" with "19,470,736"

Page 6, line 20, replace "PROGRAM/POLICY MANAGEMENT" with "PROGRAM AND
POLICY"

Page 6, line 21, replace "23,054,340" with "22,753,582"

Page 6, line 22, replace "38,232,573" with "37,272,214"

Page 6, line 24, replace "334,055,993" with "333,260,143"

Page 6, line 25, replace "1,000,774,769" with "993,037,274"

Page 6, line 26, replace "1,396,151,539" with "1,386,357,077"

Page 6, line 27, replace "1,027,728,022" with "1,022,556,015"

Page 6, line 28, replace "368,423,517" with "363,801,062"

Page 7, line 1, replace "7,379,756" with "7,318,971"

Page 7, line 2, replace "3,691,210" with "3,684,763"

Page 7, line 3, replace "3,688,546" with "3,634,208"

Page 7, line 5, replace "15,433,218" with "15,278,197"

Page 7, line 6, replace "7,270,196" with "7,257,513"

Page 7, line 7, replace "8,163,022" with "8,020,684"

Page 7, line 9, replace "9,196,380" with "9,101,589"

Page 7, line 10, replace "4,221,881" with "4,214,056"

Page 7, line 11, replace "4,974,499" with "4,887,533"

Page 7, line 13, replace "20,696,142" with "20,496,952"

Page 7, line 14, replace "12,211,610" with "12,190,660"

Page 7, line 15, replace "8,484,532" with "8,306,292"

Page 7, line 17, replace "23,822,246" with "23,526,422"

Page 7, line 18, replace "13,673,717" with "13,645,595"

Page 7, line 19, replace "10,148,529" with "9,880,827"

Page 7, line 21, replace "12,238,992" with "12,139,146"

Page 7, line 22, replace "6,322,357" with "6,310,281"

Page 7, line 23, replace "5,916,635" with "5,828,865"

Page 7, line 25, replace "18,700,619" with "18,505,768"

Page 7, line 26, replace "9,675,203" with "9,658,913"

Page 7, line 27, replace "9,025,416" with "8,846,855"

Page 7, line 29, replace "9,388,791" with "9,308,287"

Page 7, line 30, replace "4,819,177" with "4,809,497"

Page 7, line 31, replace "4,569,614" with "4,498,790"

Page 8, line 2, replace "42,272,978" with "42,119,562"

Page 8, line 3, replace "5,455,560" with "5,430,860"

Page 8, line 4, replace "47,728,538" with "47,550,422"

Page 8, line 5, replace "15,610,871" with "15,676,878"

Page 8, line 6, replace "32,117,667" with "31,873,544"

Page 8, line 8, replace "43,046,377" with "42,224,603"

Page 8, line 9, replace "31,349,952" with "30,825,680"

Page 8, line 10, replace "11,696,425" with "11,398,923"

Page 8, line 11, replace "207,631,059" with "205,450,357"

Page 8, line 12, replace "108,846,174" with "108,273,836"

Page 8, line 13, replace "98,784,885" with "97,176,521"

Page 8, line 14, replace "490,373,041" with "480,448,319"

Page 8, line 15, replace "1,184,948,771" with "1,153,671,372"

Page 8, line 16, replace "1,675,321,812" with "1,634,119,691"

Page 8, line 17, after "MEDICAID" insert "- EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL" and replace "The" with "Subject to emergency commission and budget section approval, the"

Page 8, line 21, remove "The department of human services"

Page 8, replace lines 22 through 31 with:

"SECTION 5. MEDICAID ELIGIBILITY REVIEWS - CONTINGENT FUNDING.
The appropriation in subdivision 2 of section 3 of this Act includes \$615,000 from the

general fund and \$615,000 of federal funds for payment error rate measurement eligibility reviews for the medical assistance program. If the department of human services is not required by the federal government to conduct these reviews, the department may not spend these funds for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 6. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.

Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within each subdivision of section 3 of this Act and between subdivisions within section 3 of this Act for the biennium beginning July 1, 2005, and ending June 30, 2007. The department shall notify the office of management and budget of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2006, any transfers made in excess of \$50,000 and to the appropriations committees of the sixtieth legislative assembly regarding any transfers made pursuant to this section.

SECTION 7. ESTIMATED INCOME - LIMIT - COMMUNITY HEALTH TRUST FUND. The estimated income line item in subdivision 2 of section 3 of this Act includes \$114,755 from the community health trust fund. The department of human services expenditures from this fund may not exceed this amount for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 8. COMPULSIVE GAMBLING PREVENTION AND TREATMENT FUND - TRANSFER TO THE GENERAL FUND. On July 1, 2005, the director of the office of management and budget and the state treasurer shall transfer \$100,000 from the compulsive gambling prevention and treatment fund to the general fund.

SECTION 9. LEGISLATIVE COUNCIL STUDY - LONG-TERM CARE. During the 2005-06 interim, the legislative council shall consider studying, with input from representatives of the department of human services and the long-term care industry, methods of improving the sustainability of funding long-term care services in the state, including a review of case mix and rate equalization, consideration of additional support for facilities providing additional restorative care services, and consideration of options for reducing the number of required reports of facilities providing high-quality care or for seeking waivers to change the survey process."

Page 9, remove lines 1 through 12

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
DHS - Management			
Total all funds	\$71,539,214	(\$29,226,957)	\$42,312,257
Less estimated income	48,374,575	(25,533,054)	22,841,521
General fund	\$23,164,639	(\$3,693,903)	\$19,470,736
DHS - Program/Policy			
Total all funds	\$1,396,151,539	(\$9,794,462)	\$1,386,357,077
Less estimated income	1,027,728,022	(5,172,007)	1,022,556,015
General fund	\$368,423,517	(\$4,622,455)	\$363,801,062
DHS - State Hospital			
Total all funds	\$47,728,538	(\$178,116)	\$47,550,422
Less estimated income	15,610,871	66,007	15,676,878
General fund	\$32,117,667	(\$244,123)	\$31,873,544
DHS - Developmental Center			
Total all funds	\$43,046,377	(\$821,774)	\$42,224,603
Less estimated income	31,349,952	(524,272)	30,825,680

General fund	\$11,696,425	(\$297,502)	\$11,398,923
DHS - Northwest HSC			
Total all funds	\$7,379,756	(\$60,785)	\$7,318,971
Less estimated income	3,691,210	(6,447)	3,684,763
General fund	\$3,688,546	(\$54,338)	\$3,634,208
DHS - North Central HSC			
Total all funds	\$15,433,218	(\$155,021)	\$15,278,197
Less estimated income	7,270,196	(12,683)	7,257,513
General fund	\$8,163,022	(\$142,338)	\$8,020,684
DHS - Lake Region HSC			
Total all funds	\$9,196,380	(\$94,791)	\$9,101,589
Less estimated income	4,221,881	(7,825)	4,214,056
General fund	\$4,974,499	(\$86,966)	\$4,887,533
DHS - Northeast HSC			
Total all funds	\$20,696,142	(\$199,190)	\$20,496,952
Less estimated income	12,211,610	(20,950)	12,190,660
General fund	\$8,484,532	(\$178,240)	\$8,306,292
DHS - Southeast HSC			
Total all funds	\$23,822,246	(\$295,824)	\$23,526,422
Less estimated income	13,673,717	(28,122)	13,645,595
General fund	\$10,148,529	(\$267,702)	\$9,880,827
DHS - South Central HSC			
Total all funds	\$12,238,992	(\$99,846)	\$12,139,146
Less estimated income	6,322,357	(12,076)	6,310,281
General fund	\$5,916,635	(\$87,770)	\$5,828,865
DHS - West Central HSC			
Total all funds	\$18,700,619	(\$194,851)	\$18,505,768
Less estimated income	9,675,203	(16,290)	9,658,913
General fund	\$8,025,416	(\$178,561)	\$7,846,855
DHS - Badlands HSC			
Total all funds	\$9,388,791	(\$80,504)	\$9,308,287
Less estimated income	4,819,177	(9,680)	4,809,497
General fund	\$4,569,614	(\$70,824)	\$4,498,790
Bill Total			
Total all funds	\$1,675,321,812	(\$41,202,121)	\$1,634,119,691
Less estimated income	1,184,948,771	(31,277,399)	1,153,671,372
General fund	\$490,373,041	(\$9,924,722)	\$480,448,319

House Bill No. 1012 - Department of Human Services - Management - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$10,567,750	(\$38,098)	\$10,529,652
Operating expenses	60,968,708	(29,188,859)	31,779,849
Capital assets	2,756		2,756
Total all funds	\$71,539,214	(\$29,226,957)	\$42,312,257
Less estimated income	48,374,575	(25,533,054)	22,841,521
General fund	\$23,164,639	(\$3,693,903)	\$19,470,736
FTE	99.10	0.00	99.10

Dept. 326 - Department of Human Services - Management - Detail of House Changes

	HOUSE CHANGES ¹	TOTAL HOUSE CHANGES
Salaries and wages	(\$38,098)	(\$38,098)
Operating expenses	(29,188,859)	(29,188,859)
Capital assets		
Total all funds	(\$29,226,957)	(\$29,226,957)
Less estimated income	(25,533,054)	(25,533,054)
General fund	(\$3,693,903)	(\$3,693,903)
FTE	0.00	0.00

¹ Management - House Changes:

Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year

Administration Support Program

FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
	(\$26,083)	(\$12,015)	(\$38,098)

None

Division of Information Technology Program

Removes funding for the Medicaid management information system (MMIS) computer system replacement project	(3,667,820)	(25,521,039)	(29,188,859)
Total House Changes - Management	0.00	(\$3,693,903)	(\$25,533,054)

Other changes affecting management programs or multiple programs of the department:

A section is added authorizing the department to transfer funds between line items and between subdivisions without Emergency Commission approval. The department is to report any transfers to the Office of Management and Budget and to the Appropriations Committees of the 2007 Legislative Assembly and any transfers over \$50,000 to the Budget Section after June 30, 2006.

Section 5 of the bill is removed which authorized the department to transfer appropriation authority and to transfer or add FTE positions to the State Hospital, Developmental Center, or human service centers.

Section 6 of the bill is removed which appropriated any additional federal funds received by the department for low-income home energy assistance and food stamp benefits in excess of the amounts appropriated by the Legislative Assembly for the 2005-07 biennium.

Section 7 of the bill is removed which provided an emergency clause for the Medicaid management information system computer system project.

House Bill No. 1012 - Department of Human Services - Program/Policy - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION		
Salaries and wages	\$23,054,340	(\$300,758)	\$22,753,582		
Operating expenses	38,232,573	(960,359)	37,272,214		
Capital assets	33,864		33,864		
Grants	334,055,993	(795,850)	333,260,143		
Grants - Medical assistance	<u>1,000,774,760</u>	<u>(7,737,495)</u>	<u>993,037,274</u>		
Total all funds	\$1,396,151,539	(\$9,794,462)	\$1,386,357,077		
Less estimated income	<u>1,027,728,022</u>	<u>(5,172,007)</u>	<u>1,022,556,015</u>		
General fund	\$368,423,517	(\$4,622,455)	\$363,801,062		
FTE	233.30	(1.00)	232.30		
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
1 Program/Policy - House Changes:					
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year			(\$26,297)	(\$45,923)	(\$72,220)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover			(140,000)		(140,000)
Reduces operating expenses of all programs within this subdivision			(50,000)		(50,000)
Economic Assistance Policy Program					
Removes funding for outreach services of the food stamp program			(25,000)	(25,000)	(50,000)
Child Support Program					
Reduces the operating expenses line item to remove federal funds for cooperative agreements with a county or tribe for centralized administration of child support enforcement services				(822,970)	(822,970)
House Bill No. 1172 includes a continuing appropriation for these funds.					
Reduces general fund support for the Lake Region child support enforcement unit from \$215,016 to \$150,016			(65,000)		(65,000)
Medical Services Program					
Removes the pharmacy assistant position added in the executive budget	(1.00)	(22,135)	(66,403)		(88,538)
Removes funding for the Global Insight contract due to changes in determining inflationary rates		(5,920)	(5,919)		(11,839)

for nursing homes as provided in House Bill No. 1252

Removes funding for the department to contract for generic prescription drug detailing services	(237,775)	(237,775)	(475,550)
Adds funding for operating expenses associated with provisions of House Bill No. 1459 relating to management of the medical assistance program	282,500	282,500	565,000
Reduces medical assistance grants to reflect savings as a result of provisions of House Bill No. 1459 relating to management of the medical assistance program	(537,030)	(992,970)	(1,530,000)
Reduces medical assistance grants to reflect provisions of House Bill No. 1181 which allow a Medicaid recipient to set aside up to \$5,000 for funeral expenses rather than \$3,000 under current law and \$5,500 as recommended by the Governor	(91,405)	(161,095)	(252,500)
Adds funding for medical assistance grants to adjust the anticipated funding needed for medical assistance services	1,050,000	1,941,453	2,991,453
Adds funding for increasing ambulance services payment rates with 50 percent of the funds to be used for increasing air ambulance rates and 50 percent for ground ambulance rates	60,000	110,940	170,940
Reduces funding from the community health trust fund for breast and cervical cancer treatment services to the 2003-05 appropriation level. A section is added to the bill limiting the department's expenditures from this special fund during the 2005-07 biennium.		(139,601)	(139,601)

Long-Term Care Program

Reflects the department's reprojections of anticipated funding needed for home and community-based services programs	(1,987,684)	5,724	(1,981,960)
Reduces funding for nursing facilities to reflect provisions of House Bill No. 1252 which base nursing home payment rates on inflationary rates as determined by the Legislative Assembly. The inflationary rates being used for nursing home rates for the 2005-07 biennium are 2 percent for each year of the biennium.	(1,755,456)	(3,164,516)	(4,919,972)
Reduces funding for nursing facilities to reflect a reduction in the estimated average number of nursing facility beds needed for Medicaid recipients from 3,631 to 3,600	(1,025,765)	(1,893,498)	(2,919,263)
Adds funding for basic care facilities to reflect provisions of House Bill No. 1252 which base basic care payment rates on inflationary rates as determined by the Legislative Assembly. The inflationary rates being used for basic care rates for the 2005-07 biennium are 2 percent for each year of the biennium.	162,051	73,408	235,459
Adds funding to increase the maximum amount of homemaker services an individual may receive from qualified service providers (QSP) under the service payments for the elderly and disabled (SPED) and expanded SPED programs from \$135 to \$185 per month	217,260	9,540	226,800

Aging Services Program

None

Children and Family Services Program

Reduces federal funding for family preservation services. The department may seek Emergency Commission approval if additional federal funds become available for these services.		(750,000)	(750,000)
Adds funding for increasing the maximum treatment services payment for residential child care facilities by \$2.65 per day, from the current level of \$11.50 to \$14.15 per day. The funding level provided maintains each facility's service rate at its current rate for the 2005-07 biennium.	50,008	348,248	398,256
Reduces funding anticipated to be needed for foster care and subsidized adoption services	(250,000)	(344,106)	(594,106)

Mental Health and Substance Abuse Program

Removes funding from the general fund for	(150,000)	400,000	250,000
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compulsive gambling treatment services and provides \$400,000 from the compulsive gambling treatment fund for these services in accordance with provisions of House Bill No. 1259

Reduces operating expenses of this program	(50,000)		(50,000)
Developmental Disabilities Council			
None			
Disabilities Program			
Adds funding for increasing the average wage for employees of developmental disabilities services providers by 10 cents per hour	575,183	1,045,557	1,620,750
Adds funding for increasing payment rates for facilities serving children with extensive medical needs	100,000	184,900	284,900
Reduces funding for the family subsidy program to \$810,056 from the general fund	(100,000)		(100,000)
Reduces funding for supported living/extended services to \$200,000 from the general fund	(100,000)		(100,000)
Reduces funding anticipated to be needed for developmental disabilities grants	(500,000)	(924,501)	(1,424,501)
Total House Changes - Program/Policy	(1.00)	(\$4,622,455)	(\$5,172,007)
			(\$9,794,462)

Other changes affecting Program/Policy programs:

A section is added providing that if the federal government does not require states to conduct payment error rate measurement eligibility reviews, the department not spend the \$1,230,000, of which \$615,000 is from the general fund, included in its appropriation.

Section 4 of the bill is amended to require Emergency Commission and Budget Section approval before the department may hire FTE positions to assist with the payment error rate measurement eligibility reviews.

A section is added directing the Office of Management and Budget to transfer \$100,000 from the compulsive gambling prevention and treatment fund to the general fund on July 1, 2005.

A section is added providing for a Legislative Council long-term care study.

House Bill No. 1012 - Department of Human Services - State Hospital - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
Traditional	\$42,272,978	(\$153,416)	\$42,119,562
Secure	<u>5,455,560</u>	<u>(24,700)</u>	<u>5,430,860</u>
Total all funds	\$47,728,538	(\$178,116)	\$47,550,422
Less estimated income	<u>15,610,871</u>	<u>66,007</u>	<u>15,676,878</u>
General fund	\$32,117,667	(\$244,123)	\$31,873,544
FTE	424.01	0.00	424.01

¹ State Hospital - House Changes:

Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$144,123)	(\$33,993)	(\$178,116)
Replaces funding from the general fund with special funds in anticipation of general fund savings and additional third-party collections		(100,000)	100,000	
Total House Changes - State Hospital		0.00	(\$244,123)	\$66,007
				(\$178,116)

House Bill No. 1012 - Department of Human Services - Developmental Center - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
Human service centers/institutions	\$43,046,377	(\$821,774)	\$42,224,603
Total all funds	\$43,046,377	(\$821,774)	\$42,224,603

Less estimated income	<u>31,349,952</u>	<u>(\$24,272)</u>	<u>30,825,680</u>
General fund	\$11,696,425	(\$297,502)	\$11,398,923
FTE	451.54	0.00	451.54

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
1 Developmental Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$47,502)	(\$62,021)	(\$109,523)
Reduces funding for operating costs of the Developmental Center		(250,000)	(462,251)	(712,251)
Total House Changes - Developmental Center	0.00	(\$297,502)	(\$524,272)	(\$821,774)

House Bill No. 1012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
DHS - Northwest HSC	\$3,688,546	(\$54,338)	\$3,634,208
DHS - North Central HSC	8,163,022	(142,338)	8,020,684
DHS - Lake Region HSC	4,974,499	(86,966)	4,887,533
DHS - Northeast HSC	8,484,532	(178,240)	8,306,292
DHS - Southeast HSC	10,148,529	(267,702)	9,880,827
DHS - South Central HSC	5,916,635	(87,770)	5,828,865
DHS - West Central HSC	9,025,418	(178,561)	8,846,855
DHS - Badlands HSC	<u>4,569,614</u>	<u>(70,824)</u>	<u>4,498,790</u>
Total general fund	\$54,970,793	(\$1,066,739)	\$53,904,054

House Bill No. 1012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
DHS - Northwest HSC	\$3,691,210	(\$6,447)	\$3,684,763
DHS - North Central HSC	7,270,196	(12,683)	7,257,513
DHS - Lake Region HSC	4,221,881	(7,825)	4,214,056
DHS - Northeast HSC	12,211,610	(20,950)	12,190,660
DHS - Southeast HSC	13,673,717	(28,122)	13,645,595
DHS - South Central HSC	6,322,357	(12,076)	6,310,281
DHS - West Central HSC	9,675,203	(16,290)	9,658,913
DHS - Badlands HSC	<u>4,819,177</u>	<u>(9,680)</u>	<u>4,809,497</u>
Total other funds	\$61,885,351	(\$114,073)	\$61,771,278

House Bill No. 1012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
DHS - Northwest HSC	\$7,379,756	(\$60,785)	\$7,318,971
DHS - North Central HSC	15,433,218	(155,021)	15,278,197
DHS - Lake Region HSC	9,196,380	(94,791)	9,101,589
DHS - Northeast HSC	20,696,142	(199,190)	20,496,952
DHS - Southeast HSC	23,822,248	(295,824)	23,526,422
DHS - South Central HSC	12,238,992	(89,848)	12,139,148
DHS - West Central HSC	18,700,619	(194,851)	18,505,768
DHS - Badlands HSC	<u>9,388,791</u>	<u>(80,504)</u>	<u>9,308,287</u>
Total all funds	\$116,856,144	(\$1,180,812)	\$115,675,332
FTE	840.48	0.00	840.48

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
1 Human Service Center Changes:				
Northwest Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$13,719)	(\$6,447)	(\$20,166)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(20,000)		(20,000)
Reduces funding for operating costs of the human service center		(20,619)		(20,619)
Total House Changes - Northwest Human Service Center	0.00	(\$54,338)	(\$6,447)	(\$60,785)
North Central Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for		(\$31,652)	(\$12,683)	(\$44,335)

the first year and 4 percent for the second year

Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(57,120)		(57,120)
Reduces funding for operating costs of the human service center		(53,566)		(53,566)
Total House Changes - North Central Human Service Center	0.00	(\$142,338)	(\$12,683)	(\$155,021)
Lake Region Human Service Center - House Changes:				
Reduces compensation adjustments 3 percent for the first year and 4 percent for the second year		(\$17,745)	(\$7,825)	(\$25,570)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(38,052)		(38,052)
Reduces funding for operating costs of the human service center		(31,169)		(31,169)
Total House Changes - Lake Region Human Service Center	0.00	(\$86,966)	(\$7,825)	(\$94,791)
Northeast Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$27,919)	(\$20,950)	(\$48,869)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(97,692)		(97,692)
Reduces funding for operating costs of the human service center		(52,629)		(52,629)
Total House Changes - Northeast Human Service Center	0.00	(\$178,240)	(\$20,950)	(\$199,190)
Southeast Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$43,102)	(\$28,122)	(\$71,224)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(137,046)		(137,046)
Reduces funding for operating costs of the human service center		(87,554)		(87,554)
Total House Changes - Southeast Human Service Center	0.00	(\$267,702)	(\$28,122)	(\$295,824)
South Central Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$21,647)	(\$12,076)	(\$33,723)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(20,000)		(20,000)
Reduces funding for operating costs of the human service center		(46,123)		(46,123)
Total House Changes - South Central Human Service Center	0.00	(\$87,770)	(\$12,076)	(\$99,846)
West Central Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$32,866)	(\$16,290)	(\$49,156)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(69,804)		(69,804)
Reduces funding for operating costs of the human service center		(75,891)		(75,891)
Total House Changes - West Central Human Service Center	0.00	(\$178,561)	(\$16,290)	(\$194,851)
Badlands Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$18,089)	(\$9,680)	(\$27,769)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(20,286)		(20,286)
Reduces funding for operating costs of the human service center		(32,449)		(32,449)
Total House Changes - Badlands Human Service Center	0.00	(\$70,824)	(\$9,680)	(\$80,504)

Total amounts for selected reductions reflected in this amendment include:

1. The 3 percent and 4 percent compensation package is \$718,769, of which \$450,744 is from the general fund.

2. Anticipation of savings from vacant positions and employee turnover is \$600,000 from the general fund.
3. Human service center operating cost reductions is \$400,000 from the general fund.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 1, line 2, after the semicolon insert "to provide an exception; to provide for a legislative council study; to provide for a transfer to the general fund; and" and remove "between agencies and"

Page 1, line 3, remove "institutions; and to declare an emergency"

Page 3, line 28, replace "\$448,535" with "\$486,633"

Page 3, line 29, replace "27,401,520" with "(1,787,339)"

Page 4, line 1, replace "23,691,491" with "(\$5,535,446)"

Page 4, line 2, replace "14,244,468" with "(11,288,586)"

Page 4, line 3, replace "9,447,023" with "5,753,120"

Page 4, line 6, replace "1,000,559" with "699,801"

Page 4, line 7, replace "851,164" with "(109,195)"

Page 4, line 9, replace "45,368,268" with "44,572,418"

Page 4, line 10, replace "79,097,595" with "86,757,233"

Page 4, line 11, replace "126,311,778" with "131,914,449"

Page 4, line 12, replace "68,635,940" with "73,379,224"

Page 4, line 13, replace "57,675,838" with "58,535,225"

Page 4, line 18, replace "104,077" with "43,292"

Page 4, line 19, replace "45,570" with "39,123"

Page 4, line 20, replace "58,507" with "4,169"

Page 4, line 22, replace "868,348" with "713,327"

Page 4, line 23, replace "546,522" with "533,839"

Page 4, line 24, replace "321,826" with "179,488"

Page 4, line 26, replace "775,447" with "680,656"

Page 4, line 27, replace "438,908" with "431,083"

Page 4, line 28, replace "336,539" with "249,573"

Page 5, line 1, replace "1,254,959" with "1,055,769"
Page 5, line 2, replace "766,790" with "745,840"
Page 5, line 3, replace "488,169" with "309,929"
Page 5, line 5, replace "3,097,704" with "2,801,880"
Page 5, line 6, replace "2,458,495" with "2,430,373"
Page 5, line 7, replace "639,209" with "371,507"
Page 5, line 9, replace "880,017" with "780,171"
Page 5, line 10, replace "590,489" with "578,413"
Page 5, line 11, replace "289,528" with "201,758"
Page 5, line 13, replace "1,115,775" with "920,924"
Page 5, line 14, replace "553,568" with "537,278"
Page 5, line 15, replace "562,207" with "383,646"
Page 5, line 17, replace "464,164" with "383,660"
Page 5, line 18, replace "260,454" with "250,774"
Page 5, line 19, replace "203,710" with "132,886"
Page 5, line 21, replace "383,417" with "230,001"
Page 5, line 22, replace "5,455,560" with "5,430,860"
Page 5, line 23, replace "5,838,977" with "5,660,861"
Page 5, line 24, replace "(794,489)" with "(728,482)"
Page 5, line 25, replace "6,633,466" with "6,389,343"
Page 5, line 27, replace "2,285,320" with "1,463,546"
Page 5, line 28, replace "(599,876)" with "(1,124,148)"
Page 5, line 29, replace "2,885,196" with "2,587,694"
Page 5, line 30, replace "16,434,788" with "14,254,086"
Page 5, line 31, replace "4,266,431" with "3,694,093"

Page 6, line 1, replace "12,168,357" with "10,559,993"
Page 6, line 2, replace "79,291,218" with "74,848,338"
Page 6, line 3, replace "87,146,839" with "65,784,731"

Page 6, line 4, replace "166,438,057" with "140,633,069"

Page 6, line 12, replace "ADMINISTRATION - SUPPORT" with "MANAGEMENT"

Page 6, line 13, replace "10,567,750" with "10,529,652"

Page 6, line 14, replace "60,968,708" with "31,779,849"

Page 6, line 16, replace "71,539,214" with "42,312,257"

Page 6, line 17, replace "48,374,575" with "22,841,521"

Page 6, line 18, replace "23,164,639" with "19,470,736"

Page 6, line 20, replace "PROGRAM/POLICY MANAGEMENT" with "PROGRAM AND
POLICY"

Page 6, line 21, replace "23,054,340" with "22,753,582"

Page 6, line 22, replace "38,232,573" with "37,272,214"

Page 6, line 24, replace "334,055,993" with "333,260,143"

Page 6, line 25, replace "1,000,774,769" with "1,008,434,407"

Page 6, line 26, replace "1,396,151,539" with "1,401,754,210"

Page 6, line 27, replace "1,027,728,022" with "1,032,471,306"

Page 6, line 28, replace "368,423,517" with "369,282,904"

Page 7, line 1, replace "7,379,756" with "7,318,971"

Page 7, line 2, replace "3,691,210" with "3,684,763"

Page 7, line 3, replace "3,688,546" with "3,634,208"

Page 7, line 5, replace "15,433,218" with "15,278,197"

Page 7, line 6, replace "7,270,196" with "7,257,513"

Page 7, line 7, replace "8,163,022" with "8,020,684"

Page 7, line 9, replace "9,196,380" with "9,101,589"

Page 7, line 10, replace "4,221,881" with "4,214,056"

Page 7, line 11, replace "4,974,499" with "4,887,533"

Page 7, line 13, replace "20,696,142" with "20,496,952"

Page 7, line 14, replace "12,211,610" with "12,190,660"

Page 7, line 15, replace "8,484,532" with "8,306,292"

Page 7, line 17, replace "23,822,246" with "23,526,422"

Page 7, line 18, replace "13,673,717" with "13,645,595"

Page 7, line 19, replace "10,148,529" with "9,880,827"

Page 7, line 21, replace "12,238,992" with "12,139,146"

Page 7, line 22, replace "6,322,357" with "6,310,281"

Page 7, line 23, replace "5,916,635" with "5,828,865"

Page 7, line 25, replace "18,700,619" with "18,505,768"

Page 7, line 26, replace "9,675,203" with "9,658,913"

Page 7, line 27, replace "9,025,416" with "8,846,855"

Page 7, line 29, replace "9,388,791" with "9,308,287"

Page 7, line 30, replace "4,819,177" with "4,809,497"

Page 7, line 31, replace "4,569,614" with "4,498,790"

Page 8, line 2, replace "42,272,978" with "42,119,562"

Page 8, line 3, replace "5,455,560" with "5,430,860"

Page 8, line 4, replace "47,728,538" with "47,550,422"

Page 8, line 5, replace "15,610,871" with "15,676,878"

Page 8, line 6, replace "32,117,667" with "31,873,544"

Page 8, line 8, replace "43,046,377" with "42,224,603"

Page 8, line 9, replace "31,349,952" with "30,825,680"

Page 8, line 10, replace "11,696,425" with "11,398,923"

Page 8, line 11, replace "207,631,059" with "205,450,357"

Page 8, line 12, replace "108,846,174" with "108,273,836"

Page 8, line 13, replace "98,784,885" with "97,176,521"

Page 8, line 14, replace "490,373,041" with "485,930,161"

Page 8, line 15, replace "1,184,948,771" with "1,163,586,663"

Page 8, line 16, replace "1,675,321,812" with "1,649,516,824"

Page 8, line 17, after "MEDICAID" insert "- EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL" and replace "The" with "Subject to emergency commission and budget section approval, the"

Page 8, line 21, remove "The department of human services"

Page 8, replace lines 22 through 31 with:

"SECTION 5. MEDICAID ELIGIBILITY REVIEWS - CONTINGENT FUNDING.
The appropriation in subdivision 2 of section 3 of this Act includes \$615,000 from the

general fund and \$615,000 of federal funds for payment error rate measurement eligibility reviews for the medical assistance program. If the department of human services is not required by the federal government to conduct these reviews, the department may not spend these funds for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 6. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.

Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within each subdivision of section 3 of this Act and between subdivisions within section 3 of this Act for the biennium beginning July 1, 2005, and ending June 30, 2007. The department shall notify the office of management and budget of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2006, any transfers made in excess of \$50,000 and to the appropriations committees of the sixtieth legislative assembly regarding any transfers made pursuant to this section.

SECTION 7. ESTIMATED INCOME - LIMIT - COMMUNITY HEALTH TRUST

FUND. The estimated income line item in subdivision 2 of section 3 of this Act includes \$114,755 from the community health trust fund. The department of human services expenditures from this fund may not exceed this amount for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 8. COMPULSIVE GAMBLING PREVENTION AND TREATMENT

FUND - TRANSFER TO THE GENERAL FUND. On July 1, 2005, the director of the office of management and budget and the state treasurer shall transfer \$100,000 from the compulsive gambling prevention and treatment fund to the general fund.

SECTION 9. LEGISLATIVE COUNCIL STUDY - LONG-TERM CARE.

During the 2005-06 interim, the legislative council shall consider studying, with input from representatives of the department of human services and the long-term care industry, methods of improving the sustainability of funding long-term care services in the state, including a review of case mix and rate equalization, consideration of additional support for facilities providing additional restorative care services, and consideration of options for reducing the number of required reports of facilities providing high-quality care or for seeking waivers to change the survey process."

Page 9, remove lines 1 through 12

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
DHS - Management			
Total all funds	\$71,539,214	(\$29,226,957)	\$42,312,257
Less estimated income	48,374,575	(25,533,054)	22,841,521
General fund	\$23,164,639	(\$3,693,903)	\$19,470,736
DHS - Program/Policy			
Total all funds	\$1,396,151,539	\$5,602,671	\$1,401,754,210
Less estimated income	1,027,728,022	4,743,284	1,032,471,306
General fund	\$368,423,517	\$859,387	\$369,282,904
DHS - State Hospital			
Total all funds	\$47,728,538	(\$178,116)	\$47,550,422
Less estimated income	15,610,871	66,007	15,676,878
General fund	\$32,117,667	(\$244,123)	\$31,873,544
DHS - Developmental Center			
Total all funds	\$43,048,377	(\$821,774)	\$42,226,603
Less estimated income	31,349,952	(524,272)	30,825,680

General fund	\$11,696,425	(\$297,502)	\$11,398,923
DHS - Northwest HSC			
Total all funds	\$7,379,756	(\$60,785)	\$7,318,971
Less estimated income	3,691,210	(6,447)	3,684,763
General fund	\$3,688,546	(\$54,338)	\$3,634,208
DHS - North Central HSC			
Total all funds	\$15,433,218	(\$155,021)	\$15,278,197
Less estimated income	7,270,196	(12,683)	7,257,513
General fund	\$8,163,022	(\$142,338)	\$8,020,684
DHS - Lake Region HSC			
Total all funds	\$9,196,380	(\$94,791)	\$9,101,589
Less estimated income	4,221,881	(7,825)	4,214,056
General fund	\$4,974,499	(\$86,966)	\$4,887,533
DHS - Northeast HSC			
Total all funds	\$20,696,142	(\$199,190)	\$20,496,952
Less estimated income	12,211,610	(20,950)	12,190,660
General fund	\$8,484,532	(\$178,240)	\$8,306,292
DHS - Southeast HSC			
Total all funds	\$23,822,246	(\$295,824)	\$23,526,422
Less estimated income	13,673,717	(28,122)	13,645,595
General fund	\$10,148,529	(\$267,702)	\$9,880,827
DHS - South Central HSC			
Total all funds	\$12,238,992	(\$99,846)	\$12,139,146
Less estimated income	6,322,357	(12,076)	6,310,281
General fund	\$5,916,635	(\$87,770)	\$5,828,865
DHS - West Central HSC			
Total all funds	\$18,700,619	(\$194,851)	\$18,505,768
Less estimated income	9,675,203	(16,290)	9,658,913
General fund	\$9,025,416	(\$178,561)	\$8,846,855
DHS - Badlands HSC			
Total all funds	\$9,388,791	(\$80,504)	\$9,308,287
Less estimated income	4,819,177	(9,680)	4,809,497
General fund	\$4,569,614	(\$70,824)	\$4,498,790
Bill Total			
Total all funds	\$1,675,321,812	(\$25,804,988)	\$1,649,516,824
Less estimated income	1,184,948,771	(21,362,108)	1,163,586,663
General fund	\$490,373,041	(\$4,442,880)	\$485,930,161

House Bill No. 1012 - Department of Human Services - Management - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$10,567,750	(\$38,098)	\$10,529,652
Operating expenses	60,968,708	(29,188,859)	31,779,849
Capital assets	2,756		2,756
Total all funds	\$71,539,214	(\$29,226,957)	\$42,312,257
Less estimated income	48,374,575	(25,533,054)	22,841,521
General fund	\$23,164,639	(\$3,693,903)	\$19,470,736
FTE	99.10	0.00	99.10

Dept. 326 - Department of Human Services - Management - Detail of House Changes

	HOUSE CHANGES ¹	TOTAL HOUSE CHANGES
Salaries and wages	(\$38,098)	(\$38,098)
Operating expenses	(29,188,859)	(29,188,859)
Capital assets		
Total all funds	(\$29,226,957)	(\$29,226,957)
Less estimated income	(25,533,054)	(25,533,054)
General fund	(\$3,693,903)	(\$3,693,903)
FTE	0.00	0.00

FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
	(\$26,083)	(\$12,015)	(\$38,098)

¹ Management - House Changes:

Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year

Administration Support Program

None

Division of Information Technology Program

Removes funding for the Medicaid management information system (MMIS) computer system replacement project		(3,667,820)	(25,521,039)	(29,188,859)
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Total House Changes - Management	0.00	(\$3,693,903)	(\$25,533,054)	(\$29,226,957)
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Other changes affecting management programs or multiple programs of the department:

A section is added authorizing the department to transfer funds between line items and between subdivisions without Emergency Commission approval. The department is to report any transfers to the Office of Management and Budget and to the Appropriations Committees of the 2007 Legislative Assembly and any transfers over \$50,000 to the Budget Section after June 30, 2006.

Section 5 of the bill is removed which authorized the department to transfer appropriation authority and to transfer or add FTE positions to the State Hospital, Developmental Center, or human service centers.

Section 6 of the bill is removed which appropriated any additional federal funds received by the department for low-income home energy assistance and food stamp benefits in excess of the amounts appropriated by the Legislative Assembly for the 2005-07 biennium.

Section 7 of the bill is removed which provided an emergency clause for the Medicaid management information system computer system project.

House Bill No. 1012 - Department of Human Services - Program/Policy - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
Salaries and wages	\$23,054,340	(\$300,758)	\$22,753,582
Operating expenses	38,232,573	(960,359)	37,272,214
Capital assets	33,864		33,864
Grants	334,055,993	(795,850)	333,260,143
Grants - Medical assistance	<u>1,000,774,760</u>	<u>7,659,638</u>	<u>1,008,434,407</u>
Total all funds	\$1,396,151,539	\$5,602,671	\$1,401,754,210
Less estimated income	<u>1,027,728,022</u>	<u>4,743,284</u>	<u>1,032,471,306</u>
General fund	\$368,423,517	\$859,387	\$369,282,904
FTE	233.30	(1.00)	232.30

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
¹ Program/Policy - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$26,297)	(\$45,923)	(\$72,220)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(140,000)		(140,000)
Reduces operating expenses of all programs within this subdivision		(50,000)		(50,000)
Economic Assistance Policy Program				
Removes funding for outreach services of the food stamp program		(25,000)	(25,000)	(50,000)
Child Support Program				
Reduces the operating expenses line item to remove federal funds for cooperative agreements with a county or tribe for centralized administration of child support enforcement services			(822,970)	(822,970)
House Bill No. 1172 includes a continuing appropriation for these funds.				
Reduces general fund support for the Lake Region child support enforcement unit from \$215,016 to \$150,016		(65,000)		(65,000)
Medical Services Program				
Removes the pharmacy assistant position added in the executive budget	(1.00)	(22,135)	(66,403)	(88,538)
Removes funding for the Global Insight contract due to changes in determining inflationary rates		(5,920)	(5,919)	(11,839)

for nursing homes as provided in House Bill No. 1252

Removes funding for the department to contract for generic prescription drug detailing services	(237,775)	(237,775)	(475,550)
Adds funding for operating expenses associated with provisions of House Bill No. 1459 relating to management of the medical assistance program	282,500	282,500	565,000
Reduces medical assistance grants to reflect savings as a result of provisions of House Bill No. 1459 relating to management of the medical assistance program	(537,030)	(992,970)	(1,530,000)
Reduces medical assistance grants to reflect provisions of House Bill No. 1181 which allow a Medicaid recipient to set aside up to \$5,000 for funeral expenses rather than \$3,000 under current law and \$5,500 as recommended by the Governor	(91,405)	(161,095)	(252,500)
Adds funding for medical assistance grants to adjust the anticipated funding needed for medical assistance services	1,050,000	1,941,453	2,991,453
Adds funding for increasing ambulance services payment rates with 50 percent of the funds to be used for increasing air ambulance rates and 50 percent for ground ambulance rates	60,000	110,940	170,940
Reduces funding from the community health trust fund for breast and cervical cancer treatment services to the 2003-05 appropriation level. A section is added to the bill limiting the department's expenditures from this special fund during the 2005-07 biennium.		(139,601)	(139,601)
Long-Term Care Program			
Reflects the department's reprojections of anticipated funding needed for home and community-based services programs	(1,987,684)	5,724	(1,981,960)
Reduces funding for nursing facilities to reflect provisions of House Bill No. 1252 which base nursing home payment rates on inflationary rates as determined by the Legislative Assembly. The inflationary rates being used for nursing home rates for the 2005-07 biennium are 2 percent for each year of the biennium.	(1,755,456)	(3,164,516)	(4,919,972)
Reduces funding for nursing facilities to reflect a reduction in the estimated average number of nursing facility beds needed for Medicaid recipients from 3,631 to 3,600	(1,025,765)	(1,893,498)	(2,919,263)
Adds funding for basic care facilities to reflect provisions of House Bill No. 1252 which base basic care payment rates on inflationary rates as determined by the Legislative Assembly. The inflationary rates being used for basic care rates for the 2005-07 biennium are 2 percent for each year of the biennium.	162,051	73,408	235,459
Adds funding to increase the maximum amount of homemaker services an individual may receive from qualified service providers (QSP) under the service payments for the elderly and disabled (SPED) and expanded SPED programs from \$135 to \$185 per month	217,260	9,540	226,800
Aging Services Program			
None			
Children and Family Services Program			
Reduces federal funding for family preservation services. The department may seek Emergency Commission approval if additional federal funds become available for these services.		(750,000)	(750,000)
Adds funding for increasing the maximum treatment services payment for residential child care facilities by \$2.65 per day, from the current level of \$11.50 to \$14.15 per day. The funding level provided maintains each facility's service rate at its current rate for the 2005-07 biennium.	50,008	348,248	398,256
Reduces funding anticipated to be needed for foster care and subsidized adoption services	(250,000)	(344,106)	(594,106)
Mental Health and Substance Abuse Program			
Removes funding from the general fund for	(150,000)	400,000	250,000

compulsive gambling treatment services and provides \$400,000 from the compulsive gambling treatment fund for these services in accordance with provisions of House Bill No. 1259

Reduces operating expenses of this program	(50,000)		(50,000)
Developmental Disabilities Council			
None			
Disabilities Program			
Adds funding for increasing the average wage for employees of developmental disabilities services providers by \$1.05 per hour	6,057,035	10,960,848	17,017,883
Adds funding for increasing payment rates for facilities serving children with extensive medical needs	100,000	184,900	284,900
Reduces funding for the family subsidy program to \$810,056 from the general fund	(100,000)		(100,000)
Reduces funding for supported living/extended services to \$200,000 from the general fund	(100,000)		(100,000)
Reduces funding anticipated to be needed for developmental disabilities grants	(500,000)	(924,501)	(1,424,501)
Total House Changes - Program/Policy	(1.00)	\$859,387	\$4,743,284
			\$5,602,671

Other changes affecting Program/Policy programs:

A section is added providing that if the federal government does not require states to conduct payment error rate measurement eligibility reviews, the department not spend the \$1,230,000, of which \$615,000 is from the general fund, included in its appropriation.

Section 4 of the bill is amended to require Emergency Commission and Budget Section approval before the department may hire FTE positions to assist with the payment error rate measurement eligibility reviews.

A section is added directing the Office of Management and Budget to transfer \$100,000 from the compulsive gambling prevention and treatment fund to the general fund on July 1, 2005.

A section is added providing for a Legislative Council long-term care study.

House Bill No. 1012 - Department of Human Services - State Hospital - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION		
Traditional	\$42,272,978	(\$153,416)	\$42,119,562		
Secure	<u>5,455,560</u>	<u>(24,700)</u>	<u>5,430,860</u>		
Total all funds	\$47,728,538	(\$178,116)	\$47,550,422		
Less estimated income	<u>15,610,871</u>	<u>66,007</u>	<u>15,676,878</u>		
General fund	\$32,117,667	(\$244,123)	\$31,873,544		
FTE	424.01	0.00	424.01		
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
¹ State Hospital - House Changes:					
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year			(\$144,123)	(\$33,993)	(\$178,116)
Replaces funding from the general fund with special funds in anticipation of general fund savings and additional third-party collections			(100,000)	100,000	
Total House Changes - State Hospital		0.00	(\$244,123)	\$66,007	(\$178,116)

House Bill No. 1012 - Department of Human Services - Developmental Center - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
Human service centers/institutions	\$43,046,377	(\$821,774)	\$42,224,603
Total all funds	\$43,046,377	(\$821,774)	\$42,224,603

Less estimated income	31,349,952	(524,272)	30,825,680
General fund	\$11,696,425	(\$297,502)	\$11,398,923
FTE	451.54	0.00	451.54

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
1 Developmental Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$47,502)	(\$62,021)	(\$109,523)
Reduces funding for operating costs of the Developmental Center		(250,000)	(462,251)	(712,251)
Total House Changes - Developmental Center	0.00	(\$297,502)	(\$524,272)	(\$821,774)

House Bill No. 1012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
DHS - Northwest HSC	\$3,688,546	(\$54,338)	\$3,634,208
DHS - North Central HSC	8,163,022	(142,338)	8,020,684
DHS - Lake Region HSC	4,974,499	(86,966)	4,887,533
DHS - Northeast HSC	8,484,532	(178,240)	8,306,292
DHS - Southeast HSC	10,148,529	(267,702)	9,880,827
DHS - South Central HSC	5,916,635	(87,770)	5,828,865
DHS - West Central HSC	9,025,416	(178,581)	8,846,835
DHS - Badlands HSC	4,569,614	(70,824)	4,498,790
Total general fund	\$54,970,793	(\$1,066,739)	\$53,904,054

House Bill No. 1012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
DHS - Northwest HSC	\$3,691,210	(\$6,447)	\$3,684,763
DHS - North Central HSC	7,270,196	(12,683)	7,257,513
DHS - Lake Region HSC	4,221,881	(7,825)	4,214,056
DHS - Northeast HSC	12,211,610	(20,950)	12,190,660
DHS - Southeast HSC	13,673,717	(28,122)	13,645,595
DHS - South Central HSC	6,322,357	(12,078)	6,310,281
DHS - West Central HSC	9,675,203	(16,290)	9,658,913
DHS - Badlands HSC	4,819,177	(9,680)	4,809,497
Total other funds	\$61,885,351	(\$114,073)	\$61,771,278

House Bill No. 1012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
DHS - Northwest HSC	\$7,379,756	(\$60,785)	\$7,318,971
DHS - North Central HSC	15,433,218	(155,021)	15,278,197
DHS - Lake Region HSC	9,196,380	(94,791)	9,101,589
DHS - Northeast HSC	20,696,142	(199,190)	20,496,952
DHS - Southeast HSC	23,822,246	(295,824)	23,526,422
DHS - South Central HSC	12,238,992	(99,846)	12,139,146
DHS - West Central HSC	18,700,619	(194,851)	18,505,768
DHS - Badlands HSC	9,388,791	(80,504)	9,308,287
Total all funds	\$116,856,144	(\$1,180,812)	\$115,675,332
FTE	840.48	0.00	840.48

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
1 Human Service Center Changes:				
Northwest Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$13,719)	(\$6,447)	(\$20,166)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(20,000)		(20,000)
Reduces funding for operating costs of the human service center		(20,619)		(20,619)
Total House Changes - Northwest Human Service Center	0.00	(\$54,338)	(\$6,447)	(\$60,785)
North Central Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for		(\$31,652)	(\$12,683)	(\$44,335)

the first year and 4 percent for the second year

Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(57,120)		(57,120)
Reduces funding for operating costs of the human service center		(53,566)		(53,566)
Total House Changes - North Central Human Service Center	0.00	(\$142,338)	(\$12,683)	(\$155,021)
Lake Region Human Service Center - House Changes:				
Reduces compensation adjustments 3 percent for the first year and 4 percent for the second year		(\$17,745)	(\$7,825)	(\$25,570)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(38,052)		(38,052)
Reduces funding for operating costs of the human service center		(31,169)		(31,169)
Total House Changes - Lake Region Human Service Center	0.00	(\$86,966)	(\$7,825)	(\$94,791)
Northeast Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$27,919)	(\$20,950)	(\$48,869)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(97,692)		(97,692)
Reduces funding for operating costs of the human service center		(52,629)		(52,629)
Total House Changes - Northeast Human Service Center	0.00	(\$178,240)	(\$20,950)	(\$199,190)
Southeast Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$43,102)	(\$28,122)	(\$71,224)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(137,046)		(137,046)
Reduces funding for operating costs of the human service center		(87,554)		(87,554)
Total House Changes - Southeast Human Service Center	0.00	(\$267,702)	(\$28,122)	(\$295,824)
South Central Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$21,647)	(\$12,076)	(\$33,723)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(20,000)		(20,000)
Reduces funding for operating costs of the human service center		(46,123)		(46,123)
Total House Changes - South Central Human Service Center	0.00	(\$87,770)	(\$12,076)	(\$99,846)
West Central Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$32,866)	(\$16,290)	(\$49,156)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(69,804)		(69,804)
Reduces funding for operating costs of the human service center		(75,891)		(75,891)
Total House Changes - West Central Human Service Center	0.00	(\$178,561)	(\$16,290)	(\$194,851)
Badlands Human Service Center - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$18,089)	(\$9,680)	(\$27,769)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(20,286)		(20,286)
Reduces funding for operating costs of the human service center		(32,449)		(32,449)
Total House Changes - Badlands Human Service Center	0.00	(\$70,824)	(\$9,680)	(\$80,504)

Total amounts for selected reductions reflected in this amendment include:

1. The 3 percent and 4 percent compensation package is \$718,769, of which \$450,744 is from the general fund.

2. Anticipation of savings from vacant positions and employee turnover is \$600,000 from the general fund.
3. Human service center operating cost reductions is \$400,000 from the general fund.

Date: 2-15-05
Roll Call Vote #: 0

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1012

House Appropriations - Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

58035-0113 minority
0112 Majority

Action Taken

DPAA

Motion Made By

Delzer

Seconded By

Pollert

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman	✓		Rep. Bob Skarphol	✓	
Rep. Mike Timm, Vice Chairman	✓		Rep. David Monson	✓	
Rep. Bob Martinson	✓		Rep. Eliot Glassheim		✓
Rep. Tom Brusegaard	✓		Rep. Jeff Delzer	✓	
Rep. Earl Rennerfeldt	✓		Rep. Chet Pollert	✓	
Rep. Francis J. Wald	✓		Rep. Larry Bellew	✓	
Rep. Ole Aarsvold		✓	Rep. Alon C. Wieland	✓	
Rep. Pam Gulletson		✓	Rep. James Kerzman		✓
Rep. Ron Carlisle	✓		Rep. Ralph Metcalf		✓
Rep. Keith Kempenich	✓				
Rep. Blair Thoreson	✓				
Rep. Joe Kroeber		✓			
Rep. Clark Williams	✓	✓			
Rep. Al Carlson	✓	✓			

Total (Yes)

16

No

7

Absent

0

Floor Assignment

Rep Delzer

If the vote is on an amendment, briefly indicate intent:

HR- Human Services -

Date: **February 15, 2005**
Roll Call Vote #: **1 2**

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1012

House Appropriations - Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

58035.0112 Majority
58035.0113 Minority

Action Taken **DO PASS AS AMENDED**

Motion Made By **Rep Delzer** Seconded By **Rep Pollert**

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman	X		Rep. Bob Skarphol	X	
Rep. Mike Timm, Vice Chairman	X		Rep. David Monson	X	
Rep. Bob Martinson	X		Rep. Eliot Glassheim		X
Rep. Tom Brusegaard	X		Rep. Jeff Delzer	X	
Rep. Earl Rennerfeldt	X		Rep. Chet Pollert	X	
Rep. Francis J. Wald	X		Rep. Larry Bellew	X	
Rep. Ole Aarsvold		X	Rep. Alon C. Wieland	X	
Rep. Pam Gulleson		X	Rep. James Kerzman		X
Rep. Ron Carlisle	X		Rep. Ralph Metcalf		X
Rep. Keith Kempenich	X				
Rep. Blair Thoreson	X				
Rep. Joe Kroeber		X			
Rep. Clark Williams		X			
Rep. Al Carlson	X				

Total Yes **16** No **7**

Absent **0**

Floor Assignment **Rep Delzer**

If the vote is on an amendment, briefly indicate intent:

Minority report requested by Rep Metcalf

REPORT OF STANDING COMMITTEE (MINORITY)

HB 1012: Appropriations (Rep. K. Svedjan, Chairman) A MINORITY of your committee (Reps. Metcalf, Aarsvold, Guleson, Kroeber, Williams, Glassheim, Kerzman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 2, after the semicolon insert "to provide an exception; to provide for a legislative council study; to provide for a transfer to the general fund; and" and remove "between agencies and"

Page 1, line 3, remove "institutions; and to declare an emergency"

Page 3, line 28, replace "\$448,535" with "\$486,633"

Page 3, line 29, replace "27,401,520" with "(1,787,339)"

Page 4, line 1, replace "\$23,691,491" with "(\$5,535,446)"

Page 4, line 2, replace "14,244,468" with "(11,288,586)"

Page 4, line 3, replace "9,447,023" with "5,753,120"

Page 4, line 6, replace "1,000,559" with "699,801"

Page 4, line 7, replace "851,164" with "(109,195)"

Page 4, line 9, replace "45,368,268" with "44,572,418"

Page 4, line 10, replace "79,097,595" with "86,757,233"

Page 4, line 11, replace "126,311,778" with "131,914,449"

Page 4, line 12, replace "68,635,940" with "73,379,224"

Page 4, line 13, replace "57,675,838" with "58,535,225"

Page 4, line 18, replace "104,077" with "43,292"

Page 4, line 19, replace "45,570" with "39,123"

Page 4, line 20, replace "58,507" with "4,169"

Page 4, line 22, replace "868,348" with "713,327"

Page 4, line 23, replace "546,522" with "533,839"

Page 4, line 24, replace "321,826" with "179,488"

Page 4, line 26, replace "775,447" with "680,656"

Page 4, line 27, replace "438,908" with "431,083"

Page 4, line 28, replace "336,539" with "249,573"

Page 5, line 1, replace "1,254,959" with "1,055,769"

Page 5, line 2, replace "766,790" with "745,840"

Page 5, line 3, replace "488,169" with "309,929"

Page 5, line 5, replace "3,097,704" with "2,801,880"

Page 5, line 6, replace "2,458,495" with "2,430,373"

Page 5, line 7, replace "639,209" with "371,507"

Page 5, line 9, replace "880,017" with "780,171"

Page 5, line 10, replace "590,489" with "578,413"

Page 5, line 11, replace "289,528" with "201,758"

Page 5, line 13, replace "1,115,775" with "920,924"

Page 5, line 14, replace "553,568" with "537,278"

Page 5, line 15, replace "562,207" with "383,646"

Page 5, line 17, replace "464,164" with "383,660"

Page 5, line 18, replace "260,454" with "250,774"

Page 5, line 19, replace "203,710" with "132,886"

Page 5, line 21, replace "383,417" with "230,001"

Page 5, line 22, replace "5,455,560" with "5,430,860"

Page 5, line 23, replace "5,838,977" with "5,660,861"

Page 5, line 24, replace "(794,489)" with "(728,482)"

Page 5, line 25, replace "6,633,466" with "6,389,343"

Page 5, line 27, replace "2,285,320" with "1,463,546"

Page 5, line 28, replace "(599,876)" with "(1,124,148)"

Page 5, line 29, replace "2,885,196" with "2,587,694"

Page 5, line 30, replace "16,434,788" with "14,254,086"

Page 5, line 31, replace "4,266,431" with "3,694,093"

Page 6, line 1, replace "12,168,357" with "10,559,993"

Page 6, line 2, replace "79,291,218" with "74,848,338"

Page 6, line 3, replace "87,146,839" with "65,784,731"

Page 6, line 4, replace "166,438,057" with "140,633,069"

Page 6, line 12, replace "ADMINISTRATION - SUPPORT" with "MANAGEMENT"

Page 6, line 13, replace "10,567,750" with "10,529,652"

Page 6, line 14, replace "60,968,708" with "31,779,849"

Page 6, line 16, replace "71,539,214" with "42,312,257"

Page 6, line 17, replace "48,374,575" with "22,841,521"

Page 6, line 18, replace "23,164,639" with "19,470,736"

Page 6, line 20, replace "PROGRAM/POLICY MANAGEMENT" with "PROGRAM AND
POLICY"

Page 6, line 21, replace "23,054,340" with "22,753,582"

Page 6, line 22, replace "38,232,573" with "37,272,214"

Page 6, line 24, replace "334,055,993" with "333,260,143"

Page 6, line 25, replace "1,000,774,769" with "1,008,434,407"

Page 6, line 26, replace "1,396,151,539" with "1,401,754,210"

Page 6, line 27, replace "1,027,728,022" with "1,032,471,306"

Page 6, line 28, replace "368,423,517" with "369,282,904"

Page 7, line 1, replace "7,379,756" with "7,318,971"

Page 7, line 2, replace "3,691,210" with "3,684,763"

Page 7, line 3, replace "3,688,546" with "3,634,208"

Page 7, line 5, replace "15,433,218" with "15,278,197"

Page 7, line 6, replace "7,270,196" with "7,257,513"

Page 7, line 7, replace "8,163,022" with "8,020,684"

Page 7, line 9, replace "9,196,380" with "9,101,589"

Page 7, line 10, replace "4,221,881" with "4,214,056"

Page 7, line 11, replace "4,974,499" with "4,887,533"

Page 7, line 13, replace "20,696,142" with "20,496,952"

Page 7, line 14, replace "12,211,610" with "12,190,660"

Page 7, line 15, replace "8,484,532" with "8,306,292"

Page 7, line 17, replace "23,822,246" with "23,526,422"

Page 7, line 18, replace "13,673,717" with "13,645,595"

Page 7, line 19, replace "10,148,529" with "9,880,827"

Page 7, line 21, replace "12,238,992" with "12,139,146"

Page 7, line 22, replace "6,322,357" with "6,310,281"

Page 7, line 23, replace "5,916,635" with "5,828,865"

Page 7, line 25, replace "18,700,619" with "18,505,768"

Page 7, line 26, replace "9,675,203" with "9,658,913"

Page 7, line 27, replace "9,025,416" with "8,846,855"

Page 7, line 29, replace "9,388,791" with "9,308,287"

Page 7, line 30, replace "4,819,177" with "4,809,497"

Page 7, line 31, replace "4,569,614" with "4,498,790"

Page 8, line 2, replace "42,272,978" with "42,119,562"

Page 8, line 3, replace "5,455,560" with "5,430,860"

Page 8, line 4, replace "47,728,538" with "47,550,422"

Page 8, line 5, replace "15,610,871" with "15,676,878"

Page 8, line 6, replace "32,117,667" with "31,873,544"

Page 8, line 8, replace "43,046,377" with "42,224,603"

Page 8, line 9, replace "31,349,952" with "30,825,680"

Page 8, line 10, replace "11,696,425" with "11,398,923"

Page 8, line 11, replace "207,631,059" with "205,450,357"

Page 8, line 12, replace "108,846,174" with "108,273,836"

Page 8, line 13, replace "98,784,885" with "97,176,521"

Page 8, line 14, replace "490,373,041" with "485,930,161"

Page 8, line 15, replace "1,184,948,771" with "1,163,586,663"

Page 8, line 16, replace "1,675,321,812" with "1,649,516,824"

Page 8, line 17, after "**MEDICAID**" insert "- **EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL**" and replace "The" with "Subject to emergency commission and budget section approval, the"

Page 8, line 21, replace "The department of human services" with:

"SECTION 5. MEDICAID ELIGIBILITY REVIEWS - CONTINGENT FUNDING.
The appropriation in subdivision 2 of section 3 of this Act includes \$615,000 from the general fund and \$615,000 of federal funds for payment error rate measurement eligibility reviews for the medical assistance program. If the department of human services is not required by the federal government to conduct these reviews, the

department may not spend these funds for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 6. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.

Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within each subdivision of section 3 of this Act and between subdivisions within section 3 of this Act for the biennium beginning July 1, 2005, and ending June 30, 2007. The department shall notify the office of management and budget of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2006, any transfers made in excess of \$50,000 and to the appropriations committees of the sixtieth legislative assembly regarding any transfers made pursuant to this section.

SECTION 7. ESTIMATED INCOME - LIMIT - COMMUNITY HEALTH TRUST

FUND. The estimated income line item in subdivision 2 of section 3 of this Act includes \$114,755 from the community health trust fund. The department of human services expenditures from this fund may not exceed this amount for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 8. COMPULSIVE GAMBLING PREVENTION AND TREATMENT FUND - TRANSFER TO THE GENERAL FUND. On July 1, 2005, the director of the office of management and budget and the state treasurer shall transfer \$100,000 from the compulsive gambling prevention and treatment fund to the general fund.

SECTION 9. LEGISLATIVE COUNCIL STUDY - LONG-TERM CARE. During the 2005-06 interim, the legislative council shall consider studying, with input from representatives of the department of human services and the long-term care industry, methods of improving the sustainability of funding long-term care services in the state, including a review of case mix and rate equalization, consideration of additional support for facilities providing additional restorative care services, and consideration of options for reducing the number of required reports of facilities providing high-quality care or for seeking waivers to change the survey process."

Page 8, remove lines 22 through 31

Page 9, remove lines 1 through 12

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
DHS - Management			
Total all funds	\$71,539,214	(\$29,226,957)	\$42,312,257
Less estimated income	48,374,575	(25,533,054)	22,841,521
General fund	\$23,164,639	(\$3,693,903)	\$19,470,736
DHS - Program/Policy			
Total all funds	\$1,396,151,539	\$5,602,671	\$1,401,754,210
Less estimated income	1,027,728,022	4,743,284	1,032,471,306
General fund	\$368,423,517	\$859,387	\$369,282,904
DHS - State Hospital			
Total all funds	\$47,728,538	(\$178,116)	\$47,550,422
Less estimated income	15,610,871	66,007	15,676,878
General fund	\$32,117,667	(\$244,123)	\$31,873,544
DHS - Developmental Center			
Total all funds	\$43,046,377	(\$821,774)	\$42,224,603

REPORT OF STANDING COMMITTEE-DIVIDED (430)
February 17, 2005 7:39 a.m.

Module No: HR-31-3268
Carrier: Metcalf
Insert LC: 58035.0115 Title: .0300

Less estimated income	31,349,952	(524,272)	30,825,680
General fund	\$11,696,425	(\$297,502)	\$11,398,923
DHS - Northwest HSC			
Total all funds	\$7,379,756	(\$60,785)	\$7,318,971
Less estimated income	3,691,210	(6,447)	3,684,763
General fund	\$3,688,546	(\$54,338)	\$3,634,208
DHS - North Central HSC			
Total all funds	\$15,433,218	(\$155,021)	\$15,278,197
Less estimated income	7,270,196	(12,683)	7,257,513
General fund	\$8,163,022	(\$142,338)	\$8,020,684
DHS - Lake Region HSC			
Total all funds	\$9,196,380	(\$94,791)	\$9,101,589
Less estimated income	4,221,881	(7,825)	4,214,056
General fund	\$4,974,499	(\$66,966)	\$4,887,533
DHS - Northeast HSC			
Total all funds	\$20,696,142	(\$199,190)	\$20,496,952
Less estimated income	12,211,610	(20,950)	12,190,660
General fund	\$8,484,532	(\$178,240)	\$8,306,292
DHS - Southeast HSC			
Total all funds	\$23,822,246	(\$295,824)	\$23,526,422
Less estimated income	13,673,717	(28,122)	13,645,595
General fund	\$10,148,529	(\$267,702)	\$9,880,827
DHS - South Central HSC			
Total all funds	\$12,238,992	(\$99,846)	\$12,139,146
Less estimated income	6,322,357	(12,076)	6,310,281
General fund	\$5,916,635	(\$87,770)	\$5,828,865
DHS - West Central HSC			
Total all funds	\$18,700,619	(\$194,851)	\$18,505,768
Less estimated income	9,675,203	(16,290)	9,658,913
General fund	\$9,025,416	(\$178,561)	\$8,846,855
DHS - Badlands HSC			
Total all funds	\$9,388,791	(\$80,504)	\$9,308,287
Less estimated income	4,819,177	(9,680)	4,809,497
General fund	\$4,569,614	(\$70,824)	\$4,498,790
Bill Total			
Total all funds	\$1,675,321,812	(\$25,804,988)	\$1,649,516,824
Less estimated income	1,184,948,771	(21,362,108)	1,163,586,663
General fund	\$490,373,041	(\$4,442,880)	\$485,930,161

House Bill No. 1012 - Department of Human Services - Management - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$10,567,750	(\$38,098)	\$10,529,652
Operating expenses	60,968,708	(29,188,859)	31,779,849
Capital assets	2,756		2,756
Total all funds	\$71,539,214	(\$29,226,957)	\$42,312,257
Less estimated income	48,374,575	(25,533,054)	22,841,521
General fund	\$23,164,639	(\$3,693,903)	\$19,470,736
FTE	99.10	0.00	99.10

Dept. 326 - Department of Human Services - Management - Detail of House Changes

	HOUSE CHANGES ¹	TOTAL HOUSE CHANGES
Salaries and wages	(\$38,098)	(\$38,098)
Operating expenses	(29,188,859)	(29,188,859)
Capital assets		
Total all funds	(\$29,226,957)	(\$29,226,957)
Less estimated income	(25,533,054)	(25,533,054)
General fund	(\$3,693,903)	(\$3,693,903)

FTE	0.00	0.00		
	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
1 Management - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$26,083)	(\$12,015)	(\$38,098)
Administration Support Program				
None				
Division of Information Technology Program				
Removes funding for the Medicaid management information system (MMIS) computer system replacement project		(3,667,820)	(25,521,039)	(29,188,859)
Total House Changes - Management	0.00	(\$3,693,903)	(\$25,533,054)	(\$29,226,957)

Other changes affecting management programs or multiple programs of the department:

A section is added authorizing the department to transfer funds between line items and between subdivisions without Emergency Commission approval. The department is to report any transfers to the Office of Management and Budget and to the Appropriations Committees of the 2007 Legislative Assembly and any transfers over \$50,000 to the Budget Section after June 30, 2006.

Section 5 of the bill is removed which authorized the department to transfer appropriation authority and to transfer or add FTE positions to the State Hospital, Developmental Center, or human service centers.

Section 6 of the bill is removed which appropriated any additional federal funds received by the department for low-income home energy assistance and food stamp benefits in excess of the amounts appropriated by the Legislative Assembly for the 2005-07 biennium.

Section 7 of the bill is removed which provided an emergency clause for the Medicaid management information system computer system project.

House Bill No. 1012 - Department of Human Services - Program/Policy - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES 1	HOUSE VERSION	
Salaries and wages	\$23,054,340	(\$300,758)	\$22,753,582	
Operating expenses	38,232,573	(960,359)	37,272,214	
Capital assets	33,864		33,864	
Grants	334,055,993	(795,850)	333,260,143	
Grants - Medical assistance	<u>1,000,774,760</u>	<u>7,659,638</u>	<u>1,008,434,407</u>	
Total all funds	\$1,396,151,539	\$5,602,671	\$1,401,754,210	
Less estimated income	<u>1,027,728,022</u>	<u>4,743,284</u>	<u>1,032,471,306</u>	
General fund	\$368,423,517	\$859,387	\$369,282,904	
FTE	233.30	(1.00)	232.30	
	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
1 Program/Policy - House Changes:				
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$26,297)	(\$45,923)	(\$72,220)

REPORT OF STANDING COMMITTEE-DIVIDED (430)
February 17, 2005 7:39 a.m.

Module No: HR-31-3268
Carrier: Metcalf
Insert LC: 58035.0115 Title: .0300

Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover	(140,000)		(140,000)
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Reduces operating expenses of all programs within this subdivision	(50,000)		(50,000)
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Economic Assistance Policy Program

Removes funding for outreach services of the food stamp program	(25,000)	(25,000)	(50,000)
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Child Support Program

Reduces the operating expenses line item to remove federal funds for cooperative agreements with a county or tribe for centralized administration of child support enforcement services		(822,970)	(822,970)
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House Bill No. 1172 includes a continuing appropriation for these funds.

Reduces general fund support for the Lake Region child support enforcement unit from \$215,016 to \$150,016	(65,000)		(65,000)
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Medical Services Program

Removes the pharmacy assistant position added in the executive budget	(1.00)	(22,135)	(66,403)	(88,538)
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Removes funding for the Global Insight contract due to changes in determining inflationary rates for nursing homes as provided in House Bill No. 1252		(5,920)	(5,919)	(11,839)
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Removes funding for the department to contract for generic prescription drug detailing services		(237,775)	(237,775)	(475,550)
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Adds funding for operating expenses associated with provisions of House Bill No. 1459 relating to management of the medical assistance program		282,500	282,500	565,000
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Reduces medical assistance grants to reflect savings as a result of provisions of House Bill No. 1459 relating to management of the medical assistance program		(537,030)	(992,970)	(1,530,000)
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Reduces medical assistance grants to reflect provisions of House Bill No. 1181 which allow a Medicaid recipient to set aside up to \$5,000 for funeral expenses rather than \$3,000 under current law and \$5,500 as recommended by the Governor		(91,405)	(161,095)	(252,500)
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Adds funding for medical assistance grants to adjust the anticipated funding needed for medical assistance services		1,050,000	1,941,453	2,991,453
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Adds funding for increasing ambulance services payment rates with 50 percent of the funds to be used for increasing air ambulance rates and 50 percent for ground ambulance rates		60,000	110,940	170,940
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Reduces funding from the community health trust fund for breast and cervical cancer treatment services to the 2003-05 appropriation level. A section is added to the bill limiting the department's expenditures from this special fund during the 2005-07 biennium.			(139,601)	(139,601)
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Long-Term Care Program

Reflects the department's reprojections of anticipated funding needed for home and community-based services programs	(1,987,684)	5,724		(1,981,960)
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Reduces funding for nursing facilities to reflect provisions of House Bill No. 1252 which base nursing home payment rates on inflationary rates as determined by the Legislative Assembly. The inflationary rates being used for nursing home rates for the 2005-07 biennium are 2 percent for each year of the biennium.	(1,755,456)	(3,164,516)		(4,919,972)
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Reduces funding for nursing facilities to reflect a reduction in the estimated average number of nursing facility beds needed for Medicaid recipients from 3,631 to 3,600	(1,025,765)	(1,893,498)		(2,919,263)
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Adds funding for basic care facilities to reflect provisions of House Bill No. 1252 which base basic	162,051	73,408		235,459
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care payment rates on inflationary rates as determined by the Legislative Assembly. The inflationary rates being used for basic care rates for the 2005-07 biennium are 2 percent for each year of the biennium.

Adds funding to increase the maximum amount of homemaker services an individual may receive from qualified service providers (QSP) under the service payments for the elderly and disabled (SPED) and expanded SPED programs from \$135 to \$185 per month

217,260 9,540 226,800

Aging Services Program

None

Children and Family Services Program

Reduces federal funding for family preservation services. The department may seek Emergency Commission approval if additional federal funds become available for these services.

(750,000) (750,000)

Adds funding for increasing the maximum treatment services payment for residential child care facilities by \$2.65 per day, from the current level of \$11.50 to \$14.15 per day. The funding level provided maintains each facility's service rate at its current rate for the 2005-07 biennium.

50,008 348,248 398,256

Reduces funding anticipated to be needed for foster care and subsidized adoption services

(250,000) (344,106) (594,106)

Mental Health and Substance Abuse Program

Removes funding from the general fund for compulsive gambling treatment services and provides \$400,000 from the compulsive gambling treatment fund for these services in accordance with provisions of House Bill No. 1259

(150,000) 400,000 250,000

Reduces operating expenses of this program

(50,000) (50,000)

Developmental Disabilities Council

None

Disabilities Program

Adds funding for increasing the average wage for employees of developmental disabilities services providers by \$1.05 per hour

6,057,035 10,960,848 17,017,883

Adds funding for increasing payment rates for facilities serving children with extensive medical needs

100,000 184,900 284,900

Reduces funding for the family subsidy program to \$810,056 from the general fund

(100,000) (100,000)

Reduces funding for supported living/extended services to \$200,000 from the general fund

(100,000) (100,000)

Reduces funding anticipated to be needed for developmental disabilities grants

(500,000) (924,501) (1,424,501)

Total House Changes - Program/Policy

(1.00) \$859,387 \$4,743,284 \$5,602,671

Other changes affecting Program/Policy programs:

A section is added providing that if the federal government does not require states to conduct payment error rate measurement eligibility reviews, the department not spend the \$1,230,000, of which \$615,000 is from the general fund, included in its appropriation.

Section 4 of the bill is amended to require Emergency Commission and Budget Section approval before the department may hire FTE positions to assist with the payment error rate measurement eligibility reviews.

A section is added directing the Office of Management and Budget to transfer \$100,000 from the compulsive gambling prevention and treatment fund to the general fund on July 1, 2005.

A section is added providing for a Legislative Council long-term care study.

House Bill No. 1012 - Department of Human Services - State Hospital - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION		
Traditional Secure	\$42,272,978 <u>5,455,560</u>	(\$153,416) <u>(24,700)</u>	\$42,119,562 <u>5,430,860</u>		
Total all funds	\$47,728,538	(\$178,116)	\$47,550,422		
Less estimated income	<u>15,610,871</u>	<u>66,007</u>	<u>15,676,878</u>		
General fund	\$32,117,667	(\$244,123)	\$31,873,544		
FTE	424.01	0.00	424.01		
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
¹ State Hospital - House Changes:					
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year			(\$144,123)	(\$33,993)	(\$178,116)
Replaces funding from the general fund with special funds in anticipation of general fund savings and additional third-party collections			(100,000)	100,000	
Total House Changes - State Hospital		0.00	(\$244,123)	\$66,007	(\$178,116)

House Bill No. 1012 - Department of Human Services - Developmental Center - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION		
Human service centers/institutions	\$43,046,377	(\$821,774)	\$42,224,603		
Total all funds	\$43,046,377	(\$821,774)	\$42,224,603		
Less estimated income	<u>31,349,952</u>	<u>(524,272)</u>	<u>30,825,680</u>		
General fund	\$11,696,425	(\$297,502)	\$11,398,923		
FTE	451.54	0.00	451.54		
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
¹ Developmental Center - House Changes:					
Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year			(\$47,502)	(\$62,021)	(\$109,523)
Reduces funding for operating costs of the Developmental Center			(250,000)	(462,251)	(712,251)
Total House Changes - Developmental Center		0.00	(\$297,502)	(\$524,272)	(\$821,774)

House Bill No. 1012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
DHS - Northwest HSC	\$3,688,546	(\$54,338)	\$3,634,208

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DHS - North Central HSC	8,163,022	(142,338)	8,020,684
DHS - Lake Region HSC	4,974,499	(86,966)	4,887,533
DHS - Northeast HSC	8,484,532	(178,240)	8,306,292
DHS - Southeast HSC	10,148,529	(267,702)	9,880,827
DHS - South Central HSC	5,916,635	(87,770)	5,828,865
DHS - West Central HSC	9,025,416	(178,561)	8,846,855
DHS - Badlands HSC	<u>4,569,614</u>	<u>(70,824)</u>	<u>4,498,790</u>
Total general fund	\$54,970,793	(\$1,066,739)	\$53,904,054

House Bill No. 1012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
DHS - Northwest HSC	\$3,691,210	(\$6,447)	\$3,684,763
DHS - North Central HSC	7,270,196	(12,683)	7,257,513
DHS - Lake Region HSC	4,221,881	(7,825)	4,214,056
DHS - Northeast HSC	12,211,610	(20,950)	12,190,660
DHS - Southeast HSC	13,673,717	(28,122)	13,645,595
DHS - South Central HSC	6,322,357	(12,076)	6,310,281
DHS - West Central HSC	9,675,203	(16,290)	9,658,913
DHS - Badlands HSC	<u>4,819,177</u>	<u>(9,680)</u>	<u>4,809,497</u>
Total other funds	\$61,885,351	(\$114,073)	\$61,771,278

House Bill No. 1012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	HOUSE CHANGES ¹	HOUSE VERSION
DHS - Northwest HSC	\$7,379,756	(\$60,785)	\$7,318,971
DHS - North Central HSC	15,433,218	(155,021)	15,278,197
DHS - Lake Region HSC	9,196,380	(94,791)	9,101,589
DHS - Northeast HSC	20,696,142	(199,190)	20,496,952
DHS - Southeast HSC	23,822,246	(295,824)	23,526,422
DHS - South Central HSC	12,238,992	(99,846)	12,139,146
DHS - West Central HSC	18,700,619	(194,851)	18,505,768
DHS - Badlands HSC	<u>9,388,791</u>	<u>(80,504)</u>	<u>9,308,287</u>
Total all funds	\$116,856,144	(\$1,180,812)	\$115,675,332
FTE	840.48	0.00	840.48

¹ Human Service Center Changes:

Northwest Human Service Center - House Changes:

Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$13,719)	(\$6,447)	(\$20,166)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(20,000)		(20,000)
Reduces funding for operating costs of the human service center		(20,619)		(20,619)
Total House Changes - Northwest Human Service Center	0.00	(\$54,338)	(\$6,447)	(\$60,785)

North Central Human Service Center - House Changes:

Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$31,652)	(\$12,683)	(\$44,335)
Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(57,120)		(57,120)
Reduces funding for operating costs of the human service center		(53,566)		(53,566)
Total House Changes - North Central Human Service Center	0.00	(\$142,338)	(\$12,683)	(\$155,021)

Lake Region Human Service Center - House Changes:

Reduces compensation adjustments 3 percent for the first year and 4 percent for the second year		(\$17,745)	(\$7,825)	(\$25,570)
Reduces salaries and wages funding in anticipation		(38,052)		(38,052)

of savings from vacant positions and employee turnover

Reduces funding for operating costs of the human service center		(31,169)		(31,169)
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Total House Changes - Lake Region Human Service Center	0.00	(\$86,966)	(\$7,825)	(\$94,791)
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Northeast Human Service Center - House Changes:

Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$27,919)	(\$20,950)	(\$48,869)
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Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(97,692)		(97,692)
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Reduces funding for operating costs of the human service center		(52,629)		(52,629)
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Total House Changes - Northeast Human Service Center	0.00	(\$178,240)	(\$20,950)	(\$199,190)
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Southeast Human Service Center - House Changes:

Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$43,102)	(\$28,122)	(\$71,224)
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Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(137,046)		(137,046)
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Reduces funding for operating costs of the human service center		(87,554)		(87,554)
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Total House Changes - Southeast Human Service Center	0.00	(\$267,702)	(\$28,122)	(\$295,824)
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South Central Human Service Center - House Changes:

Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$21,847)	(\$12,076)	(\$33,723)
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Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(20,000)		(20,000)
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Reduces funding for operating costs of the human service center		(46,123)		(46,123)
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Total House Changes - South Central Human Service Center	0.00	(\$87,770)	(\$12,076)	(\$99,846)
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West Central Human Service Center - House Changes:

Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$32,866)	(\$16,290)	(\$49,156)
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Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(69,804)		(69,804)
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Reduces funding for operating costs of the human service center		(75,891)		(75,891)
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Total House Changes - West Central Human Service Center	0.00	(\$178,561)	(\$16,290)	(\$194,851)
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Badlands Human Service Center - House Changes:

Reduces compensation adjustments to 3 percent for the first year and 4 percent for the second year		(\$18,089)	(\$9,680)	(\$27,769)
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Reduces salaries and wages funding in anticipation of savings from vacant positions and employee turnover		(20,286)		(20,286)
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Reduces funding for operating costs of the human service center		(32,449)		(32,449)
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Total House Changes - Badlands Human Service Center	0.00	(\$70,824)	(\$9,680)	(\$80,504)
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Total amounts for selected reductions reflected in this amendment include:

1. The 3 percent and 4 percent compensation package is \$718,769, of which \$450,744 is from the general fund.
2. Anticipation of savings from vacant positions and employee turnover is \$600,000 from the general fund.
3. Human service center operating cost reductions is \$400,000 from the general fund.

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The reports of the majority and the minority were placed on the Seventh order of business on the calendar for the succeeding legislative day.

2005 SENATE APPROPRIATIONS

HB 1012

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

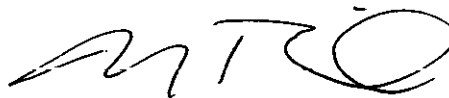
Senate Appropriations Committee

☐ Conference Committee

Hearing Date 03/01/05

Tape Number	Side A	Side B	Meter #
1	x	x	0-end/0-end
2	x	x	0-end/0-end
3	x		0-end

Committee Clerk Signature



Minutes: **Chairman Holmberg** opened meeting on HB 1012.

Carol Olson, Executive Director, Department of Human Services appeared in support of HB 1012. She provided the committee with written testimony, see appendix I which she read verbatim. Ms. Olson stated to the committee that a decrease in FMAP, has caused an increase in their budget. She went over their budget requests and department services to the community.

Sen. Mathern: Could you give us the names of the programs that have waiting lists and how this budget either benefits or does not benefit them?

Ms. Olson: Off hand I can't name them all right now.

Brenda Weiz, Chief Financial Officer Department of Human Services appeared in support of HB 1012. She provided the committee with an overview of their budget for 2005-07, This was provided as written testimony, see appendix II. Ms. Weiz also went over the major budget changes, other areas of interest, House changes, and other bills and legislation. Questions were asked of Ms. Weiz regarding the budget and funds allocated to ND from the Federal

Government. Ms. Weiz stated that they draw 100% of the Federal dollars granted to them for Medicaid.

Dave Zentner, Director of Medical Services Department of Human Services appeared in support of HB 1012. Mr. Zentner spoke of MMIS or Medicaid Managing Information System, and the implications it would have on the budget if it were passed, stating however, that they current system is 26 years old and is in need of replacement. Mr. Zentner provided the committee with written testimony, see appendix III.

Sen. Bowman: What are we asking for?

Mr. Zentner: A software program to process eligibility, claims, do data reporting, etc.

Sen. Mathern: What does it mean by electronic data system, are we left with the only one in the country.

Mr. Zentner: Initially the current system was state of the art, it was modified from a previous program for other states and was modified to fit ND's needs.

Sen. Mathern: If this upgrade is happening all over the nation, why don't we have it now, why are we 30 million dollars away from it?

Mr. Zentner: Other states are in the same boat we are, we need to remember that we will be competing with a lot of other states for venders. Regarding your question there are expensive systems, we want something that will last another 10 years.

Sen. Christmann: You stated earlier that you would like the system to be maintained "in house," what do you mean by that?

Mr. Zentner: Building the system itself, will need an outside vender. After it is built we need help to operate it, we would like to keep it in house, meaning have out staff maintain and operate it.

Chairman Holmberg: Does this mean a partnership with ITD?

Mr. Zentner: They would be involved in a bulk of the maintenance, unless we decide to contract it out.

Please note that Mr. Zentner handed out another piece to his written testimony, see appendix IV. This is titled proposal MMIS Replacement Project. In this hand out the department looks at 2 potential possibilities, i.e. and in house or contracted agent to operate and maintain the MMIS system.

Sen. Robinson: MMIS, based on your knowledge, will there be added costs from cost centers, also have other states experienced this?

Mr. Zentner: I do not know of any state in specific. The issue of added costs is a real issue, there are added costs, we contract out and in extreme cases some states have gotten out of their contract to avoid this.

Sen, Mathern: I have no question that there is a need for this, however, how will we prevent this same scenario in the next 20 years?

Mr. Zentner: That is an interesting question, technology moves very quickly, we would need to evaluate out system and come to the legislature, you then would make the determination to help us. We would like to change it every 10 years.

Sen. Bowman: If the beneficiaries are the providers, why shouldn't they be involved in the funding for this?

Mr. Zentner: The providers say it is the obligation of the State to make sure we have got an adequate system.

Brenda Wies, Chief Financial Officer DHS appeared to provide the committee with the budget for Administration and support services of DHS. Ms. Wies provided the committee with written testimony, see attached V and VI. Ms. Wies spoke of the different divisions that fall under Administration and Support Service they include: executive office, division of IT, economic assistance policy, child support enforcement, medical services, mental health and substance abuse, disability services, disability services, ND state hospital, ND developmental center, and human service centers

Jenny Withham, Director of IT DHS appeared to provide an overview of the IT with in DHS'. Ms. Withham provided the committee with written testimony, which she read verbatim, see appendix VII. Ms. Withham also spoke of salaries and wages, operating expenses (MMIS replacement project), other operating expenses, capitol assets, and House changes.

Sen. Bowman: If MMIS Program was funded, would you utilize employees in your department to implement this new program?

Ms. Withham: Yes.

Sen. Fischer: If we completely change the MMIS system, will we still need money to make changes when the federal government requires it?

Ms. Withham: Yes, the costs are ongoing.

Sen. Mathern: Are there any new bells and whistles with this new system, can clients register on their own?

Ms. Withham: Yes, They would all have web based registration.

Sen Thane: The House removed funding of MMIS, were they aware of what would happen if they did that?

Ms. Withham: No, I don't think they were.

Blaine Nordwal, Director of Economic Assistance Policy, DHS appeared to provide an overview of Economic Assistance Policy's budget. Written testimony was provided, see appendix VIII. Mr. Nordwal gave an overview of trends and demands including childcare, energy assistance, food stamps, TANIF. He also reviewed performance measures and budget changes.

Dave Zentner, Director of Medical Services, DHS provided the committee with an overview of the programs administered by medical services. He spoke of Medicaid, State Children's Health Insurance program, Children's Special Health Services. He also went over in detail, program trends, performance measures, budget changes, budget highlights, and House changes.

Sen. Fischer: Is there an effort out there to educate the elderly?

Mr. Zentner: Yes, there is.

Sen. Krauter: How did you come up with \$5500 for funeral costs?

Mr. Zentner: We met with funeral directors and averaged the cost.

Mike Schwindt, Director, Child Support Enforcement DHS appeared to provide the committee with an overview of the programs administered by Child Support Enforcement. He spoke of the case loads, performance, benefits, and House changes. He also provided the committee with written testimony, see appendix X.

Sen. Bowman: The DL, Child Support Enforcement how has it changed from 2 years ago.

Mr. Schwindt: They have moved up, all though it is not high enough.

Dave Zentner, Director of Medical Services, Long Term Care spoke of programs, trends, budget changes, budget highlights, and House changes. Mr. Zentner provided the committee with written testimony, see appendix XI.

Sen. Andrist: Is there personal care available for those who don't qualify for Medicaid? Is there a fee for service available now?

Mr. Zentner: The SPED program does, they have to qualify for this however.

Sen Andrist: Has the ratio from public to private funded changed?

Mr. Zentner: No, not really.

Questions were asked of Mr. Zentner regarding whether or not rural nursing care facilities could "bank" beds for later use, and how many people the state is paying for who are now out of state.

Mr. Zentner indicated that ND and MN have a deal where ND will only pay for 2 years of care for an individual who has chosen to live in MN, rather than in ND.

Linda Wright, Director of Aging Services provided the committee with an overview of long term care budget. Written testimony was provided, which she read verbatim see appendix XII.

Sen. Fischer: Where have the people on SPED gone?

Ms Wright: Some have gone to assisted living, and are utilizing other resources, we really don't know for sure.

Ms. Wright spoke of their customer base, trends performance measures, the Governors Budget request, operating expenses, capitol assets, grants and House changes.

Sherry Spier, Director of Policy and Advocacy for Mental Health proposed an amendment.

Stating that this amendment would seek funding to move forward in the implementation phase of

a pilot that is already under way in the state, that will influence state wide prisons diversion strategy for people with sever mental illness and cold curing substance abuse disorder.

Paul Ronningen, Director, Children and Family Services appeared to provide an overview of their budget, he spoke of family preservation, child protective services, and foster care. He provided the committee with written testimony, see appendix XIII.

Edward Foucty, Social Services Director, Ramsey County spoke of the performance of the Lake Region i.e. Child sport. Stating that there is a lack of jurisdiction because of the reservation.

JoAnne Hoesel, Director of Mental Health and Substance Abuse appeared to provide the committee with an over view of their budget. Ms. Hoesel provided the committee with written testimony, see appendix XIV. Ms. Hoesel spoke of their customer base, trends, performance measures, operating expenses, grants and other funds, as well as House changes.

Sen. Christmann: Who would I get information on how many kids have been put in riddlen in the past 10 years.

Sen. Fisher: Do you have statistics on riddlen abuse?

Ms. Hoesel: There is a lot of information, kids are selling there riddlen, regarding ND rates with in last 20 years, we will have to look for them.

Vice Chairman Bowman recessed the meeting until Wednesday, March 2 at 8am.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1012

Senate Appropriations Committee

☐ Conference Committee

Hearing Date March 2, 2005

Tape Number	Side A	Side B	Meter #
1	x	x	0

Committee Clerk Signature



Minutes:

Vice Chairman Bowman opened the hearing on HB 1012.

Roxanne Romaney, concerned citizen, Bismarck, Governor appointed member and vice-chair of the ND Interagency Coordinating Committee and work professionally and personally to support parents of children with developmental delays, together with her young daughter Elizabeth, testified in **support of HB 1012**. Her daughter expressed a thank you for getting her heart fixed. Roxanne Romaney requested support in restoration of funding for HB 1012, especially the portion affecting families with children having developmental delays. She was very concerned as to how the cuts from the House would affect infant development, services and family support. Serving a young child in the home makes all of the difference in the world. She strongly urged support.

Kathy Hogan, Director, Cass County Social Services, representing of the ND County Social Services Director Association, provided written testimony and testified in **support of HB 1012**.

She discussed aspects of the human services budget impacting the counties stating the increase in methamphetamine use has required significant resources from county, private and human services centers. With the fiscal impact, ever increasing standards on quality of service and expectations of services there are now areas of home and community based services that can't be met, there is serious concern of the House reduction of \$600,000. There is a need for more in home care services which are out of balance. She urged the committee to increase support by 2 percent. She also discussed the Indian County funding and indicated the House reduction may cause significant program reductions.

Senator Krauter asked if the 2 percent increase request could be more specific as to areas that are short. (Kathy Hogan indicated Foster Care payments is one area, but she provided this and is attached with written testimony.)

Senator Mathern asked that insight be provided as to why the number of clients are decreased. The response was that there are 3-4 variables, the freeze at the end of the biennium, the change in eligibility criteria, and no one to provide the services.

Deb Heinle, (#1318) President, State Independent Living Counsel, testified in support of HB 1012. She expressed her concerns in getting funding to provide services to the four centers in North Dakota and the plan to implement three branch offices. She indicated she had no opportunity to prepare a document showing areas served and under served in North Dakota and she would be putting together a packed to be forwarded to the committee. She said there is a need for more consistency. They deal with a broad range of people with disabilities and they just need to get the funding that was initially promised.

Bruce Murry, (#1655) Staff Attorney, Protection and Advocacy Project, testified in **support of HB 1012**. He discussed the impact of the budget of the Dept of Human Services, long term care continuum, people with developmental disabilities, mental health services and the state hospital, prescription drugs and human service centers and the flexibility of the budget as detailed in his written testimony. He urged the Senate take action to correct the inconsistencies in the budget.

Senator Bowman asked if there was a list of those who are denied drugs, if shortages, they usually come in for a deficiency appropriation to fulfill the needs when necessary. The response was that there is not a crisis right now but looking at the rate of inflation may be a problem.

Carol Wattrell (#2943) testified for Betty Keegan of Rolla, representing the Graying of ND Coalition which represents 33 agencies and organizations, and read her written testimony. **Betty Keegan** urged **support of a 2 percent increase** for reimbursement to qualified service providers and optional request #12 for \$1,740,000 to help equalize rates among providers. Stressed the importance of older Americans remaining in the home as long as possible. She focused testimony on rural North Dakota and home and community based services and the existing wages and expenses of the qualified service providers was discussed.

Linda Wertz, (#3682) Associate State Director of Advocacy and Communication for AARP of North Dakota, representing 73,000 ND AARP members, provided written testimony and testified in support of HB 1012 with the 2 percent rate increase.. She stressed the concerns and member survey results, the governors proposed budget, the optional adjustment request, the community based services, the wages of qualified service providers (QSP), the main intent of

balancing care. A request was made to institute an automatic inflationary increase for QSP's to stay current with cost of doing business.

Senator Andrist stated that as the committee struggles to find money, there will never be enough to meet all of the needs. He asked if Linda had an influence to help the groups form a partnership. Linda responded that yes there are programs.

Dave Marion, Executive Director, Prairie Learning Center, Raleigh, testified in support of **HB 1012**, the house amendment and support in raising the Service Cap from \$11.51 to \$14.15. He discussed the Prairie Learning Center, its functions and role in the system.

Several questions were asked where he sees the 2 percent increase, the follow-up after kids go through his program, and the history of Prairie Learning Center.

Roy Schultz, (Tape 1 b #182) Executive Director, Division of the Center of independent Living in North Dakota testified urging continued support of HB 1012.

Chuck Steben, (#267) Freedom Resource Center, Fargo, testified, indicating more time was needed for people with handicaps to get to the Capitol to testify because it takes them longer to get to a location and back. He also testified as to the numbers of people affected by the services provided and the need for this committee to hear those people.

Senator Bowman indicated that anyone who wants to testify can be heard and there will be a subcommittee meeting.

Carilyn Riedinger, (#884) Steele, provided written testimony and testified in support of **HB 1012** emphasizing the importance of the Senior Centers.

Gene Hysjulien, (#1110) Director, Disability Services Division, Department of Human Services, provided written testimony and **provided an overview** of the budget for Disability

Services Division. He described the Developmental Disabilities Unit and Vocational Rehabilitation Unit, the customer base numbers, recent trends affecting developmental disabilities and vocational rehabilitation, a budget overview.

Senator Fischer indicated the last session bill did allow for flexibility of dollars and where it goes.

Senator Krauter asked that more details be provided to the subcommittee as to the what is happening with the trends decreasing.

Several other questions were raised as to what is happening with federal money cuts and what is being done to prepare for this, the family subsidy and family support services, if there are not sufficient funding is there a way for parents to help in group homes.

Yvonne Smith, (Tape 2a) Deputy Director, Department of Human Services, provided written testimony and **provided an overview** of the Human Service Centers. She highlighted the key trends, overall budget impacts, core services, performance indicators, and goals.

Senator Mathern requested that data be provided on the performance goals.

Several questions were raised about the reduction at Human Services Centers, a requested breakdown of the budget, provision of testimony of vacated positions, the funding at the State Hospital, whether funds are transferred from one center to another or just within a center, the affect of meth amphetamine use and whether the centers are positioned for the growth of cases, the extended family services, and the crisis intervention services and whether a psychiatrist is on duty 24 hours.

Written testimony was distributed from each of the Human Service Centers, Linda Write, Director of Aging Services and Paul Ronningen, Director, Children and Family Services.

Alex Schweitzer, (Tape 2a #2812) Superintendent, ND State Hospital and ND

Developmental Center, Department of Human Services provided written testimony in support of **HB 1012**. He reviewed areas of his testimony and the budget needs.

Senator Krauter (#3864) asked about the Department of Corrections money budgeted to the State Hospital, the decreasing patient collections and the cost increases.

Kevin Schulz, Chief Financial Officer spoke in response to the questions raised.

Senator Krauter asked that a copy of contracts and contract terms be supplied to the committee.

Senator Bowman asked whether the money being asked for is the same as the money being received from corrections.

Senator Fischer asked whether there would be a continual increase of patients at the Hospital.

Senator Andrist expressed concerns that this can only grow and the option of castration for sex offenders.

Senator Bowman raised concerns about the FTE's and the savings of positions unfilled and where that money went.

Brenda responded to the question indicating that money was taken out last biennium and now the FTE's are being removed. Have tried to live with cuts last session and need funds to operate facility.

Senator Bowman raised a question regarding the pilot program and whether it happens to become law is there room available or does a whole new program get developed with funding, facility, or personnel.

The response was that the space is available as our contribution in reference to SB 2341 and SB 2371.

JoAnn Hoesel (Tape 2b) distributed written testimony and testified on HB 1012. She provided an overview of the budget of the Division of Mental Health and Substance Abuse, indicating if the committee wanted more information regarding the pilot project, she would be happy to provide that.

Senator Kilzer asked the food service program be discussed in the subcommittee.

Senator Tallackson asked isn't it unrealistic with statistics to reduce numbers.

The response was that there are some that should be placed in the communities.

No further questions were asked at the morning session and will continue with same bill for the afternoon session.

Tom Newberger, (#1038) President, ND Association of Community Facilities, provided written testimony on HB 1012. He introduced other people who would be testifying and discussed the purpose of ND Association of Community Facilities (NDACF). He spoke on the inflation adjustment, wages and benefits, ISLA funding, guardianship petitioning.

Senator Grindberg asked about the bill which passed that had \$30,000 guardianship.

Senator Robinson, you might want to share comments of clients with Senator Tallackson.

Barbara Murry, Chief Operations Officer, Pride Inc., provided testimony and testified on behalf of NDACF. She asked for an increase for inflationary adjustments, an increase for support staff and developmental disability providers with a \$1.05 hourly increase in wages and 3 percent increase in benefits. She presented personal work experiences and that of other staff.

No questions were asked.

Jon Larson, Executive Director Enable, Inc., provided written testimony focussing on the ISLA that are part of ND Association of Community Facilities public policy platform.

No questions were asked.

RonDa Schriock, (Tape 2 b #2725) concerned citizen and employee, presented written testimony, testifying on behalf of HB 1012 and spoke on the need for pay increases.

No questions were asked.

Cybal Westleman, (#3084) mother of disabled person, testified on behalf of HB 1012. She expressed her concerns of the high turnover rate of employees in her son's group home and the need for increased pay provided to those employees.

Mike Schwab, (#3274) Executive Director, The Arc, Bismarck, presented written testimony and testified in support of HB 1012. He stressed the need for increased pay to stop the high turnover rate, giving examples.

Questions raised were about the quality of care and whether that suffers and the concerns of available funding vs. desire to provide wages.

Cal Rolfson, (#3775) representing the Anne Carlsen Center, Jamestown, past board of Director and general counsel of Lutheran Health Systems, provided written testimony and testified on HB 1012 and introduced other testifiers. His testimony appears below.

Senator Dave Nething, District 12, Jamestown, testified in support of HB 1012, discussing the seriousness of the funding for the Anne Carlson Center, what is being done and to encourage the Senate to follow the House lead in funding.

Dan Howell, (#4150) CEO, Anne Carlson Center for Children, Jamestown, provided written testimony and testified on HB 1012, discussing the reimbursement concerns as it relates to special needs and medically fragile children. He urged support of HB 1012 to increase the budget by \$300,000.

Senator Bowman asked if this would be an on going appropriation. The response was yes.

Senator Krauter asked that documentation of visits be provided to the committee.

Dr. Myra Quanrud, (Tape 2b #5185) Medical Director and Pediatric physician, Anne Carlson Center and Dakota Clinic, Jamestown, testified in support of HB 1012 indicating how medically fragile the children of the school are and the increased costs because of the constant monitoring.

Senator Fischer asked who takes care of the children that are not with ACCC. Dr. Quanrud indicated group homes, nursing homes and private homes.

Cal Rolfson, (Tape 2b-3a #65) representing the Anne Carlson Center, testified in support of HB 1012 and discussed the legal perspective to the funding disparities of the Center urging more funding and increased salaries. The Center is a step down intensive pediatric care center. The mission is to take children despite the cost.

Senator Mathern considering the case of the child in Rochester, could the Department make a placement on the condition X dollars be contributed. Mr. Rolfson indicated there may be an equity issue doing that for one child.

Senator Bowman asked if there was any federal funding that comes with the kids. Mr. Rolfson indicated there is a Medicaid funding source of 1/3-2/3 match and all but 3 percent comes from other sources, but 97 percent comes from the Department of Human Services.

Senator Bowman asked about the other eleven and how they are being taken care of for reimbursement

Senator Krauter indicated he was trying to understand the funding in the future. The response was that an answer will be found.

Roger Wetzel, St. Alexius Medical Center, Bismarck, representing the Grain of ND Coalition, asked that written testimony in support of HB 1012 be distributed.

Carlotta McCleary, (Tape 3a #1666) Executive Director for the ND Federation of Families for Children's Mental Health, distributed written testimony and testified in **support of HB 1012**. She indicated the federation is a parent run organization focusing on the needs of children with emotional, behavioral and mental disorders. She was very supportive of the Department of Human Services and partnership in providing support for families in need. She stressed the need to fund these services.

Senator Bowman asked if she wanted to make specific suggestions to what the committee can do in writing. Mrs. McCleary indicated she would get these suggestions to the committee.

There were no further questions and testimony ended.

Vice Chairman Bowman closed the hearing.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012


Senate Appropriations Committee

☐ Conference Committee

Hearing Date March 3, 2005

Tape Number	Side A	Side B	Meter #
2		X	3496-END
3	X		1-820

Committee Clerk Signature



Minutes:

Chairman Holmberg called the committee hearing to order on HB 1012.

Arnold Thomas, President of the North Dakota Healthcare Association introduced John Doherty from Merit Care, and Jim Long from the West River Medical Center in Hettinger.

John Doherty appeared before the committee in support of the bill. See written testimony.

Senator Christmann- Are you able to charge private pay customers a different rate than Medicare? Would you favor being under the same provisions?

John- We have some ability to charge different amount, we are not under contract with a third party payer. The contract payments have a margin built into them that offset some of the losses.

Senator Kilzer- How much of the Blue Cross premium was because of people not paying their share of the cost? A few years ago it was 29%. What is the figure today?

John- My guess is somewhere around 16%.

Senator Krauter- When you negotiate, is the state involved?

John- No, they are not involved. There is limited ability to negotiate significant increases.

Senator Bowman- Currently, hospitals are buying more property than before. How can this be done if you are losing money?

John- Meritcare is tax-exempt, but we generate a total margin of 2-4% a year, that money goes back into reinvesting in our services. We need to make the necessary investments so medical services are available. We provide good services in terms of quality and cost.

Senator Kilzer- Is the Medicaid fee schedule not based on Medicare's fee schedule?

John- Any relationship at this point would be coincidental.

Dave Zentner, Director of Medical Services for the Department of Human Services. Our fees are based on what the legislature provides us. We don't pay what Medicare pays today.

Jim Long, administrator for West Rive Health Systems in Hettinger appeared before the committee in support of the bill. See written testimony.

Senator Krauter- The issue of South Dakota and Montana paying a higher reimbursement rate, what are they doing differently than our state?

Jim- Not sure about the difference on budgeting.

Senator Bowman- How does the reimbursement work in South Dakota and Montana?

Jim- It would be from those states Department of Health and Human Services. Those states are similar in pricing structure.

Senator Christmann- Are the urban hospitals consistent with 75% Medicare and 10% Blue Cross?

Jim- Not sure on the exact percentages.

John- At Meritcare, we are 42% Medicare and 11% Medicaid. 40% would be Blue Cross, and the remainder would be charity and out of pocket.

Senator Lindaas- Is timing a factor for reimbursements on Medicare and Medicaid?

Jim- We used paid claims for that period of time in comparison to charges. Blue Cross is a little faster than Medicare. We are usually paid within the month with Blue Cross, within a couple months with Medicare.

Senator Bowman- Do you have any fear that eventually small rural hospitals will be forced out?

Jim- I consider that a concern has our population shifts and grows older. The elderly population will increase 30% within the next 20 years.

Senator Bowman- Does the federal government have programs that address this with rural hospitals?

Jim- The biggest program has been the critical access program with cost based reimbursement. 75% of our state's hospitals are converted to that cost basis.

Chairman Holmberg closed the hearing on HB 1012. No action was taken.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1012

Senate Appropriations Committee

☐ Conference Committee

Hearing Date March 8, 2005

Tape Number	Side A	Side B	Meter #
2		x	124

Committee Clerk Signature



Minutes:

Chairman Holmberg opened the subcommittee discussion on HB 1012.

Senator Robinson indicated there needs to be a focus on the ED and salary issues as there is a real issue of balance.

Senator Tallackson indicated he won't be surprised if there is a need to improve the Grafton development Center.

Senator Andrist indicated he had calls of concern on the nursing home cuts by the House.

Senator Fischer indicated funds were reduced but this is the year for enhancements, inflators.

Senator Kilzer indicated the IEG is about used up, we need a one page summary from OMB or the Council.

Senator Christmann expressed concerns about mistakes in the budget the ones that come to mind are in Brenda Weiz list of \$3.5 million oversight, Attachment B another \$2.2 million and in Yvonne Smith testimony on page 7 \$850,000. Where are we with those.

Senator Robinson regarding the discussion on MMIS , the importance of that system and direction to go.

Senator Andrist indicate he was foggy on the testimony of Linda Write on the mill match and we asked for a priority for meals on wheels with the new money. The statement was made that there was no way to make a required pay. I would like to know how firm that is. People should have the dignity to pay their own way if they can afford.

Senator Holmberg indicated he testified in the House on 2267 and they were looking at that question also. They wanted to take the money from someplace else, and the item from the Council on the Older American Act that states they can prioritize money up to 30 percent and whether they could set a fee. The Council will check on this.

Senator Andrist indicated in small towns they do recommend a fee for free wheel offering.

Senator Holmberg indicated we might want to hold off on 1012 to see what happens with 2267.

Senator Lindaas indicated the regional human service centers were missing in the testimony.

Senator Holmberg they were supposed to supply written testimony.

Senator Fischer indicated Evonne Smith had them supply written testimony and they can testify at the subcommittee hearing.

Senator Tallackson indicated he recently attended ENCORE meeting and they had a panel on how to cut Medicaid costs. The main thrust on that panel was the cutbacks on the enhancements put on during the last few years. I will provide information on that.

Senator Thane had an opinion on the mandate from the courts to care for our DD population.

He said he had the deepest sympathy in the world for the Anne Carlson School where they care for the medically fragile at tremendous cost. As a sub committee we have to deal with the DD

population, the Anne Carlson School and other areas and we will have to prioritize as a committee.

Senator Robinson indicated that to the extent we are able to be proactive in this budget and invest in those programs and services that are proactive and not reactionary. I believe generic prescription drug reduction, the reduction in foster care subsidized adoption we need to be sensitive to those issues.

Senator Thane indicated in that regard, the safe family act of 1999 that we move these children from foster care into permanency within a certain period of time. How well it is working out, I'm not completely sure, but it is something we are supposed to do. This is a major issue as far as I am concerned.

Senator Fischer indicated the subcommittee will be at 2:00 pm in the Harvest room and will quite at 5:00 pm as we will be allowing for public testimony. On Monday we will meet to discuss with the policy committee on issues of nursing home payments. After that, we will need to discuss further scheduling. He also indicated, after conversation with Representative Delzer, was the bill to petition guardians. We have put together amendments on that. Also Women's Way funding may be refunded.

Senator Andrist thinks it is important, re: nursing homes, to keep feet to fire, as we raise the nursing home costs and they raise to private pay, we force more people into Medicaid services.

Senator Fischer indicated nursing homes and the funding mechanism I don't quite understand. I have a schedule produced by the Human Services Department and I asked Mr. Zander to come and explain this. He will be available. There is \$12 in enhancements built into that along with the inflation factor and rebasing. You are right, we need to contain the costs for the residents.

Senator Andrist indicated he remembered when we had a health fund infusion and that was the year the private pay residents saw the largest increase in their rates. There has to be a relationship there.

Senator Christmann indicated he didn't want to confuse this with the equalization of rates, but in talking to nursing home administrators, I am puzzled as to why we have a restriction on them for them making any money on anything else. The subject came up regarding the meals on wheels program. A nonprofit shouldn't be out competing with the restaurants, but something like that no one else does. I am curious as to why that is.

Senator Tallackson indicated it was a good idea that everyone at 65 have nursing home insurance and be subsidized. That is one solution but who is brave enough to put it through.

Senator Fischer indicated there is a bill in the house dealing with long-term care insurance.

Senator Mathern did pass a bill directed and mandating nonprofit organizations from doing services in the communities.

Senator Fischer indicated the department has been working on nursing homes that want to keep employing people that are below 90 percent that those people are the providers of home and community based care.

Senator Robinson indicated there was a forum in Valley City on Saturday on DD and they are struggling to maintain their staff because of low salaries. They want to know where we are going with inflators because they can't generate more money.

Senator Fischer indicated he has an issue with the audits being back four years and making places pay back discrepancies for that whole amount of time. Those are the issues that drive

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Senate Appropriations Committee

Bill/Resolution Number 1012

Hearing Date March 8, 2005

costs up. The auditors were approached about approving less quality in care and all of a sudden they forgave a sum of the back payment.

Senator Robinson indicated that the Van Cycle lawsuit was lifted in 1995 and in reviewing that as a state we have lost ground every year.

Senator Holmberg closed the hearing on HB 1012 and distributed the Revenue forecast decisions.

A motion was made by Senator Tallackson and seconded by Senator Andrist. That the Senate Appropriations Committee of the 59th Legislative assembly approve the Revenue forecast decisions. A voice vote was taken all were in favor.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 03/10/05

Tape Number	Side A	Side B	Meter #
1	X		0 - end
1		X	0 - end
2	X		0 - 750

Committee Clerk Signature

Minutes: **PLEASE NOTE THIS IS THE HUMAN SERVICES SUBCOMMITTEE, SEN.**

FISCHER WILL CHAIR THIS COMMITTEE.

Chairman Fischer called subcommittee hearing to order.

Richard J. Schnieder, Resident New Horizon Center, Fargo, ND appeared in support of HB 1012. Mr. Schnieder is 65 years old, hold a masters degree in counseling from NDSU. Asks the committee to please fund the bill, if not funded he will have to go to a nursing home.

Jack Fiddler, Region 9 appeared in support of HB 1012. Stating that this funding is necessary to help him function in his daily life. If the bill is not funded he will have no where else to go.

Keitha McCloud appeared in support of HB 1012. Ms. McCould is a foster parent, she stated to the committee that foster parents are not being paid enough. Ms. McCloud provided the committee with written testimony which she read verbatim, see appendix I.

Jeff Gabriel, Resident New Horizon, appeared in support of HB 1012. Mr. Gabriel had a 1989 mainframe computer fall onto him crushing his spine. He stated that he knows the need is

important because he lives with many other disable people. He mentioned Tammy's Angles as being very helpful, and wishes that they get the funding the need to continue to be helpful to other disabled persons. He also stated that independence is the greatest gift a disabled person can have.

Donna Schatz, Project manager, Fargo Housing and Redevelopment Authority appeared in support of HB 1012. Written testimony was provided and read verbatim, see appendix II. Ms. Schatz thanked DHS for their help.

Sen. Mathern (1645): What do you think is the proper rate of pay of in home aids?

Ms. Schatz: Tammy from Tammy's angels would know, it is worked through Cass County Social Serves.

Tammy Hoyer, President of Tammy's Angles Inc. Appeared in support of the 6 percent pay increase. She stated that the daily billing rate for in home assistance is on an as needed bases. However she stated that on average is it \$29,000 per month.

Sen. Mathern (2006): What is the hourly rate you need to pay you staff to keep them?

Ms. Hoyer: I pay them between \$8.50 and \$11.50 per hour, plus benefits.

Dawn Prentis, Aide to Gyle Peterson appeared before the committee to speak on behalf of **Gyle Peterson**. Gyle is the oldest person in the world with his form of muscular Dystrophy, he has an IQ in the top 10 percent of the US. He will be in a nursing home in tow years when his insurance runs out. He stated that long-term care association holds power over people like him. He also stated that Rosewood nursing home, Fargo ND costs \$300/day or \$110,000/year. Medicare chooses nursing homes, rather than only paying 2/3 of this cost to keep

people in there homes. He doctor says it will be detrimental to his health if placed into a nursing home.

Sen. Krauter (3736): An unlicensed care person, what is their typical day like?

Ms. Prentis: Example of daily life, he is total care, we do everything, feeding, clothing, changing tubes and cleaning them. Also administering medications.

Chuck Stebbens, Freedom Resource Center, Fargo appeared in support of HB 1012. He made two points, one is that he would like the QSP funding to be raised by 6 percent. The other is that he asked for \$175,000 for funding of OAR. Written testimony was provided, see appendix III.

Sen. Mathern (4276): What do you think happened to SB 2330?

Mr. Stebbens: I think the way other people think about long term care needs to change. They have not changed their opinion in the past 20 years.

Sen. Bowman: The \$175,000 and the 6%, in the budget will this take care of what you are concerned about?

Mr. Stebbens: It would help home based living the \$175,000 would sustain independence, it will keep people out of nursing homes.

Jenny Christinson spoke on behalf of **Donald Booth** who has cerebral palsy. He asks for increased funding.

Jerod. Minot, ND appeared in support of HB 1012. Jarod is a QSP recipient, through Easter Seals. He stated to the committee that he does not want to go to a nursing home.

Roy Schultz appeared in support of HB 1012. Written testimony was provided for people who could not be here to testify, these names are Kim Johnson, see appendix IV. Angela Warren, see appendix V, and Shawn Orcutt, see appendix VII.

James Moench, Executive Director NDDAC appeared in support of HB 1012. Written testimony was provided, see appendix VIII.

Sen. Kilzer: Among your 22 organizations what is the turnover rate of the QSP?

Mr. Moench: I am not sure of that number, but I will get back to you.

Tammy Wahl, ND Association of Home Care appeared in support of HB 1012. Written testimony was provided, see appendix IX.

Collen Stockert, Fiscal Administration, Department of Human Services, stated that she is testifying on behalf of her child and her views do not reflect that of the Department of Human Services.

Mike Ahmenn, Director Special Education, Bismarck Public Schools appeared to testify, written testimony was provided, see appendix XI.

Scheryl Stadinger appeared in support of the bill, especially the family subsidy. Written testimony was provided, see appendix XII.

James Schnable appeared in support of the bill. Written testimony was provided, see appendix XIII. He spoke especially regarding family subsidies.

Mary Renick, Parent appeared in support of the bill, written testimony was provided, XIV.

Sen. Mathern (4265): How does it work, how does the decision get made on who gets what?

Ms. Renick: DHS is notifies the county, they get us into the system, it is encompassed and some not.

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Senate Appropriations Committee

Bill/Resolution Number HB 1012, subcommittee

Hearing Date 03/10/05

Carlotta McCleary, Executive Director of ND Federation of Families For Children's

Mental Health, appeared in support of HB 1012. She stated that there are changes they would like to see in the DHS budget. See appendix XV.

Sheryl Speir, and Chief Deputy Glenn Ellingsberg, appeared in support of the bill, see appendix XVI.

Sen. Mathern (202): How much money is need to be allocated to DHS, for the contract to get done?

Ms. Spier: The Grants come from DHS to Cass County.

Shelly Peterson, ND long-term Care Association appeared in support of the bill. Written testimony was provided, see appendix XVII.

Sen. Fischer closed the hearing

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1012

Senate Appropriations Committee

☐ Conference Committee

Hearing Date April 1, 2005

Tape Number	Side A	Side B	Meter #
1	a	b	1731 - 914

Committee Clerk Signature



Minutes:

Chairman Holmberg opened the discussion on HB 1012 regarding Human Services.

Senator Fischer distributed amendments describing each of them. Amendment .0211 indicates the limit on the health care trust fund, a plan to transfer DD residents to communities, provides collaboration of child support between state and tribal courts, a provision for payment of services for medically fragile children, adds \$100,000 to the family subsidy program where relatives can care for family members in the home. Amendment .0209 is covering a legislative council study for residential centers, Amendment .0213 provides for a family subsidy funding, and a subsidy for foster care adoptions.

Senator Fischer moved a **DO PASS** on all three amendments, .0209, .0211, .0213, **Senator Kilzer** seconded. Discussion followed.

Senator Mathern expressed concerns about taking health care funding out of the Health Care Trust to fund MMIS when it should come out of the general fund.

Considerable discussion took place as to the total monetary difference in what the House took out and what the Senate put in as well as how the total budget for human services compares with the executive budget and the balance left in the Health Care Trust Fund.

Senator Andrist asked for an update on the DD workers. It was indicated that this would be provided for in SB 2342.

A voice vote was taken and the motion carried to pass on amendments ending in .0209, 0211, and 0213.

Senator Mathern distributed an amendment ending in .0210. He indicated the amendments were offered in a different format during the subcommittee sessions. This amendment would keep the spending well below the executive budget. He went through the budget discussing the prescription drugs, and medical services, qualified service providers, family preservation services, DD provider salary incremental increases during the biennium, subsidy to keep people out of institutions, independent living centers, and the human service centers.

Questions were asked about the net effect of the general fund budget, the independent living centers, the foster care adoption program, and the impact of federal funds.

Senator Krauter moved a DO PASS on amendment .0210, Senator Robinson seconded.

Discussion took place about the DD providers, the qualified service providers, the increases in economy, income.

A voice vote was taken on the motion and then a roll call vote was taken resulting in 4 yes, 10 no and 1 absent. The motion failed.

Senator Fischer distributed two amendments, which he was told would cause the most problems, on prescription drugs and restoration of salaries.

Senator Mathern moved the amendments be DO PASS, Senator Krauter seconded.

Discussion followed regarding the prescription drugs and that it is the best estimate and if it falls short could it come under a deficiency appropriation. DHS indicated they fell short this year and they cannot deficiency spend.

A voice vote was taken and the amendments did not pass.

Senator Fischer moved a DO PASS AS AMENDED, Senator Schobbinge seconded. A roll call vote was taken resulting in 14 yes, 0 no, 1 absent. The motion carried and Senator Kilzer will carry the bill.

Chairman Holmberg asked if the committee liked the format of having a larger subcommittee of 4 in the majority and 2 in the minority. The committee felt it worked well. There was also discussion of having each of the human service centers testifying also.

Chairman Holmberg closed the discussion on HB 1012.

PROPOSED AMENDMENTS ENGROSSED TO HOUSE BILL NO. 1012

Page 1, line 2, remove "a" and replace "study" with "studies"

Page 9, after line 25, insert:

**"SECTION 10. LEGISLATIVE COUNCIL STUDY - RESIDENTIAL
TREATMENT CENTER AND RESIDENTIAL CHILD CARE FACILITY PAYMENT
SYSTEMS.** During the 2005-06 interim, the legislative council shall consider studying
the services provided by residential treatment centers and residential child care facilities
and the appropriateness of the payments provided by the state for these services."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

A section is added providing for a Legislative Council study of the services provided by
residential treatment centers and residential child care facilities and the appropriateness of the
payments provided by the state for these services.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 3, remove "and" and after "authority" insert "; to provide for services to medically fragile children; and to amend and reenact subsection 10 of section 54-44.8-01 of the North Dakota Century Code, relating to telecommunications equipment; and to declare and emergency"

Page 3, line 29, replace "\$486,633" with "\$498,738"

Page 3, line 30, replace "(1,787,339)" with "27,401,520"

Page 4, line 2, replace "(\$5,535,466)" with "23,641,288"

Page 4, line 3, replace "(11,288,586)" with "17,895,373"

Page 4, line 4, replace "5,753,120" with "5,745,915"

Page 4, line 7, replace "699,801" with "670,847"

Page 4, line 8, replace "(109,195)" with "(29,195)"

Page 4, line 10, replace "44,572,418" with "44,650,106"

Page 4, line 11, replace "71,360,100" with "73,820,919"

Page 4, line 12, replace "116,517,316" with "119,106,869"

Page 4, line 13, replace "63,463,933" with "65,431,579"

Page 4, line 14, replace "53,053,383" with "53,675,290"

Page 4, line 19, replace "43,292," with "37,052"

Page 4, line 20, replace "39,123" with "35,963"

Page 4, line 21, replace "4,169" with "1,089"

Page 4, line 23, replace "713,327" with "698,351"

Page 4, line 24, replace "533,839" with "526,839"

Page 4, line 25, replace "179,488" with "171,512"

Page 4, line 27, replace "680,656" with "672,918"

Page 4, line 28, replace "431,083" with "427,285"

Page 4, line 29, replace "249,573" with "245,633"

Page 5, line 2, replace "1,055,769" with "1,037,049"

Page 5, line 3, replace "745,840" with "734,210"

Page 5, line 4, replace "309,929" with "302,839"

Page 5, line 6, replace "2,801,880" with "2,779,416"

Page 5, line 7, replace "2,430,373" with "2,417,169"

Page 5, line 8, replace "371,507" with "362,247"

Page 5, line 10, replace "780,171" with "769,313"

Page 5, line 11, replace "578,413" with "572,445"

Page 5, line 12, replace "201,758" with "196,868"

Page 5, line 14, replace "920,924" with "905,199"

Page 5, line 15, replace "537,278" with "529,098"

Page 5, line 16, replace "383,646" with "376,101"

Page 5, line 18, replace "383,660" with "373,926"

Page 5, line 19, replace "250,774" with "245,520"

Page 5, line 20, replace "132,886" with "128,406"

Page 5, line 22, replace "230,001" with "292,827"

Page 5, line 23, replace "5,430,860" with "5,424,120"

Page 5, line 24, replace "5,660,861" with "5,716,947"

Page 5, line 25, replace "(728,482)" with "(746,586)"

Page 5, line 26, replace "6,389,343" with "6,463,533"

Page 5, line 28, replace "1,463,546" with "1,403,643"

Page 5, line 29, replace "(1,124,148)" with "(1,168,531)"

Page 5, line 30, replace "2,587,694" with "2,572,174"

Page 5, line 31, replace "14,254,086" with "14,143,814"

Page 6, line 1, replace "3,694,093" with "3,573,412"

Page 6, line 2, replace "10,559,993" with "10,570,402"

Page 6, line 3, replace "69,366,496" with "69,991,607"

Page 6, line 4, replace "55,869,440" with "86,900,364"

Page 6, line 5, replace "125,235,936" with "156,891,971"

Page 6, line 14, replace "10,529,652" with "10,517,547"
Page 6, line 15, replace "31,779,849" with "60,968,708"
Page 6, line 17, replace "42,312,257" with "71,489,011"
Page 6, line 18, replace "22,841,521" with "52,025,480"
Page 6, line 19, replace "19,470,736" with "19,463,531"
Page 6, line 22, replace "22,753,582" with "22,724,628"
Page 6, line 23, replace "37,272,214" with "37,352,214"
Page 6, line 25, replace "333,260,143" with "333,337,831"
Page 6, line 26, replace "993,037,274" with "995,498,093"
Page 6, line 27, replace "1,386,357,077" with "1,388,946,630"
Page 6, line 28, replace "1,022,556,015" with "1,024,523,661"
Page 6, line 29, replace "363,801,062" with "364,422,969"

Page 7, line 3, replace "7,318,971" with "7,312,731"
Page 7, line 4, replace "3,684,763" with "3,681,603"
Page 7, line 5, replace "3,634,208" with "3,631,128"
Page 7, line 7, replace "15,278,197" with "15,263,221"
Page 7, line 8, replace "7,257,513" with "7,250,513"
Page 7, line 9, replace "8,020,684" with "8,012,708"
Page 7, line 11, replace "9,101,589" with "9,093,851"
Page 7, line 12, replace "4,214,056" with "4,210,258"
Page 7, line 13, replace "4,887,533" with "4,883,593"
Page 7, line 15, replace "20,496,952" with "20,478,232"
Page 7, line 16, replace "12,190,660" with "12,179,030"
Page 7, line 17, replace "8,306,292" with "8,299,202"
Page 7, line 19, replace "23,526,422" with "23,503,958"
Page 7, line 20, replace "13,645,595" with "13,632,391"
Page 7, line 21, replace "9,880,827" with "9,871,567"
Page 7, line 23, replace "12,139,146" with "12,128,288"
Page 7, line 24, replace "6,310,281" with "6,304,313"

Page 7, line 25, replace "5,828,865" with "5,823,975"

Page 7, line 27, replace "18,505,768" with "18,490,043"

Page 7, line 28, replace "9,658,913" with "9,650,733"

Page 7, line 29, replace "8,846,855" with "8,839,310"

Page 8, line 1, replace "9,308,287" with "9,298,553"

Page 8, line 2, replace "4,809,497" with "4,804,243"

Page 8, line 3, replace "4,498,790" with "4,494,310"

Page 8, line 5, replace "42,119,562" with "42,182,388"

Page 8, line 6, replace "5,430,860" with "5,424,120"

Page 8, line 7, replace "47,550,422" with "47,606,508"

Page 8, line 8, replace "15,676,878" with "15,658,774"

Page 8, line 9, replace "31,873,544" with "31,947,734"

Page 8, line 11, replace "42,224,603" with "42,164,700"

Page 8, line 12, replace "30,825,680" with "30,781,297"

Page 8, line 13, replace "11,398,923" with "11,383,403"

Page 8, line 14, replace "205,450,357" with "205,340,085"

Page 8, line 15, replace "108,273,836" with "108,153,155"

Page 8, line 16, replace "97,176,521" with "97,186,930"

Page 8, line 17, replace "480,448,319" with "481,073,430"

Page 8, line 18, replace "1,153,671,372" with "1,184,702,296"

Page 8, line 19, replace "1,634,119,691" with "1,665,775,726"

Page 9, line 11, replace "\$114,755" with "\$254,356"

Page 9, after line 14, insert:

"SECTION 8. ESTIMATED INCOME - LIMIT - HEALTH CARE TRUST FUND.

The estimated income line item in subdivision 1 of section 3 of this Act includes \$3,667,820 from the health care trust fund. The department of human services expenditures from this fund may not exceed this amount for the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 9, after line 25, insert:

"SECTION 11. PLAN TO TRANSFER APPROPRIATE DEVELOPMENTAL CENTER RESIDENTS TO COMMUNITIES - LEGISLATIVE COUNCIL REPORT. The department of human services, with input from developmental disabilities services providers, shall develop, during the 2005-06 interim, a plan to transfer appropriate individuals from the developmental center to community placements and to the extent possible, begin the transfers during the 2005-07 biennium. The department shall report to the legislative council on its plan and on the anticipated number of individuals that may be transferred during the 2005-07 biennium.

SECTION 12. DEPARTMENT OF HUMAN SERVICES AND INDIAN AFFAIRS COMMISSION - CHILD SUPPORT - STATE AND TRIBAL COURT COORDINATION. The department of human services and the indian affairs commission shall collaborate to facilitate the coordination of state and tribal court activities to increase the amount of child support collected for noncustodial parents for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 13. Payment for services to medically fragile children. When reimbursing intermediate care facility for the mentally retarded-licensed facilities for the actual and reasonable cost of providing services to developmentally disabled persons, the department shall recognize the unique level of care and additional cost required to provide services to medically fragile clients under twenty-one years of age.

SECTION 14. AMENDMENT. Subsection 10 of section 54-44.8-01 of the North Dakota Century Code is amended and reenacted as follows:

10. "Specialized telecommunications equipment" means a dedicated telecommunications device that, when connected to a telephone, enables or assists a person who is communications impaired to communicate with another person utilizing the telephone network. The term may include telecommunications devices for the deaf, amplifiers, and signaling devices. Specialized telecommunications equipment provided under this chapter to an individual may not exceed two thousand dollars in total cost per device.

SECTION 15. EMERGENCY. The appropriation of \$29,188,859 included in subdivision 1 of section 3 of this Act for the medicaid management information system replacement project and section 14 of this Act are declared to be emergency measures."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
DHS - Management				
Total all funds	\$71,539,214	\$42,312,257	\$29,176,754	\$71,489,011
Less estimated income	48,374,575	22,841,521	29,183,959	52,025,480
General fund	\$23,164,639	\$19,470,736	(\$7,205)	\$19,463,531
DHS - Program/Policy				
Total all funds	\$1,396,151,539	\$1,386,357,077	\$2,589,553	\$1,388,946,630
Less estimated income	1,027,728,022	1,022,556,015	1,967,646	1,024,523,661
General fund	\$368,423,517	\$363,801,062	\$621,907	\$364,422,969
DHS - State Hospital				
Total all funds	\$47,728,538	\$47,550,422	\$56,086	\$47,606,508
Less estimated income	15,610,871	15,676,878	(18,104)	15,658,774
General fund	\$32,117,667	\$31,873,544	\$74,190	\$31,947,734
DHS - Developmental Center				
Total all funds	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700
Less estimated income	31,349,952	30,825,680	(44,383)	30,781,297
General fund	\$11,696,425	\$11,398,923	(\$15,520)	\$11,383,403

DHS - Northwest HSC				
Total all funds	\$7,379,756	\$7,318,971	(\$6,240)	\$7,312,731
Less estimated income	<u>3,691,210</u>	<u>3,684,763</u>	<u>(3,160)</u>	<u>3,681,603</u>
General fund	\$3,688,546	\$3,634,208	(\$3,080)	\$3,631,128
DHS - North Central HSC				
Total all funds	\$15,433,218	\$15,278,197	(\$14,976)	\$15,263,221
Less estimated income	<u>7,270,196</u>	<u>7,257,513</u>	<u>(7,000)</u>	<u>7,250,513</u>
General fund	\$8,163,022	\$8,020,684	(\$7,976)	\$8,012,708
DHS - Lake Region HSC				
Total all funds	\$9,196,380	\$9,101,589	(\$7,738)	\$9,093,851
Less estimated income	<u>4,221,881</u>	<u>4,214,056</u>	<u>(3,798)</u>	<u>4,210,258</u>
General fund	\$4,974,499	\$4,887,533	(\$3,940)	\$4,883,593
DHS - Northeast HSC				
Total all funds	\$20,696,142	\$20,496,952	(\$18,720)	\$20,478,232
Less estimated income	<u>12,211,610</u>	<u>12,190,660</u>	<u>(11,630)</u>	<u>12,179,030</u>
General fund	\$8,484,532	\$8,306,292	(\$7,090)	\$8,299,202
DHS - Southeast HSC				
Total all funds	\$23,822,246	\$23,526,422	(\$22,464)	\$23,503,958
Less estimated income	<u>13,673,717</u>	<u>13,645,595</u>	<u>(13,204)</u>	<u>13,632,391</u>
General fund	\$10,148,529	\$9,880,827	(\$9,260)	\$9,871,567
DHS - South Central HSC				
Total all funds	\$12,238,992	\$12,139,146	(\$10,858)	\$12,128,288
Less estimated income	<u>6,322,357</u>	<u>6,310,281</u>	<u>(5,968)</u>	<u>6,304,313</u>
General fund	\$5,916,635	\$5,828,865	(\$4,890)	\$5,823,975
DHS - West Central HSC				
Total all funds	\$18,700,619	\$18,505,768	(\$15,725)	\$18,490,043
Less estimated income	<u>9,675,203</u>	<u>9,658,913</u>	<u>(8,180)</u>	<u>9,650,733</u>
General fund	\$9,025,416	\$8,846,855	(\$7,545)	\$8,839,310
DHS - Badlands HSC				
Total all funds	\$9,388,791	\$9,308,287	(\$9,734)	\$9,298,553
Less estimated income	<u>4,819,177</u>	<u>4,809,497</u>	<u>(5,254)</u>	<u>4,804,243</u>
General fund	\$4,569,614	\$4,498,790	(\$4,480)	\$4,494,310
Bill Total				
Total all funds	\$1,675,321,812	\$1,634,119,691	\$31,656,035	\$1,665,775,726
Less estimated income	<u>1,184,948,771</u>	<u>1,153,671,372</u>	<u>31,030,924</u>	<u>1,184,702,296</u>
General fund	\$490,373,041	\$480,448,319	\$625,111	\$481,073,430

House Bill No. 1012 - DHS - Management - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION	
Salaries and wages	\$10,567,750	\$10,529,652	(\$12,105)	\$10,517,547	
Operating expenses	60,968,708	31,779,849	29,188,859	60,968,708	
Capital assets	<u>2,756</u>	<u>2,756</u>		<u>2,756</u>	
Total all funds	\$71,539,214	\$42,312,257	\$29,176,754	\$71,489,011	
Less estimated income	<u>48,374,575</u>	<u>22,841,521</u>	<u>29,183,959</u>	<u>52,025,480</u>	
General fund	\$23,164,639	\$19,470,736	(\$7,205)	\$19,463,531	
FTE	99.10	99.10	0.00	99.10	
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
¹Management - Senate Changes:					
Reduces recommended funding for health insurance			(\$7,205)	(\$4,900)	(\$12,105)
Administration Support Program					
None					
Division of Information Technology Program					
Restores funding for the Medicaid management system (MMIS) computer project removed by the House with state matching funds of \$3,667,820 provided from the health care trust fund rather than the general fund				29,188,859	29,188,859
Total Senate Changes - Management		0.00	(\$7,205)	\$29,183,959	\$29,176,754

House Bill No. 1012 - DHS - Program/Policy - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION
Salaries and wages	\$23,054,340	\$22,753,582	(\$28,954)	\$22,724,628
Operating expenses	38,232,573	37,272,214	80,000	37,352,214
Capital assets	33,864	33,864		33,864
Grants	334,055,993	333,260,143	77,688	333,337,831

Grants - Medical assistance	<u>1,000,774,769</u>	<u>993,037,274</u>	<u>2,460,819</u>	<u>995,498,093</u>
Total all funds	\$1,396,151,539	\$1,386,357,077	\$2,589,553	\$1,388,946,630
Less estimated income	<u>1,027,728,022</u>	<u>1,022,556,015</u>	<u>1,967,646</u>	<u>1,024,523,661</u>
General fund	\$368,423,517	\$363,801,062	\$621,907	\$364,422,969
FTE	233.30	232.30	0.00	232.30

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
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1Program and Policy - Senate Changes:

Reduces recommended funding for health insurance		(\$8,140)	(\$20,814)	(\$28,954)
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Economic Assistance Policy Program

None

Child Support Program

None

Medical Services Program

Restores funding reduced by the House from the community health trust fund for breast and cervical cancer treatment services			139,601	139,601
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Adds funding for the children's health insurance program (Healthy Steps) in anticipation of increased caseload resulting from implementation of the vision eligibility system		428,425	1,607,893	2,036,318
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Long-Term Care Program

None

Aging Services Program

None

Children and Family Services Program

Adds funding for increasing the maximum treatment services payment for residential child care facilities to \$15 per day. The House had added funding to increase the maximum payment from \$11.50 to \$14.15 per day.		21,622	56,066	77,688
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Mental Health and Substance Abuse Program

None

Developmental Disabilities Council

None

Disabilities Program

Adds funding for increasing payment rates for facilities serving children with extensive medical needs, including the Anne Carlsen Center. This amount is in addition to the \$284,900 added by the House for this purpose.		100,000	184,900	284,900
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Adds funding for the department to develop a plan to transfer appropriate individuals from the Developmental Center to community placements, and to the extent possible to begin the transition during the 2005-07 biennium		50,000		50,000
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Adds funding for paying petitioning costs for indigent individuals with developmental disabilities who have been referred for corporate guardianship		30,000		30,000
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Total Senate Changes - Program and Policy	0.00	\$621,907	\$1,967,646	\$2,589,553
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Other changes affecting Program and Policy programs:

A section is added requiring the department to recognize additional costs incurred by intermediate care facilities for the mentally retarded (ICF/MRs) serving medically fragile clients under 21 years of age.

A section is added directing the department and developmental disabilities services providers to develop, during the 2005-06 interim, a plan for transferring appropriate individuals from the Developmental Center to community placements and to the extent possible, to begin the transition during the 2005-07 biennium. The section also provides that the department report to the Legislative Council on its plan.

A section is added changing the definition of specialized telecommunications equipment.

A section is added requiring the department and the Indian Affairs Commission to collaborate to improve the coordination of tribal and state court activities relating to child support enforcement.

House Bill No. 1012 - DHS - State Hospital - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION
Salaries and wages				
Traditional	\$42,272,978	\$42,119,562	\$62,826	\$42,182,388
Secure	<u>5,455,560</u>	<u>5,430,860</u>	<u>(6,740)</u>	<u>5,424,120</u>
Total all funds	\$47,728,538	\$47,550,422	\$56,086	\$47,606,508
Less estimated income	<u>15,610,871</u>	<u>15,676,878</u>	<u>(18,104)</u>	<u>15,658,774</u>
General fund	\$32,117,667	\$31,873,544	\$74,190	\$31,947,734
FTE	424.01	424.01	0.00	424.01
		FTE	GENERAL FUND	ESTIMATED INCOME
				TOTAL

¹State Hospital - Senate Changes:

Reduces recommended funding for health insurance		(\$35,810)	(\$18,104)	(\$53,914)
Adds funds for repairing and painting the State Hospital water tower		110,000		110,000
Total Senate Changes - State Hospital		0.00	\$74,190	(\$18,104)
				\$56,086

House Bill No. 1012 - DHS - Developmental Center - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION
Human service centers/institutions	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700
Total all funds	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700
Less estimated income	<u>31,349,952</u>	<u>30,825,680</u>	<u>(44,383)</u>	<u>30,781,297</u>
General fund	\$11,696,425	\$11,398,923	(\$15,520)	\$11,383,403
FTE	451.54	451.54	0.00	451.54
		FTE	GENERAL FUND	ESTIMATED INCOME
				TOTAL

¹Developmental Center - Senate Changes:

Reduces recommended funding for health insurance		(\$15,520)	(\$44,383)	(\$59,903)
Total Senate Changes - Developmental Center		0.00	(\$15,520)	(\$44,383)
				(\$59,903)

House Bill No. 1012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION
DHS - Northwest HSC	\$3,688,546	\$3,634,208	(\$3,080)	\$3,631,128
DHS - North Central HSC	8,163,022	8,020,684	(7,976)	8,012,708
DHS - Lake Region HSC	4,974,499	4,887,533	(3,940)	4,883,593
DHS - Northeast HSC	8,484,532	8,306,292	(7,090)	8,299,202
DHS - Southeast HSC	10,148,529	9,880,827	(9,260)	9,871,567
DHS - South Central HSC	5,916,635	5,828,865	(4,890)	5,823,975
DHS - West Central HSC	9,025,416	8,846,855	(7,545)	8,839,310
DHS - Badlands HSC	<u>4,569,614</u>	<u>4,498,790</u>	<u>(4,480)</u>	<u>4,494,310</u>
Total general fund	\$54,970,793	\$53,904,054	(\$48,261)	\$53,855,793

House Bill No. 1012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION
DHS - Northwest HSC	\$3,691,210	\$3,684,763	(\$3,160)	\$3,681,603
DHS - North Central HSC	7,720,196	7,257,513	(7,000)	7,250,513
DHS - Lake Region HSC	4,221,881	4,214,056	(3,798)	4,210,258
DHS - Northeast HSC	12,211,610	12,190,660	(11,630)	12,179,030
DHS - Southeast HSC	13,673,717	13,645,595	(13,204)	13,632,391
DHS - South Central HSC	6,322,357	6,310,281	(5,968)	6,304,313
DHS - West Central HSC	9,675,203	9,658,913	(8,180)	9,650,733
DHS - Badlands HSC	<u>4,819,177</u>	<u>4,809,497</u>	<u>(5,254)</u>	<u>4,804,243</u>
Total other funds	\$61,885,351	\$61,771,278	(\$58,194)	\$61,713,084

House Bill No. 1012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION
DHS - Northwest HSC	\$7,379,756	\$7,318,971	(\$6,240)	\$7,312,731
DHS - North Central HSC	15,433,218	15,278,197	(14,976)	15,263,221
DHS - Lake Region HSC	9,196,380	9,101,589	(7,738)	9,093,851
DHS - Northeast HSC	20,696,142	20,496,952	(18,720)	20,478,232
DHS - Southeast HSC	23,822,246	23,526,422	(22,464)	23,503,958
DHS - South Central HSC	12,238,992	12,139,146	(10,858)	12,128,288
DHS - West Central HSC	18,700,619	18,505,768	(15,725)	18,490,043
DHS - Badlands HSC	<u>9,388,791</u>	<u>9,308,287</u>	<u>(9,734)</u>	<u>9,298,553</u>
Total all funds	\$116,856,144	\$115,675,332	(\$106,455)	\$115,568,877
FTE	840.48	840.48	0.00	840.48

¹Reduces recommended funding for health insurance at the human service centers as follows:

FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Northwest HSC	(\$3,080)	(\$3,160)	(\$6,240)
North Central HSC	(7,976)	(7,000)	(14,976)
Lake Region HSC	(3,940)	(3,798)	(7,738)
Northeast HSC	(7,090)	(11,630)	(18,720)
Southeast HSC	(9,260)	(13,204)	(22,464)
South Central HSC	(4,890)	(5,968)	(10,858)
West Central HSC	(7,545)	(8,180)	(15,725)
Badlands HSC	<u>(4,480)</u>	<u>(5,254)</u>	<u>(9,734)</u>
Total	(\$48,261)	(\$58,194)	(\$106,455)

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 4, line 11, replace "71,360,100" with "74,209,100"

Page 4, line 12, replace "116,517,316" with "119,366,316"

Page 4, line 13, replace "63,463,933" with "65,312,933"

Page 4, line 14, replace "53,053,383" with "54,053,383"

Page 4, line 19, replace "43,292" with "63,292"

Page 4, line 21, replace "4,169" with "24,169"

Page 4, line 23, replace "713,327" with "770,447"

Page 4, line 25, replace "179,488" with "236,608"

Page 4, line 27, replace "680,656" with "718,708"

Page 4, line 29, replace "249,573" with "287,625"

Page 5, line 2, replace "1,055,769" with "1,153,461"

Page 5, line 4, replace "309,929" with "407,621"

Page 5, line 6, replace "2,801,880" with "2,938,926"

Page 5, line 8, replace "371,507" with "508,553"

Page 5, line 10, replace "780,171" with "800,171"

Page 5, line 12, replace "201,758" with "221,758"

Page 5, line 14, replace "920,924" with "990,728"

Page 5, line 16, replace "383,646" with "453,450"

Page 5, line 18, replace "383,660" with "403,946"

Page 5, line 20, replace "132,886" with "153,172"

Page 5, line 31, replace "14,254,086" with "14,714,086"

Page 6, line 2, replace "10,559,993" with "11,019,993"

Page 6, line 3, replace "69,366,496" with "70,826,496"

Page 6, line 4, replace "55,869,440" with "57,718,440"

Page 6, line 5, replace "125,235,936" with "128,544,936"
Page 6, line 26, replace "993,037,274" with "995,886,274"
Page 6, line 27, replace "1,386,357,077" with "1,389,206,077"
Page 6, line 28, replace "1,022,556,015" with "1,024,405,015"
Page 6, line 29, replace "363,801,062" with "364,801,062"

Page 7, line 3, replace "7,318,971" with "7,338,971"
Page 7, line 5, replace "3,634,208" with "3,654,208"
Page 7, line 7, replace "15,278,197" with "15,335,317"
Page 7, line 9, replace "8,020,684" with "8,077,804"
Page 7, line 11, replace "9,101,589" with "9,139,641"
Page 7, line 13, replace "4,887,533" with "4,925,585"
Page 7, line 15, replace "20,496,952" with "20,594,644"
Page 7, line 17, replace "8,306,292" with "8,403,984"
Page 7, line 19, replace "23,526,422" with "23,663,468"
Page 7, line 21, replace "9,880,827" with "10,017,873"
Page 7, line 23, replace "12,139,146" with "12,159,146"
Page 7, line 25, replace "5,828,865" with "5,848,865"
Page 7, line 27, replace "18,505,768" with "18,575,572"
Page 7, line 29, replace "8,846,855" with "8,916,659"

Page 8, line 1, replace "9,308,287" with "9,328,573"
Page 8, line 3, replace "4,498,790" with "4,519,076"
Page 8, line 14, replace "205,450,357" with "205,910,357"
Page 8, line 16, replace "97,176,521" with "97,636,521"
Page 8, line 17, replace "480,448,319" with "481,908,319"
Page 8, line 18, replace "1,153,671,372" with "1,155,520,372"
Page 8, line 19, replace "1,634,119,691" with "1,637,428,691"
Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds funding of \$460,000 from the general fund to the following human service centers to restore the reduction made by the House for salaries and wages in anticipation of savings from vacant positions and employee turnover:

Northwest Human Service Center	\$20,000
North Central Human Service Center	57,120
Lake Region Human Service Center	38,052
Northeast Human Service Center	97,692
Southeast Human Service Center	137,046
South Central Human Service Center	20,000
West Central Human Service Center	69,804
Badlands Human Service Center	<u>20,286</u>
Total	\$460,000

This amendment also restores funding of \$2,849,000, of which \$1,000,000 is from the general fund, for prescription drug costs.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 4, line 10, replace "44,572,418" with "44,857,318"

Page 4, line 11, replace "71,360,100" with "71,460,100"

Page 4, line 12, replace "116,517,316" with "116,902,216"

Page 4, line 13, replace "63,463,933" with "63,648,833"

Page 4, line 14, replace "53,053,383" with "53,253,383"

Page 6, line 3, replace "69,366,496" with "69,566,496"

Page 6, line 4, replace "55,869,440" with "56,054,340"

Page 6, line 5, replace "125,235,936" with "125,620,836"

Page 6, line 25, replace "333,260,143" with "333,545,043"

Page 6, line 26, replace "993,037,274" with "993,137,274"

Page 6, line 27, replace "1,386,357,077" with "1,386,741,977"

Page 6, line 28, replace "1,022,556,015" with "1,022,740,915"

Page 6, line 29, replace "363,801,062" with "364,001,062"

Page 8, line 17, replace "480,448,319" with "480,648,319"

Page 8, line 18, replace "1,153,671,372" with "1,153,856,272"

Page 8, line 19, replace "1,634,119,691" with "1,634,504,591"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
DHS - Management				
Total all funds	\$71,539,214	\$42,312,257	\$0	\$42,312,257
Less estimated income	<u>48,374,575</u>	<u>22,841,521</u>		<u>22,841,521</u>
General fund	\$23,164,639	\$19,470,736	\$0	\$19,470,736
DHS - Program/Policy				
Total all funds	\$1,396,151,539	\$1,386,357,077	\$384,900	\$1,386,741,977
Less estimated income	<u>1,027,728,022</u>	<u>1,022,556,015</u>	<u>184,900</u>	<u>1,022,740,915</u>
General fund	\$368,423,517	\$363,801,062	\$200,000	\$364,001,062

DHS - State Hospital				
Total all funds	\$47,728,538	\$47,550,422	\$0	\$47,550,422
Less estimated income	15,610,871	15,676,878		15,676,878
General fund	\$32,117,667	\$31,873,544	\$0	\$31,873,544
DHS - Developmental Center				
Total all funds	\$43,046,377	\$42,224,603	\$0	\$42,224,603
Less estimated income	31,349,952	30,825,680		30,825,680
General fund	\$11,696,425	\$11,398,923	\$0	\$11,398,923
DHS - Northwest HSC				
Total all funds	\$7,379,756	\$7,318,971	\$0	\$7,318,971
Less estimated income	3,691,210	3,684,763		3,684,763
General fund	\$3,688,546	\$3,634,208	\$0	\$3,634,208
DHS - North Central HSC				
Total all funds	\$15,433,218	\$15,278,197	\$0	\$15,278,197
Less estimated income	7,270,196	7,257,513		7,257,513
General fund	\$8,163,022	\$8,020,684	\$0	\$8,020,684
DHS - Lake Region HSC				
Total all funds	\$9,196,380	\$9,101,589	\$0	\$9,101,589
Less estimated income	4,221,881	4,214,056		4,214,056
General fund	\$4,974,499	\$4,887,533	\$0	\$4,887,533
DHS - Northeast HSC				
Total all funds	\$20,696,142	\$20,496,952	\$0	\$20,496,952
Less estimated income	12,211,610	12,190,660		12,190,660
General fund	\$8,484,532	\$8,306,292	\$0	\$8,306,292
DHS - Southeast HSC				
Total all funds	\$23,822,246	\$23,526,422	\$0	\$23,526,422
Less estimated income	13,673,717	13,645,595		13,645,595
General fund	\$10,148,529	\$9,880,827	\$0	\$9,880,827
DHS - South Central HSC				
Total all funds	\$12,238,992	\$12,139,146	\$0	\$12,139,146
Less estimated income	6,322,357	6,310,281		6,310,281
General fund	\$5,916,635	\$5,828,865	\$0	\$5,828,865
DHS - West Central HSC				
Total all funds	\$18,700,619	\$18,505,768	\$0	\$18,505,768
Less estimated income	9,675,203	9,658,913		9,658,913
General fund	\$9,025,416	\$8,846,855	\$0	\$8,846,855
DHS - Badlands HSC				
Total all funds	\$9,388,791	\$9,308,287	\$0	\$9,308,287
Less estimated income	4,819,177	4,809,497		4,809,497
General fund	\$4,569,614	\$4,498,790	\$0	\$4,498,790
Bill Total				
Total all funds	\$1,675,321,812	\$1,634,119,691	\$384,900	\$1,634,504,591
Less estimated income	1,184,948,771	1,153,671,372	184,900	1,153,856,272
General fund	\$490,373,041	\$480,448,319	\$200,000	\$480,648,319

House Bill No. 1012 - DHS - Program/Policy - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$23,054,340	\$22,753,582		\$22,753,582
Operating expenses	38,232,573	37,272,214		37,272,214
Capital assets	33,864	33,864		33,864
Grants	334,055,993	333,260,143	\$284,900	333,545,043
Grants - Medical assistance	<u>1,000,774,769</u>	<u>993,037,274</u>	<u>100,000</u>	<u>993,137,274</u>
Total all funds	\$1,396,151,539	\$1,386,357,077	\$384,900	\$1,386,741,977
Less estimated income	<u>1,027,728,022</u>	<u>1,022,556,015</u>	<u>184,900</u>	<u>1,022,740,915</u>
General fund	\$368,423,517	\$363,801,062	\$200,000	\$364,001,062
FTE	233.30	232.30	0.00	232.30

Dept. 328 - DHS - Program/Policy - Detail of Senate Changes

	RESTORES FUNDING FOR FAMILY SUBSIDY PROGRAM 1	PARTIALLY RESTORES FUNDING FOR FOSTER CARE AND SUBSIDIZED ADOPTION SERVICES 2	TOTAL SENATE CHANGES
Salaries and wages			
Operating expenses			
Capital assets			
Grants		\$284,900	\$284,900
Grants - Medical assistance	<u>\$100,000</u>		<u>\$100,000</u>
Total all funds	\$100,000	\$284,900	\$384,900

Less estimated income		<u>184,900</u>	<u>184,900</u>
General fund	\$100,000	\$100,000	\$200,000
FTE	0.00	0.00	0.00

¹ This amendment restores the \$100,000 House reduction from the general fund for the family subsidy program.

² This amendment restores \$284,900, \$100,000 of which is from the general fund for foster care and subsidized adoption services. The House had reduced funding for these services by \$594,106, \$250,000 of which is from the general fund.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 3, remove "and" and after "authority" insert "; and to provide a statement of legislative intent"

Page 4, line 8, replace "(109,195)" with "290,805"

Page 4, line 10, replace "44,572,418" with "45,028,034"

Page 4, line 11, replace "71,360,100" with "80,136,827"

Page 4, line 12, replace "116,517,316" with "126,149,659"

Page 4, line 13, replace "63,463,933" with "69,073,157"

Page 4, line 14, replace "53,053,383" with "57,076,502"

Page 4, line 19, replace "43,292" with "53,602"

Page 4, line 21, replace "4,169" with "14,479"

Page 4, line 23, replace "713,327" with "740,110"

Page 4, line 25, replace "179,488" with "206,271"

Page 4, line 27, replace "680,656" with "696,241"

Page 4, line 29, replace "249,573" with "265,158"

Page 5, line 2, replace "1,055,769" with "1,082,083"

Page 5, line 4, replace "309,929" with "336,243"

Page 5, line 6, replace "2,801,880" with "2,845,657"

Page 5, line 8, replace "371,507" with "415,284"

Page 5, line 10, replace "780,171" with "803,232"

Page 5, line 12, replace "201,758" with "224,819"

Page 5, line 14, replace "920,924" with "958,869"

Page 5, line 16, replace "383,646" with "421,591"

Page 5, line 18, replace "383,660" with "399,885"

Page 5, line 20, replace "132,886" with "149,111"

Page 5, line 31, replace "14,254,086" with "14,454,086"

Page 6, line 2, replace "10,559,993" with "10,759,993"
Page 6, line 3, replace "69,366,496" with "73,589,615"
Page 6, line 4, replace "55,869,440" with "61,478,664"
Page 6, line 5, replace "125,235,936" with "135,068,279"
Page 6, line 23, replace "37,272,214" with "37,672,214"
Page 6, line 25, replace "333,260,143" with "333,715,759"
Page 6, line 26, replace "993,037,274" with "1,001,814,001"
Page 6, line 27, replace "1,386,357,077" with "1,395,989,420"
Page 6, line 28, replace "1,022,556,015" with "1,028,165,239"
Page 6, line 29, replace "363,801,062" with "367,824,181"

Page 7, line 3, replace "7,318,971" with "7,329,281"
Page 7, line 5, replace "3,634,208" with "3,644,518"
Page 7, line 7, replace "15,278,197" with "15,304,980"
Page 7, line 9, replace "8,020,684" with "8,047,467"
Page 7, line 11, replace "9,101,589" with "9,117,174"
Page 7, line 13, replace "4,887,533" with "4,903,118"
Page 7, line 15, replace "20,496,952" with "20,523,266"
Page 7, line 17, replace "8,306,292" with "8,332,606"
Page 7, line 19, replace "23,526,422" with "23,570,199"
Page 7, line 21, replace "9,880,827" with "9,924,604"
Page 7, line 23, replace "12,139,146" with "12,162,207"
Page 7, line 25, replace "5,828,865" with "5,851,926"
Page 7, line 27, replace "18,505,768" with "18,543,713"
Page 7, line 29, replace "8,846,855" with "8,884,800"

Page 8, line 1, replace "9,308,287" with "9,324,512"
Page 8, line 3, replace "4,498,790" with "4,515,015"
Page 8, line 14, replace "205,450,357" with "205,650,357"

Page 8, line 16, replace "97,176,521" with "97,376,521"

Page 8, line 17, replace "480,448,319" with "484,671,438"

Page 8, line 18, replace "1,153,671,372" with "1,159,280,596"

Page 8, line 19, replace "1,634,119,691" with "1,643,952,034"

Page 9, after line 25, insert:

"SECTION 10. LEGISLATIVE INTENT - HUMAN SERVICE CENTER SERVICES. It is the intent of the fifty-ninth legislative assembly that the department of human services maintain funding for adolescent substance abuse services, case management services, and crisis bed services within the human service center budgets at the level included in the 2005-07 biennium executive budget recommendation for the biennium beginning July 1, 2005, and ending June 30, 2007."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
DHS - Management				
Total all funds	\$71,539,214	\$42,312,257	\$0	\$42,312,257
Less estimated income	48,374,575	22,841,521		22,841,521
General fund	\$23,164,639	\$19,470,736	\$0	\$19,470,736
DHS - Program/Policy				
Total all funds	\$1,396,151,539	\$1,386,357,077	\$9,632,343	\$1,395,989,420
Less estimated income	1,027,728,022	1,022,556,015	5,609,224	1,028,165,239
General fund	\$368,423,517	\$363,801,062	\$4,023,119	\$367,824,181
DHS - State Hospital				
Total all funds	\$47,728,538	\$47,550,422	\$0	\$47,550,422
Less estimated income	15,610,871	15,676,878		15,676,878
General fund	\$32,117,667	\$31,873,544	\$0	\$31,873,544
DHS - Developmental Center				
Total all funds	\$43,046,377	\$42,224,603	\$0	\$42,224,603
Less estimated income	31,349,952	30,825,680		30,825,680
General fund	\$11,696,425	\$11,398,923	\$0	\$11,398,923
DHS - Northwest HSC				
Total all funds	\$7,379,756	\$7,318,971	\$10,310	\$7,329,281
Less estimated income	3,691,210	3,684,763		3,684,763
General fund	\$3,688,546	\$3,634,208	\$10,310	\$3,644,518
DHS - North Central HSC				
Total all funds	\$15,433,218	\$15,278,197	\$26,783	\$15,304,980
Less estimated income	7,270,196	7,257,513		7,257,513
General fund	\$8,163,022	\$8,020,684	\$26,783	\$8,047,467
DHS - Lake Region HSC				
Total all funds	\$9,196,380	\$9,101,589	\$15,585	\$9,117,174
Less estimated income	4,221,881	4,214,056		4,214,056
General fund	\$4,974,499	\$4,887,533	\$15,585	\$4,903,118
DHS - Northeast HSC				
Total all funds	\$20,696,142	\$20,496,952	\$26,314	\$20,523,266
Less estimated income	12,211,610	12,190,660		12,190,660
General fund	\$8,484,532	\$8,306,292	\$26,314	\$8,332,606
DHS - Southeast HSC				
Total all funds	\$23,822,246	\$23,526,422	\$43,777	\$23,570,199
Less estimated income	13,673,717	13,645,595		13,645,595
General fund	\$10,148,529	\$9,880,827	\$43,777	\$9,924,604
DHS - South Central HSC				
Total all funds	\$12,238,992	\$12,139,146	\$23,061	\$12,162,207
Less estimated income	6,322,357	6,310,281		6,310,281
General fund	\$5,916,635	\$5,828,865	\$23,061	\$5,851,926
DHS - West Central HSC				
Total all funds	\$18,700,619	\$18,505,768	\$37,945	\$18,543,713
Less estimated income	9,675,203	9,658,913		9,658,913
General fund	\$9,025,416	\$8,846,855	\$37,945	\$8,884,800

DHS - Badlands HSC				
Total all funds	\$9,388,791	\$9,308,287	\$16,225	\$9,324,512
Less estimated income	4,819,177	4,809,497		4,809,497
General fund	\$4,569,614	\$4,498,790	\$16,225	\$4,515,015
Bill Total				
Total all funds	\$1,675,321,812	\$1,634,119,691	\$9,832,343	\$1,643,952,034
Less estimated income	1,184,948,771	1,153,671,372	5,609,224	1,159,280,596
General fund	\$490,373,041	\$480,448,319	\$4,223,119	\$484,671,438

House Bill No. 1012 - DHS - Program/Policy - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES 1	SENATE VERSION	
Salaries and wages	\$23,054,340	\$22,753,582		\$22,753,582	
Operating expenses	38,232,573	37,272,214	\$400,000	37,672,214	
Capital assets	33,864	33,864		33,864	
Grants	334,055,993	333,260,143	455,616	333,715,759	
Grants - Medical assistance	1,000,774,769	993,037,274	8,776,727	1,001,814,001	
Intervention services pilot project					
Total all funds	\$1,396,151,539	\$1,386,357,077	\$9,632,343	\$1,395,989,420	
Less estimated income	1,027,728,022	1,022,556,015	5,609,224	1,028,165,239	
General fund	\$368,423,517	\$363,801,062	\$4,023,119	\$367,824,181	
FTE	233.30	232.30	0.00	232.30	
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
1Program and Policy - Senate Changes:					
Economic Assistance Policy Program					
None					
Child Support Program					
None					
Medical Services Program					
Restores a portion of the \$475,550 of funding removed by the House for the department to contract for generic prescription drug detailing services			\$200,000	\$200,000	\$400,000
Long-Term Care Program					
Adds funding for increasing payment rates to qualified service providers (QSPs) effective on the following dates by the amounts shown for the remainder of the biennium:					
• July 1, 2005			110,603	63,397	174,000
• January 1, 2006			221,206	126,794	348,000
• January 1, 2007			221,206	126,794	348,000
Aging Services Program					
None					
Children and Family Services Program					
Adds funding for increasing the maximum treatment services payment for residential child care facilities to \$15 per day. The House had added funding to increase the maximum payment from \$11.50 to \$14.15 per day.			21,622	56,066	77,688
Adds funding to provide a 2 percent annual inflationary increase for family preservation services			120,478		120,478
Adds funding to increase child care licensing reimbursements to counties to the 2004 level and for 2 percent annual inflationary increases for the 2005-07 biennium			57,450		57,450
Mental Health and Substance Abuse Program					
None					
Developmental Disabilities Council					
None					
Disabilities Program					

Adds funding for increasing the average wage for employees of developmental disabilities services providers by 95 cents per hour, 47 cents effective on January 1, 2006, and 48 cents effective on January 1, 2007. This funding is in addition to the funding added by the House increasing the average wage by 10 cents per hour effective July 1, 2005.	2,770,554	5,036,173	7,806,727
Restores funding reduced by the House to provide a total of \$300,000 from the general fund for supported living/extended services	100,000		100,000
Restores funding to \$910,056 from the general fund for the family subsidy program. The House reduced funding for this program by \$100,000 from the general fund.	100,000		100,000
Adds funding for increasing grants to independent living centers	100,000		100,000
Total Senate Changes - Program and Policy	0.00	\$4,023,119	\$5,609,224
			\$9,632,343

House Bill No. 1012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION
DHS - Northwest HSC	\$3,688,546	\$3,634,208	\$10,310	\$3,644,518
DHS - North Central HSC	8,163,022	8,020,684	26,783	8,047,467
DHS - Lake Region HSC	4,974,499	4,887,533	15,585	4,903,118
DHS - Northeast HSC	8,484,532	8,306,292	26,314	8,332,606
DHS - Southeast HSC	10,148,529	9,880,827	43,777	9,924,604
DHS - South Central HSC	5,916,635	5,828,865	23,061	5,851,926
DHS - West Central HSC	9,025,416	8,846,855	37,945	8,884,800
DHS - Badlands HSC	4,569,614	4,498,790	16,225	4,515,015
Total general fund	\$54,970,793	\$53,904,054	\$200,000	\$54,104,054

House Bill No. 1012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION
DHS - Northwest HSC	\$3,691,210	\$3,684,763		\$3,684,763
DHS - North Central HSC	7,270,196	7,257,513		7,257,513
DHS - Lake Region HSC	4,221,881	4,214,056		4,214,056
DHS - Northeast HSC	12,211,610	12,190,660		12,190,660
DHS - Southeast HSC	13,673,717	13,645,595		13,645,595
DHS - South Central HSC	6,322,357	6,310,281		6,310,281
DHS - West Central HSC	9,675,203	9,658,913		9,658,913
DHS - Badlands HSC	4,819,177	4,809,497		4,809,497
Total other funds	\$61,885,351	\$61,771,278	\$0	\$61,771,278

House Bill No. 1012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION
DHS - Northwest HSC	\$7,379,756	\$7,318,971	\$10,310	\$7,329,281
DHS - North Central HSC	15,433,218	15,278,197	26,783	15,304,980
DHS - Lake Region HSC	9,196,380	9,101,589	15,585	9,117,174
DHS - Northeast HSC	20,696,142	20,496,962	26,314	20,523,266
DHS - Southeast HSC	23,822,246	23,526,422	43,777	23,570,199
DHS - South Central HSC	12,238,992	12,139,146	23,061	12,162,207
DHS - West Central HSC	18,700,619	18,505,768	37,945	18,543,713
DHS - Badlands HSC	9,388,791	9,308,287	16,225	9,324,512
Total all funds	\$116,856,144	\$115,675,332	\$200,000	\$115,875,332
FTE	840.48	840.48	0.00	840.48

¹ This amendment restores one-half of the operating cost reductions made by the House to the human service centers as follows:

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Northwest Human Service Center		\$10,310		\$10,310
North Central Human Service Center		26,783		26,783
Lake Region Human Service Center		15,585		15,585
Northeast Human Service Center		26,314		26,314
Southeast Human Service Center		43,777		43,777
South Central Human Service Center		23,061		23,061
West Central Human Service Center		37,945		37,945
Badlands Human Service Center		16,225		16,225
Total	0.00	\$200,000	\$0	\$200,000

A section of legislative intent is added providing that the department maintain funding for adolescent substance abuse services, case management, and crisis beds within the human service center budgets at the level included in the 2005-07 executive budget recommendation for the 2005-07 biennium.

Date 4/1
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB

Senate **SENATE APPROPRIATIONS**

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

0210

Action Taken

Motion Made By

Seconded By

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG		/	SENATOR KRAUTER	/	
VICE CHAIRMAN BOWMAN		/	SENATOR LINDAAS	/	
VICE CHAIRMAN GRINDBERG		/	SENATOR MATHERN	/	
SENATOR ANDRIST		/	SENATOR ROBINSON	/	
SENATOR CHRISTMANN		/	SEN. TALLACKSON		
SENATOR FISCHER		/			
SENATOR KILZER		/			
SENATOR KRINGSTAD		/			
SENATOR SCHOBINGER		/			
SENATOR THANE		/			

Total (Yes)

4

No

10

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

did not pass

Date

Roll Call Vote #:

4/1/05
7

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 1012

Senate SENATE APPROPRIATIONS

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

Motion Made By

Fischer

Seconded By

DP w A
Schobinger

Senators	Yes	No
CHAIRMAN HOLMBERG	/	
VICE CHAIRMAN BOWMAN	/	
VICE CHAIRMAN GRINDBERG	/	
SENATOR ANDRIST	/	
SENATOR CHRISTMANN	/	
SENATOR FISCHER	/	

SENATOR KILZER	/	
SENATOR KRINGSTAD	/	
SENATOR SCHOBINGER	/	
SENATOR THANE	/	

Senators	Yes	No
SENATOR KRAUTER	/	
SENATOR LINDAAS	/	
SENATOR MATHERN	/	
SENATOR ROBINSON	/	
SEN. TALLACKSON	/	

Total (Yes)

14

No

0

Absent

1

Floor Assignment

Hilgen

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1012, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1012
was placed on the Sixth order on the calendar.

Page 1, line 2, replace "and" with "an"

Page 1, line 3, remove "and" and after "authority" insert "; to create and enact a new section to chapter 25-18 of the North Dakota Century Code, relating to providing services to medically fragile children; to amend and reenact subsection 10 of section 54-44.8-01 of the North Dakota Century Code, relating to telecommunications equipment; and to declare an emergency"

Page 3, line 29, replace "(\$486,633)" with "(\$498,738)"

Page 3, line 30, replace "(1,787,339)" with "27,401,520"

Page 4, line 2, replace "(\$5,535,466)" with "\$23,641,288"

Page 4, line 3, replace "(11,288,586)" with "17,895,373"

Page 4, line 4, replace "5,753,120" with "5,745,915"

Page 4, line 7, replace "699,801" with "670,847"

Page 4, line 8, replace "(109,195)" with "(29,195)"

Page 4, line 10, replace "44,572,418" with "44,935,006"

Page 4, line 11, replace "71,360,100" with "73,920,919"

Page 4, line 12, replace "116,517,316" with "119,491,769"

Page 4, line 13, replace "63,463,933" with "65,616,479"

Page 4, line 14, replace "53,053,383" with "53,875,290"

Page 4, line 19, replace "43,292" with "37,052"

Page 4, line 20, replace "39,123" with "35,963"

Page 4, line 21, replace "4,169" with "1,089"

Page 4, line 23, replace "713,327" with "698,351"

Page 4, line 24, replace "533,839" with "526,839"

Page 4, line 25, replace "179,488" with "171,512"

Page 4, line 27, replace "680,656" with "672,918"

Page 4, line 28, replace "431,083" with "427,285"

Page 4, line 29, replace "249,573" with "245,633"

Page 5, line 2, replace "1,055,769" with "1,037,049"

Page 5, line 3, replace "745,840" with "734,210"

Page 5, line 4, replace "309,929" with "302,839"

Page 5, line 6, replace "2,801,880" with "2,779,416"

Page 5, line 7, replace "2,430,373" with "2,417,169"

Page 5, line 8, replace "371,507" with "362,247"

Page 5, line 10, replace "780,171" with "769,313"

Page 5, line 11, replace "578,413" with "572,445"

Page 5, line 12, replace "201,758" with "196,868"

Page 5, line 14, replace "920,924" with "905,199"

Page 5, line 15, replace "537,278" with "529,098"

Page 5, line 16, replace "383,646" with "376,101"

Page 5, line 18, replace "383,660" with "373,926"

Page 5, line 19, replace "250,774" with "245,520"

Page 5, line 20, replace "132,886" with "128,406"

Page 5, line 22, replace "230,001" with "292,827"

Page 5, line 23, replace "5,430,860" with "5,424,120"

Page 5, line 24, replace "5,660,861" with "5,716,947"

Page 5, line 25, replace "(728,482)" with "(746,586)"

Page 5, line 26, replace "6,389,343" with "6,463,533"

Page 5, line 28, replace "1,463,546" with "1,403,643"

Page 5, line 29, replace "(1,124,148)" with "(1,168,531)"

Page 5, line 30, replace "2,587,694" with "2,572,174"

Page 5, line 31, replace "14,254,086" with "14,143,814"

Page 6, line 1, replace "3,694,093" with "3,573,412"

Page 6, line 2, replace "10,559,993" with "10,570,402"

Page 6, line 3, replace "69,366,496" with "70,191,607"

Page 6, line 4, replace "55,869,440" with "87,085,264"

Page 6, line 5, replace "125,235,936" with "157,276,871"

Page 6, line 14, replace "10,529,652" with "10,517,547"
Page 6, line 15, replace "31,779,849" with "60,968,708"
Page 6, line 17, replace "42,312,257" with "71,489,011"
Page 6, line 18, replace "22,841,521" with "52,025,480"
Page 6, line 19, replace "19,470,736" with "19,463,531"
Page 6, line 22, replace "22,753,582" with "22,724,628"
Page 6, line 23, replace "37,272,214" with "37,352,214"
Page 6, line 25, replace "333,260,143" with "333,622,731"
Page 6, line 26, replace "993,037,274" with "995,598,093"
Page 6, line 27, replace "1,386,357,077" with "1,389,331,530"
Page 6, line 28, replace "1,022,556,015" with "1,024,708,561"
Page 6, line 29, replace "363,801,062" with "364,622,969"
Page 7, line 3, replace "7,318,971" with "7,312,731"
Page 7, line 4, replace "3,684,763" with "3,681,603"
Page 7, line 5, replace "3,634,208" with "3,631,128"
Page 7, line 7, replace "15,278,197" with "15,263,221"
Page 7, line 8, replace "7,257,513" with "7,250,513"
Page 7, line 9, replace "8,020,684" with "8,012,708"
Page 7, line 11, replace "9,101,589" with "9,093,851"
Page 7, line 12, replace "4,214,056" with "4,210,258"
Page 7, line 13, replace "4,887,533" with "4,883,593"
Page 7, line 15, replace "20,496,952" with "20,478,232"
Page 7, line 16, replace "12,190,660" with "12,179,030"
Page 7, line 17, replace "8,306,292" with "8,299,202"
Page 7, line 19, replace "23,526,422" with "23,503,958"
Page 7, line 20, replace "13,645,595" with "13,632,391"
Page 7, line 21, replace "9,880,827" with "9,871,567"
Page 7, line 23, replace "12,139,146" with "12,128,288"
Page 7, line 24, replace "6,310,281" with "6,304,313"

Page 7, line 25, replace "5,828,865" with "5,823,975"

Page 7, line 27, replace "18,505,768" with "18,490,043"

Page 7, line 28, replace "9,658,913" with "9,650,733"

Page 7, line 29, replace "8,846,855" with "8,839,310"

Page 8, line 1, replace "9,308,287" with "9,298,553"

Page 8, line 2, replace "4,809,497" with "4,804,243"

Page 8, line 3, replace "4,498,790" with "4,494,310"

Page 8, line 5, replace "42,119,562" with "42,182,388"

Page 8, line 6, replace "5,430,860" with "5,424,120"

Page 8, line 7, replace "47,550,422" with "47,606,508"

Page 8, line 8, replace "15,676,878" with "15,658,774"

Page 8, line 9, replace "31,873,544" with "31,947,734"

Page 8, line 11, replace "42,224,603" with "42,164,700"

Page 8, line 12, replace "30,825,680" with "30,781,297"

Page 8, line 13, replace "11,398,923" with "11,383,403"

Page 8, line 14, replace "205,450,357" with "205,340,085"

Page 8, line 15, replace "108,273,836" with "108,153,155"

Page 8, line 16, replace "97,176,521" with "97,186,930"

Page 8, line 17, replace "480,448,319" with "481,273,430"

Page 8, line 18, replace "1,153,671,372" with "1,184,887,196"

Page 8, line 19, replace "1,634,119,691" with "1,666,160,626"

Page 9, line 11, replace "\$114,755" with "\$254,356"

Page 9, after line 14, insert:

"SECTION 8. ESTIMATED INCOME - LIMIT - HEALTH CARE TRUST FUND.

The estimated income line item in subdivision 1 of section 3 of this Act includes \$3,667,820 from the health care trust fund. The department of human services expenditures from this fund may not exceed this amount for the period beginning with the effective date of this Act, and ending June 30, 2007."

Page 9, after line 25, insert:

"SECTION 11. LEGISLATIVE COUNCIL STUDY - RESIDENTIAL TREATMENT CENTER AND RESIDENTIAL CHILD CARE FACILITY PAYMENT

SYSTEMS. The legislative council shall consider studying, during the 2005-06 interim, the services provided by residential treatment centers and residential child care facilities and the appropriateness of the payments provided by the state for these services.

SECTION 12. PLAN TO TRANSFER APPROPRIATE DEVELOPMENTAL CENTER RESIDENTS TO COMMUNITIES - LEGISLATIVE COUNCIL REPORT. The department of human services, with input from developmental disabilities services providers, shall develop, during the 2005-06 interim, a plan to transfer appropriate individuals from the developmental center to community placements and to the extent possible, begin the transfers during the 2005-07 biennium. The department shall report to the legislative council on its plan and on the anticipated number of individuals that may be transferred during the 2005-07 biennium.

SECTION 13. DEPARTMENT OF HUMAN SERVICES AND INDIAN AFFAIRS COMMISSION - CHILD SUPPORT - STATE AND TRIBAL COURT COORDINATION. The department of human services and the indian affairs commission shall collaborate to facilitate the coordination of state and tribal court activities to increase the amount of child support collected for noncustodial parents for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 14. A new section to chapter 25-18 of the North Dakota Century Code is created and enacted as follows:

Payment for services to medically fragile children. The department shall recognize the unique level of care, the additional cost required to provide services to medically fragile clients under twenty-one years of age, and the actual and reasonable cost of providing services to developmentally disable individuals when reimbursing an intermediate care facility for the mentally retarded.

SECTION 15. AMENDMENT. Subsection 10 of section 54-44.8-01 of the North Dakota Century Code is amended and reenacted as follows:

10. "Specialized telecommunications equipment" means adedicated telecommunications device that, when connected to a telephone, enables or assists a person who is communications impaired to communicate with another person utilizing the telephone network. The term may include telecommunications devices for the deaf, amplifiers, and signaling devices. Specialized telecommunications equipment provided under this chapter to an individual may not exceed two thousand dollars in total cost per device.

SECTION 16. EMERGENCY. The appropriation of \$29,188,859 included in subdivision 1 of section 3 of this Act for the medicaid management information system replacement project and section 15 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
DHS - Management				
Total all funds	\$71,539,214	\$42,312,257	\$29,176,754	\$71,489,011

REPORT OF STANDING COMMITTEE (410)
April 4, 2005 10:23 a.m.

Module No: SR-61-7113
Carrier: Kilzer
Insert LC: 58035.0216 Title: .0400

Less estimated income	48,374,575	22,841,521	29,183,959	52,025,480
General fund	\$23,164,639	\$19,470,736	(\$7,205)	\$19,463,531
DHS - Program/Policy				
Total all funds	\$1,396,151,539	\$1,386,357,077	\$2,974,453	\$1,389,331,530
Less estimated income	1,027,728,022	1,022,556,015	2,152,546	1,024,708,561
General fund	\$368,423,517	\$363,801,062	\$821,907	\$364,622,969
DHS - State Hospital				
Total all funds	\$47,728,538	\$47,550,422	\$56,086	\$47,606,508
Less estimated income	15,610,871	15,676,878	(18,104)	15,658,774
General fund	\$32,117,667	\$31,873,544	\$74,190	\$31,947,734
DHS - Developmental Center				
Total all funds	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700
Less estimated income	31,349,952	30,825,680	(44,383)	30,781,297
General fund	\$11,696,425	\$11,398,923	(\$15,520)	\$11,383,403
DHS - Northwest HSC				
Total all funds	\$7,379,756	\$7,318,971	(\$6,240)	\$7,312,731
Less estimated income	3,691,210	3,684,763	(3,160)	3,681,603
General fund	\$3,688,546	\$3,634,208	(\$3,080)	\$3,631,128
DHS - North Central HSC				
Total all funds	\$15,433,218	\$15,278,197	(\$14,976)	\$15,263,221
Less estimated income	7,270,196	7,257,513	(7,000)	7,250,513
General fund	\$8,163,022	\$8,020,684	(\$7,976)	\$8,012,708
DHS - Lake Region HSC				
Total all funds	\$9,196,380	\$9,101,589	(\$7,738)	\$9,093,851
Less estimated income	4,221,881	4,214,056	(3,798)	4,210,258
General fund	\$4,974,499	\$4,887,533	(\$3,940)	\$4,883,593
DHS - Northeast HSC				
Total all funds	\$20,696,142	\$20,496,952	(\$18,720)	\$20,478,232
Less estimated income	12,211,610	12,190,660	(11,630)	12,179,030
General fund	\$8,484,532	\$8,306,292	(\$7,090)	\$8,299,202
DHS - Southeast HSC				
Total all funds	\$23,822,246	\$23,526,422	(\$22,464)	\$23,503,958
Less estimated income	13,673,717	13,645,595	(13,204)	13,632,391
General fund	\$10,148,529	\$9,880,827	(\$9,260)	\$9,871,567
DHS - South Central HSC				
Total all funds	\$12,238,992	\$12,139,146	(\$10,858)	\$12,128,288
Less estimated income	6,322,357	6,310,281	(5,968)	6,304,313
General fund	\$5,916,635	\$5,828,865	(\$4,890)	\$5,823,975
DHS - West Central HSC				
Total all funds	\$18,700,619	\$18,505,768	(\$15,725)	\$18,490,043
Less estimated income	9,675,203	9,658,913	(8,180)	9,650,733
General fund	\$9,025,416	\$8,846,855	(\$7,545)	\$8,839,310
DHS - Badlands HSC				
Total all funds	\$9,388,791	\$9,308,287	(\$9,734)	\$9,298,553
Less estimated income	4,819,177	4,809,497	(5,254)	4,804,243
General fund	\$4,569,614	\$4,498,790	(\$4,480)	\$4,494,310
Bill Total				
Total all funds	\$1,675,321,812	\$1,634,119,691	\$32,040,935	\$1,666,160,626
Less estimated income	1,184,948,771	1,153,671,372	31,215,824	1,184,887,196
General fund	\$490,373,041	\$480,448,319	\$825,111	\$481,273,430

House Bill No. 1012 - DHS - Management - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION	
Salaries and wages	\$10,567,750	\$10,529,652	(\$12,105)	\$10,517,547	
Operating expenses	60,968,708	31,779,849	29,188,859	60,968,708	
Capital assets	2,756	2,756		2,756	
Total all funds	\$71,539,214	\$42,312,257	\$29,176,754	\$71,489,011	
Less estimated income	48,374,575	22,841,521	29,183,959	52,025,480	
General fund	\$23,164,639	\$19,470,736	(\$7,205)	\$19,463,531	
FTE	99.10	99.10	0.00	99.10	
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL

¹ Management - Senate Changes:

Reduces recommended funding for health insurance		(\$7,205)	(\$4,900)	(\$12,105)
Administration Support Program				
None				
Division of Information Technology Program				
Restores funding for the Medicaid management system (MMIS) computer project removed by the House with state matching funds of \$3,667,820 provided from the health care trust fund rather than the general fund			29,188,859	29,188,859
Total Senate Changes - Management	0.00	(\$7,205)	\$29,183,959	\$29,176,754

House Bill No. 1012 - DHS - Program/Policy - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION	
Salaries and wages	\$23,054,340	\$22,753,582	(\$28,954)	\$22,724,628	
Operating expenses	38,232,573	37,272,214	80,000	37,352,214	
Capital assets	33,864	33,864		33,864	
Grants	334,055,993	333,260,143	362,588	333,622,731	
Grants - Medical assistance	<u>1,000,774,769</u>	<u>993,037,274</u>	<u>2,560,819</u>	<u>995,598,093</u>	
Total all funds	\$1,396,151,539	\$1,386,357,077	\$2,974,453	\$1,389,331,530	
Less estimated income	<u>1,027,728,022</u>	<u>1,022,556,015</u>	<u>2,152,546</u>	<u>1,024,708,561</u>	
General fund	\$368,423,517	\$363,801,062	\$821,907	\$364,622,969	
FTE	233.30	232.30	0.00	232.30	
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL

¹Program and Policy - Senate Changes:

Reduces recommended funding for health insurance	(\$8,140)	(\$20,814)	(\$28,954)
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Economic Assistance Policy Program

None

Child Support Program

None

Medical Services Program

Restores funding reduced by the House from the community health trust fund for breast and cervical cancer treatment services		139,601	139,601
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Adds funding for the children's health insurance program (Healthy Steps) in anticipation of increased caseload resulting from implementation of the vision eligibility system	428,425	1,607,893	2,036,318
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Long-Term Care Program

None

Aging Services Program

None

Children and Family Services Program

Adds funding for increasing the maximum treatment services payment for residential child care facilities to \$15 per day. The House had added funding to increase the maximum payment from \$11.50 to \$14.15 per day.	21,622	56,066	77,688
--	--------	--------	--------

Restores a portion of the House reductions made to the funding anticipated to be needed for foster care and subsidized adoption services. The House had reduced this funding by \$594,106, of which \$250,000 is from the general fund.	100,000	184,900	284,900
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Mental Health and Substance Abuse Program

None

Developmental Disabilities Council

None

Disabilities Program

Adds funding for increasing payment rates for facilities serving children with extensive medical needs, including the Anne Carlsen Center. This amount is in addition to the \$284,900 added by the House for this purpose.	100,000	184,900	284,900
Adds funding for the department to develop a plan to transfer appropriate individuals from the Developmental Center to community placements, and to the extent possible to begin the transition during the 2005-07 biennium	50,000		50,000
Restores funding to \$910,056 from the general fund for the family subsidy program. The House reduced funding for this program by \$100,000 from the general fund.	100,000		100,000
Adds funding for paying petitioning costs for indigent individuals with developmental disabilities who have been referred for corporate guardianship	30,000		30,000
Total Senate Changes - Program and Policy	0.00	\$821,907	\$2,152,546

Other changes affecting Program and Policy programs:

A section is added requiring the department to recognize additional costs incurred by intermediate care facilities for the mentally retarded (ICF/MRs) serving medically fragile clients under 21 years of age.

A section is added directing the department and developmental disabilities services providers to develop, during the 2005-06 interim, a plan for transferring appropriate individuals from the Developmental Center to community placements and to the extent possible, to begin the transition during the 2005-07 biennium. The section also provides that the department report to the Legislative Council on its plan.

A section is added changing the definition of specialized telecommunications equipment.

A section is added requiring the department and the Indian Affairs Commission to collaborate to improve the coordination of tribal and state court activities relating to child support enforcement.

A section is added providing for a Legislative Council study of the services provided by residential treatment centers and residential child care facilities and the appropriateness of the payments provided by the state for these services.

House Bill No. 1012 - DHS - State Hospital - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION
Salaries and wages				
Traditional	\$42,272,978	\$42,119,562	\$62,826	\$42,182,388
Secure	<u>5,455,560</u>	<u>5,430,860</u>	<u>(6,740)</u>	<u>5,424,120</u>
Total all funds	\$47,728,538	\$47,550,422	\$56,086	\$47,606,508
Less estimated income	<u>15,610,871</u>	<u>15,676,878</u>	<u>(18,104)</u>	<u>15,658,774</u>
General fund	\$32,117,667	\$31,873,544	\$74,190	\$31,947,734
FTE	424.01	424.01	0.00	424.01
		FTE	GENERAL FUND	ESTIMATED INCOME
¹State Hospital - Senate Changes:				TOTAL
Reduces recommended funding for health insurance			(\$35,810)	(\$18,104)
Adds funds for repairing and painting the State Hospital water tower			110,000	110,000
Total Senate Changes - State Hospital		0.00	\$74,190	(\$18,104)

House Bill No. 1012 - DHS - Developmental Center - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION	
Human service centers/institutions	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700	
Total all funds	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700	
Less estimated income	<u>31,349,952</u>	<u>30,825,680</u>	<u>(44,383)</u>	<u>30,781,297</u>	
General fund	\$11,696,425	\$11,398,923	(\$15,520)	\$11,383,403	
FTE	451.54	451.54	0.00	451.54	
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
¹ Developmental Center - Senate Changes:					
Reduces recommended funding for health insurance			(\$15,520)	(\$44,383)	(\$59,903)
Total Senate Changes - Developmental Center		0.00	(\$15,520)	(\$44,383)	(\$59,903)

House Bill No. 1012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION
DHS - Northwest HSC	\$3,688,546	\$3,634,208	(\$3,080)	\$3,631,128
DHS - North Central HSC	8,163,022	8,020,684	(7,976)	8,012,708
DHS - Lake Region HSC	4,974,499	4,887,533	(3,940)	4,883,593
DHS - Northeast HSC	8,484,532	8,306,292	(7,090)	8,299,202
DHS - Southeast HSC	10,148,529	9,880,827	(9,260)	9,871,567
DHS - South Central HSC	5,916,635	5,828,865	(4,890)	5,823,975
DHS - West Central HSC	9,025,416	8,846,855	(7,545)	8,839,310
DHS - Badlands HSC	<u>4,569,614</u>	<u>4,498,790</u>	<u>(4,480)</u>	<u>4,494,310</u>
Total general fund	\$54,970,793	\$53,904,054	(\$48,261)	\$53,855,793

House Bill No. 1012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION
DHS - Northwest HSC	\$3,691,210	\$3,684,763	(\$3,160)	\$3,681,603
DHS - North Central HSC	7,720,196	7,257,513	(7,000)	7,250,513
DHS - Lake Region HSC	4,221,881	4,214,056	(3,798)	4,210,258
DHS - Northeast HSC	12,211,610	12,190,660	(11,630)	12,179,030
DHS - Southeast HSC	13,673,717	13,645,595	(13,204)	13,632,391
DHS - South Central HSC	6,322,357	6,310,281	(5,968)	6,304,313
DHS - West Central HSC	9,675,203	9,658,913	(8,180)	9,650,733
DHS - Badlands HSC	<u>4,819,177</u>	<u>4,809,497</u>	<u>(5,254)</u>	<u>4,804,243</u>
Total other funds	\$61,885,351	\$61,771,278	(\$58,194)	\$61,713,084

House Bill No. 1012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES ¹	SENATE VERSION
DHS - Northwest HSC	\$7,379,756	\$7,318,971	(\$6,240)	\$7,312,731
DHS - North Central HSC	15,433,218	15,278,197	(14,976)	15,263,221
DHS - Lake Region HSC	9,196,380	9,101,589	(7,738)	9,093,851
DHS - Northeast HSC	20,696,142	20,496,952	(18,720)	20,478,232
DHS - Southeast HSC	23,822,246	23,526,422	(22,464)	23,503,958
DHS - South Central HSC	12,238,992	12,139,146	(10,858)	12,128,288
DHS - West Central HSC	18,700,619	18,505,768	(15,725)	18,490,043
DHS - Badlands HSC	<u>9,388,791</u>	<u>9,308,287</u>	<u>(9,734)</u>	<u>9,298,553</u>
Total all funds	\$116,856,144	\$115,675,332	(\$106,455)	\$115,568,877

REPORT OF STANDING COMMITTEE (410)
April 4, 2005 10:23 a.m.

Module No: SR-61-7113
Carrier: Kilzer
Insert LC: 58035.0216 Title: .0400

FTE 840.48 840.48 0.00 840.48

¹ Reduces recommended funding for health insurance at the human service centers as follows:

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Northwest HSC		(\$3,080)	(\$3,160)	(\$6,240)
North Central HSC		(7,976)	(7,000)	(14,976)
Lake Region HSC		(3,940)	(3,798)	(7,738)
Northeast HSC		(7,090)	(11,630)	(18,720)
Southeast HSC		(9,260)	(13,204)	(22,464)
South Central HSC		(4,890)	(5,968)	(10,858)
West Central HSC		(7,545)	(8,180)	(15,725)
Badlands HSC		(4,480)	(5,254)	(9,734)
Total		(\$48,261)	(\$58,194)	(\$106,455)

2005 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1012

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

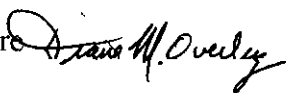
House Appropriations Committee
Human Resources Division

☒ Conference Committee

Hearing Date: 4-8-05 Friday

Tape Number	Side A	Side B	Meter #
I	X		End: 22.5

Committee Clerk Signature



Minutes: **Chairman Delzer** called the first conference committee on HB 1012 to order at 1:00 p.m. Representatives Delzer, Pollert, Kerzman and Senators Fischer, Kilzer, Mathern present.

Chairman Delzer: Today we will go through the Senate changes. We will try to reserve ourselves to the differences between the House and the Senate, and not rework the entire bill. Let's look at the Senate's amendments, if that is okay?

Sen. Fischer: Yes. Section 8 is MMIS. We directed the money to come out of the Health Care Trust Fund. In section 11, the Legislative Study is for residential treatment and residential child care facility payment system. Section 12 deals with facilitating development centers resident transfers. Section 14 deals with \$100,000 for the medically fragile children at Anne Carlsen, which matches the \$100,000 the House put in. Section 15 is in response to a lawsuit from an attorney in New York who started a class action to sue the State of North Dakota because we do not use the device he represents and is part owner of. I am compelled to report that 1,500 hours

of clinical work (500 by a professor and 1,000 by students) at UND Law School has been used to help the plaintiff develop the suit against North Dakota. And now they would like to be paid for doing so. Senator Bowman has an amendment to close the law school. [laughter in room] That may be a little strong. The department feels this [section] should slow down "Louie the lawyer" and at least deter them.

Chairman Delzer: When did this come forward?

Sen. Fischer: Three weeks ago. Section 16 deals with the emergency session on MMIS. On page 7, we added \$428,000 for the Division System being implemented, which should be ready by July 1.

Discussion took place on what was not included and the exact number of kids and funding for them.

Chairman Delzer: It is either 620 or 650.

Sen. Fischer: The Children's Family Services Program appropriation is for the residential child care at Prairie Learning.

Sen. Mathern: It affects all of them.

Sen. Fischer: We restored the \$100,000 for foster care and subsidized adoption.

Chairman Delzer: The Anne Carlsen kids you tied to section 14, but there are two they fit under. There are 28 kids total. We left out section 14 on purpose.

Sen. Fischer: That is open to discussion. I understand where you are coming from.

Sen. Mathern: A rationale for section 14 language is for the department to look at the future from a policy versus a one-time appropriation. It does not direct certain rules.

Chairman Delzer: The House will have heartburn over "shall." Sen. Fischer, on page 7, is the \$50,000 meant to be for the plan or the transfer?

Sen. Fischer: The \$50,000 is not necessarily to develop the plan, but to begin the transfer. [He commented on costs and reimbursements for DD residents.] We restored \$100,000 to the Family Subsidy Program. And as you and I visited on recently, we offered \$30,000 for petitioning costs for indigent individuals and developmental disabilities. The dollar does not need to be in there. We have to look at that.

Chairman Delzer: I have a copy of that amendment for that section.

Sen. Fischer: The State Hospital's repair and repainting of the water tower.

Chairman Delzer: General Fund?

Sen. Fischer: Yes. We did get testimony on the water tower, and the pool at the development center. The rationale behind repairing the water tower is it is like the assisted living facility in Fargo. They fill it at night so they are ready to go for the next day when they are locked out from the pressure system. They are in the same proximity as the State Hospital. Not sure what services could be utilized if everyone had access at the same time in Jamestown. I was sure that was in the House.

Chairman Delzer: Did you do anything at the DD? The \$50,000 wasn't added there?

Sen. Fischer: No.

Chairman Delzer: Human Service Centers?

Sen. Fischer: No change. Just the Medical Insurance.

Chairman Delzer: Questions on the Senate amendments?

Rep. Pollert: Sen. Fischer, with the \$50,000 for DD, there is no offsets during transfers? Would there be a reduction of cost to the Development Center?

Sen. Fischer: Some. In groups of six. If one is removed, you will still have costs of six. We do not see that happening immediately. There has to be a program developed for the private providers as well. That will require dollars to shore up the fixed costs. The dollars would follow the client to the private provider.

Chairman Delzer: Committee members, we should look at the final bill, too.

Sen. Kilzer: This is a proposal of Alex Schweitzer [Superintendent of the North Dakota State Hospital and North Dakota Developmental Center of the Department of Human Services]. He felt that as many as 24 of the Grafton residents could be moved out into a less intensive situation. At Grafton, it takes five employees for each resident. At many of the group homes, it takes one employee for each resident. Savings? None until six move out and one ward is then closed. That is why the \$50,000 would cover the increase costs until a ward is closed.

Chairman Delzer: It was the decision of the House that everything would be in place before they were moved all at once, and then the ward would be closed.

Sen. Kilzer: Mr. Schweitzer is also concerned about recidivism. Not every transfer will be permanent.

Sen. Mathern: A good portion of \$50,000 was really to develop the plan to move six people.

Chairman Delzer: That is why I asked if the \$50,000 was for planning or for the actual cost of the move following fixed costs. It seems people have been moved in and out of there for quite awhile. So I do not know how much more planning needs to be done, with the exception of knowing whether or not there are spots to go to. I think we should cover the rest of the bill in the

remaining ten minutes to see where some of our differences are and where we agree. Section 4 was part of the original bill. I do not think we added it because of 1459. Section 5 has to do with contingent funding on PERM. The federal government is making us do some checking on eligibility reviews. We are considerably lower in North Dakota than the national average. There is hope they will back off of this requirement. If they did not have to do it, the money would go back into the General Fund. Section 6 was part of the original bill. Section 7 was on breast and cervical. We only took it out because we did not know where the Health Department was. I do not think we have a problem there. Section 8 is the Health Care Trust Fund. We will discuss. The Gaming Prevention. No problem. What about the Study. Okay? Okay. Further comments on differences?

Sen. Mathern: In a future meeting, first I would like to discuss a concern of \$500,000 cut for DD Division-- for providers to provide the salary increases. Secondly, funding of 1252 provisions.

Chairman Delzer: Must have had that discussion in the Senate. The only difference is you put \$100,000-\$250,000 back.

Sen. Mathern: The Senate did not restore any of the \$500,000 that you had taken out.

Chairman Delzer: We will have to make the decision later. We will not meet on 1012 again before we finish 1252 and 2342 first, because they are definitely related.

Rep. Kerzman: Are you going to share the FMAP changes with the committee?

Chairman Delzer: I have a copy at my desk. It is in the neighborhood of \$3.89 million for in regards to the new FMAP being down another 1.5%. It is close to a \$4 million impact. It showed up even after the Senate passed out theirs.

Page 6
Human Resources Division
Bill/Resolution Number HB 1012
Hearing Date 4-8-05 Conference

Sen. Mathern: I would like to hand out a worksheet on the differences between the executive budget and what we have done so far.

Chairman Delzer: Let's hold that until 1252 is done. That definitely relates to any of these issues. They are intermingled.

Chairman Delzer handed out amendment 58035.0202 relating to the \$30,000 on guardianship. It was drafted the first of March.

Sen. Fischer mentioned his error regarding the \$30,000, when he had all the amendments drafted.

Chairman Delzer: Anything further? I thank the conference committee. We stand in recess until the Call of the Chair.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

House Appropriations Committee
Human Resources Division

☒ Conference Committee

Hearing Date: 4-18-05 Monday

Tape Number	Side A	Side B	Meter #
I	X		End: 18.0

Committee Clerk Signature

Diane M. Auley

Minutes: **Chairman Delzer** called the second conference meeting to order on HB 1012 at 3:32.

Representatives Delzer, Pollert, Kerzman and Senators Fischer, Kilzer, Mathern present.

Chairman Delzer: We will go over the differences on amendments .0216.

The House has heartburn with section 14's "medically fragile children." We would like to change the Senate's "shall recognize" to "may consider." Any discussion on that?

Sen. Mathern: The most important thing is the appropriation. The language you are suggesting is workable.

Chairman Delzer: Committee members, for the \$50,000 we had discussion on developing a plan for the transfer of DD people to community placement. The House's thinking is that if the whole set was ready before moving them, then the fixed costs would not be carried forward. I myself would prefer that the \$50,000 went for services.

Sen. Kilzer: The Senate felt the \$50,000 was necessary. The possible transfer is for 24 or six units each. The fixed costs or overhead won't be reduced until a six-bed ward is closed. It is not feasible for six to be transferred out at one time. Transfers will be one at a time. It is for service.

Chairman Delzer: It is for services and not the plan?

Sen. Kilzer: The majority of the \$50,000 is for services, yes.

Sen. Fischer: I agree with Sen. Kilzer. It would be difficult to move six people out at one time. The odds are a long shot.

Chairman Delzer: It looks like your \$50,000 is all going for the plan. I do not have a problem with it going for services, but I do for a plan.

Sen. Fischer: I do not have any problem with it addressing the transition, rather than a study.

The other thing you could do is limit the amount of dollars for planning. The provider will be looking at the appropriate care for them and the department approving that plan, so there would be very little necessary.

Sen. Mathern: The Senate discussion was literally to pay for the planning of the transfers. The department said they needed this money to do the plan correctly. However, I would just as soon it go for services.

Chairman Delzer: With the \$30,000 for guardianship, most agreed it could be removed and put into the amendment from the last time we met. Does anyone remember that bill number? It was done when the House defeated the bill and it takes care of the \$30,000 petitioning costs with roll-up money.

Sen. Mathern: As I understand it then, the amendment would provide an appropriation for those petitioning costs, but it would take the money from the roll-up money available for this biennium. Correct?

Chairman Delzer: No, the estimated roll-up money for next biennium.

Sen. Mathern: It seems risky.

Chairman Delzer: Estimated roll-up is \$43,000 to \$45,000. This is \$30,000 of it.

Sen. Mathern: Next session's guardianship?

Chairman Delzer: Right. It is based on usage at \$3.92 per hour and is the usage they expect to have. A \$45,000 roll-up is expected this year and we are expecting about the same. It is a small savings, but every bit helps. Committee members, we will refrain from going to a whole lot of outside issues. We will keep to the differences. One issue, the MMIS was put back in from the IGT funds. Since this is a one-time expenditure, the House would be more comfortable if the money was taken from the _____ (*undistinguishable on tape*) Trust Fund. When we deal with the inflators from 1252, we can use some of the IGT funds to help with elderly in the State. It makes no difference as long as the IGT money gets used on individuals instead of a software package. Also, I would like to look at the House's study on LTC. The language could reflect the CMS person in Bismarck. There may be a way to access some IGT funds in the future. We would like to reflect the language in section 9 of House amendments. It is section 10 on page 9. We would like to add to that study so that the interim committee looks at working with the department, LTC and CMS to see if there is any way to access IGT funds in the future. Any discussion on that?

Sen. Mathern: It is always good to dream, Representative.

Chairman Delzer: Look under every rock. And I have a lot of rocks on my farm. Another thing, and it came up on 1252 today, is to have us consider language that would have us look at how QSPs are funded and the way the department sets up QSPs. Rather, look at whether new people are paid more than those who have been doing the job longer. The interim committee should look at that, and ways to reduce that.

Sen. Mathern: Would you be willing to add into that study the issue of the three provider groups having a similar rate (i.e. QSP, DD, LTC)?

Chairman Delzer: Sen. Mathern, I would like to do this QSP one in a different section, but when you look at the current LTC study we talked about in the House, we said we have to find new ways to fund LTC. We cannot continue it the same with our tax base. We need to look at a number of different issues and think those would be part of that study. But I do not want to change it so it ends up that we deal strictly with whether or not we want to have the inflators the same or different. Need to look at innovative new issues, waivers that we can try to get, and even issues like North Dakota proving that our care level has been better than a lot of places, and reduce redundant paperwork. We could save a considerable amount of money. That is what that section 9 is all about, whether or not we need to change the whole rating system for LTC. QSPs come in there to some degree, but it needs to be kept pretty much the way it is. Do we have another one somewhere?

Sen. Mathern: So you want a separate study?

Chairman Delzer: Yes. I do not want to put the onus of the study on looking at different or the same inflator numbers.

Sen. Mathern: But it would be focused on QSPs?

Chairman Delzer: Right. I put in something to look at the way the department has set up the issue and see if legislatively it needs to be changed on QSPs. My understanding is that some of those with less time served are getting paid more than those with more time served.

Sen. Mathern: I think there are issues with people working as individuals versus agencies, and travel time, and no travel.

Chairman Delzer: It would all be part of looking at the way the department sets that rate.

Sen. Mathern: I think that is an excellent suggestion.

Chairman Delzer: The House passed 2301 and the Senate concurred. It was state sizing the child support. The issue of going from 90% to 100% for the Indian counties. That money is not in the budget. The fiscal effect is in there. There are legal questions if someone would have to pay if it was or wasn't appropriated. We need to be upfront about the \$311,000 not in the budget. HB 1252 is not in the budget either. Anything else?

Sen. Mathern: I would like to hand out a worksheet.

Chairman Delzer: Is this the same worksheet we had in 1252?

Sen. Mathern: No. Totally different. It is on 1012, on differences on issues we have not dealt with.

Chairman Delzer: You can hand them out for us to look at, but then we will decide if we will discuss them as a future issue. My understanding of the rules, is that we are to discuss the differences between the House and the Senate.

Sen. Mathern: Mr. Chairman and Committee Members, I appreciate your comment. I think it is helpful in understanding the differences of what areas there is some under-funding in, and maybe that relates to the difference. If we had an amendment to this committee that said if the Senate

were to recede from its amendments, and re-amend to put in the Senate changes and the Governor's recommendations, what would it be like?

Chairman Delzer: Sen. Mathern, I am not going to spend time discussing this today. We will look at it and decide if we want to take this up or not. My understanding is that both appropriations committees went through both of these issues and had opportunity to discuss each of these. That is when these discussions should have been held. Again, the differences between the Senate and House are to be discussed in conference committee. Monetarily it is \$810,000. Granted, because of 1252, we are going to have to have a slight deviation.

Sen. Mathern: If I could just bring up one item. You brought up 2301. A similar example is on page 4 of this handout, there is a \$500,000 item regarding disability grants. If we were to restore that \$500,000, it would make the possibility of doing that 10 cent increase to DD providers more real.

Chairman Delzer: Sen. Mathern, again, that was dealt with on the House side and it was dealt with on the Senate side. I am not going to discuss it at this time. I will look through all of these and decide if we want to discuss some of them. Is that an issue? Certainly. Both of the houses dealt with it and the Senate passed it the same way the House had dealt with it.

Sen. Mathern: I will just then note that the underlined items are what I think we are short on. And if any of the senators or representatives care to talk about them, I would be glad to do that.

Chairman Delzer: Okay, thank you, Senator.

Rep. Kerzman: I think there has been a lot of development since we looked at this bill and the FMAP changes. We learned, too, the department may not be able to give the 10 cents. So I think we should look over some of these areas.

Page 7

Human Resources Division

Bill/Resolution Number HB 1012 Conference

Hearing Date 4-18-05

Chairman Delzer: Thank you, Representative. You do bring up a point on the FMAP. It came out totally after both houses dealt with this budget. We had a preliminary from the feds. We normally do not get by this time of the session and that is an issue that runs into the last ten months of the biennium and will cost somewhere around \$3.89 million. That may have to be discussed, also. We have a lot of issues. I am not sure when our next meeting will be. Perhaps tomorrow early afternoon. We stand adjourned until the Call of the Chair.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1012

House Appropriations Committee
Human Resources Division

☒ Conference Committee

Hearing Date: 4-20-05 Wednesday

Tape Number	Side A	Side B	Meter #
I	X		1.0 - 14.2
I	X		14.3 - 41.0

Committee Clerk Signature *Shane M. Overly*

Minutes: **Chairman Delzer** called the third conference meeting to order on HB 1012 at 11:00 a.m. He explained that Senator Fischer had been scheduled for two conference committee meetings at the same time. The committee would stand at ease until 11:15 when the senator planned to arrive. Regardless, the amendments will be reviewed.

Chairman Delzer called the meeting back to order. Senators Fischer, Kilzer, Mathern and Representatives Delzer, Pollert, Kerzman present.

Chairman Delzer: Committee members, we have a new set of amendments (see 53035.0225).

There is also a cheat sheet (see 59691.01 on Proposed Funding Adjustments contained in Amendment 580.0225). We will review them and see if there are any quick questions. Then we will stand in recess until this afternoon. Almost all of the Senate's amendments are included. On page 4, section 8 is the MMIS. Section 9 is the transferring of \$3,164,653 from the Health Care

Fund to General Fund. Section 11 is the \$30,000 on Guardianship. Section 14 is the appropriation of \$30,000 for the Department of Health for a grant to the Mental Health Association to help with the suicide prevention on Standing Rock Reservation. The department has \$33,000 in extra roll-up dollars this biennium available and \$30,000 next biennium. By department, that is the Department of Health. I thought I better say that because I saw Brenda getting kind of nervous! (laughter in the room) Section 12 is to handle and look at FMAP for the last ten months. It says the Legislative Council will look at setting up an interim committee to work with the department and providers to decide how to handle that. The idea of the \$1.6 million is it gets us through January of 2007.

Allen/LC responded to **Sen. Mathern's** question on the appropriation's location. It is in the Medical Assistance Grants line item under Programs and Policies.

Chairman Delzer: Section 13 is the Qualified Service Provider Payment System study. Section 14 is the \$30,000 for Standing Rock Indian Reservation suicide prevention. Section 16 is the Residential Treatment Child Center. This was in the Senate's.

Chairman Delzer read from page 9 under Disabilities Program and said \$50,000 is going for section 16.

Sen. Mathern: I think that \$50,000 was considered for the Developmental Center transfers and the study in section 16 refers to issues of group homes like Dakota Boys Ranch, etc.

Chairman Delzer: You are correct. Thank you for pointing that out. Section 17 is the plan to transfer. Section 18 is the Department of Human Services, Indian Affairs Commission Child Support and the State Tribal Court Coordinator. Section 19 is the Senate's medically fragile and the "may consider" has replaced the "shall recognize." Section 20 is the same as what the Senate

had. Then when we start going through the numbers on the bottom of page 7, top of page 8, the recommended health insurance funding is reduced. Money is put back in for MMIS. Funding is added for Healthy Steps under Program and Policy.

Rep. Kerzman: Why are we taking \$500,000 out of the trust fund?

Chairman Delzer: That is the MMIS.

Rep. Kerzman: Where were they getting it before?

Chairman Delzer: Out of the Health Care Trust Fund.

Rep. Kerzman: The other \$500,000.

Chairman Delzer: They took \$31,000 out. It just stays in the Health Care Trust Fund. We are taking \$500,000 less than what the Senate was taking out. It would leave \$500,000 in the Health Care Trust Fund for next time. The second section is the \$1.6 for the FMAP and goes along with section 12. Under Economic Assistance, that is where we are adding money for SB 2301 100% for the Indian Counties. Medical Services restores \$139,601. This is actually the tobacco dollars for treatment of cancer. The Senate had added \$428,000 for 620 or 650 children under Healthy Steps. That is still in there. The inflators change. We are going from the two-and-two to 2.65 for everybody. That generates a total of \$8.5 million. There is a LTC portion. For Aging Services, the Senate passed SB 2267 this morning. This affects the State Mill Levy. SB 2267 goes out to the State Treasurer's Office. It is over and above the State Aid Distribution formula. The Senate addition of 1415 is after the House capped it at \$15. The next change is a new one. SB 2409 passed for TANF dollars. It was roughly \$10.8 million. We are using TANF and freeing up General Fund dollars.

Sen. Mathern: Does this change the amount available for funding for 2409?

Chairman Delzer: No. Instead of having \$10 million set aside in case the federal government reauthorizes TANF at a lower level, we have \$9 million to work with instead of \$10.8. Next, there is the 2.65 inflator.

Chairman Delzer said Disabilities is next. Then the 2.65 inflators for the DD, which he went on to explain how the figures would work.

Sen. Mathern: The per dollar for the second year?

Chairman Delzer: 45 cents.

Sen. Kilzer: 33%?

Chairman Delzer: It is over and above that when it is figured on an individual basis per hour. It is part of the \$900,000, so it does not change the dollar amount. So the facilities get the 33% on this 84 cents, too.

Sen. Mathern: Does this maintain the \$500,000 cut made to the DD Program by the House?

Chairman Delzer: It does, but when the House made that cut, it did not under any circumstances anticipate that that would have any effect on funding. We felt there was room for \$500,000. Granted, Rep. Kerzman is shaking his head, but the majority of the House members felt so. But the \$500,000 is still there. We have talked about all of the sections. Allen, the last there is simply the dollar figures for everything on pages 10-11?

Allen/LC: Right. Those are the changes for the State Hospital, Human Service Centers and DD Centers. All of those are the same as the _____ (*undistinguishable on tape*).

Chairman Delzer: Questions? Sen. Fischer is looking at his watch. He has another meeting.

Sen. Mathern: Do you want other proposals at this time?

Chairman Delzer: I think we will stand in recess until probably 3:30 p.m.

Chairman Delzer called the meeting back to order at 3:32 p.m. and asked the clerk to call the roll again. All committee members present. He said there was a new set of amendments from the morning's meeting (see 58035.0227) and a new cheat sheet (see 59691.02).

Chairman Delzer: It is basically the same. The only difference is on the Health Care Trust Fund we are still taking the same amount of money as the \$3,164,000 and we are putting it directly into the department instead of the General Fund. This is because it would go to the Budget Stabilization Fund instead of being available. So we are putting it right to the departments so that we can use it. The other thing is it raises the amount we are putting in the bill in reference to the possible short fall from the FMAP change. So it goes from \$1.6 million to \$3.1. I have read through it and there is only one mistake. On the section definition on page 10, we should say "may consider" instead of "recognize additional costs."

Sen. Mathern: We would like to hand out a set of amendments, numbered 58035.0228 which I would move.

Rep. Kerzman: I second it.

Chairman Delzer: It looks like you are putting in the same items of HB 1252, the same ones we defeated in the 1252 discussion. And that is really not the issue on this committee, because it was not an issue on 1012 on either side. The money issue is here, but the philosophy issue really was not.

Sen. Mathern: If I could please explain. I have some concerns about the money issue. In terms of the content from 1252, that is correct. But I want to explain it from the cost situation. I have a

cost summary here that explains the amendment (see one-page Amendments Requested by Senator Mathern #50330.0308 HB 1252).

Chairman Delzer: I will take these but I would like the committee to be aware that this set of amendments was voted on in 1252 and defeated. I would like to caution this committee that we would sure like to finish this bill today. We will take this motion. Do you have any other motions you plan to make?

Sen. Mathern: No. I would note there is no conference committee report on 1252. It has not been reported out.

Chairman Delzer: This does not change the fact that this was defeated in 1252. Go ahead and explain them.

Sen. Mathern: With this amendment to 1012, we need to address three items. The 2.65 inflator in your amendment, it appears to me in terms of nursing facilities, that may equate to less than 2% in terms of how this money is allocated. This is an attempt to restore and enhance that portion by making sure that money is there and then using the formula in the original 1252, to give that in the last six months. Also, the qualified service providers are not adequately compensated. This would provide some \$291,000 for them. And then the DD providers, given the assessment of the wage increase. I would like to hand that out (see one-page memo from Jon Larson on the DD wage increase). I asked on of the providers to give me data on the impact in terms of the wages. There is an implication in the other proposal that there would be about 87 cents or 84 cents in salary increase. From this I gained that there would be about \$60-\$85 per month, which is 30-55 cents per hour per employee. So the amount of money that is actually available for salaries is considerably lower than what we had considered with the early

amendment for 1012. (Sen. Mathern explained the figures further.) I think 2.65% is not adequate even with the \$900,000. This amendment is to address that. To use a higher inflator and also to fund the salary package by putting an additional \$2.7 million which then generates \$7.8 million funds. So the entire package is a 4.1 increase in General funds and a return to \$11.1 million in all funds. The amendment would take the money from the Health Care Trust Fund and I think that makes sense in terms of the general discussion we have had through the year. So, Mr. Chairman and committee members, I think it does fit in 1012. This is a way to fund this. I agree that it is close to the amount that you are suggesting, which is a good sign. But it adds the dollar in such a way that many of these organizations could be assured that the money would be there.

Chairman Delzer: Discussion by the committee? The clerk will call the roll on amendment .0228 on HB 1012. Rep. Kerzman.

Rep. Kerzman: Thank you, Mr. Chairman. I agree wholeheartedly with Sen. Mathern. All three of these areas were really short or under-funded. Especially the developmentally disabled. We have been working all session to get money into there. I think this is close to parity where it should be with other providers of the same service in the state. I hope we can support this.

Chairman Delzer: Further discussion? The clerk will call the roll. Motion fails 2-4s.

Sen. Fischer: I move amendment 58035.0227 to HB 1012.

Sen. Kilzer: I second it.

Chairman Delzer: A motion is made and seconded. Discussion?

Sen. Mathern: I am interested in some feedback on a couple issues. First, on the information I have in terms of how this is figured out for nursing facilities. We are not making the 2.65% available each year of the biennium. The way we do this, the actual impact is \$1.76.

Chairman Delzer: Sen. Mathern, we had discussion with the department about that after this morning's conference committee on 1012. The department at that time said, no, it is 2.65 for an annual.

Sen. Mathern: And they would get 2.65 each year?

Chairman Delzer: That is my understanding.

Sen. Mathern: Are you willing to have anyone from the LTC Association address that question?

Chairman Delzer: No. Maybe someone from the department, but not LTC.

Brenda Weisz, CFO for the Department of Human Services, commented.

Sen. Mathern: The other question I have is the reduction of \$500,000 in terms of developmental disability. It would appear it would have some impact in terms of making it impossible for the department to find. Certainly not a \$1.05, but they may have difficulty assuring everybody that they would get 87 cents additional per hour.

Chairman Delzer: We looked at that both on the House and Senate side. The discussion and decision in the House was that there was \$500,000 of overfunding in here. So it is not under-funding. We expect the services are adequately funded. Both sides discussed it. We can disagree about whether it happens or not, but that is the way the system works.

Sen. Mathern: I would say there is not enough money.

Chairman Delzer: You have a right to that opinion. My opinion is that there is.

Sen. Mathern: In terms of the data I provided to you, how do you see that they could pay that 87 cents?

Chairman Delzer: When we took that \$500,000 out, we looked at how they built their charts and what money it would take. We felt by majority vote, there was extra money in there

compared to what it will actually take. It is no different than when we look at the Medicaid Budget or any of them.

Sen. Mathern: I presume there is \$900,000 with that amendment and that the 2.65%. They figure there is only 52 cents in the first year, 60 cents in the second plus they have to back off their inflationary costs in terms of health care.

Chairman Delzer: We cannot answer that. You can answer to different facilities. Every facility is their own manager. The department and the Legislature has never gone in to talk with different facilities. That is how much we are making available. What the facility does with it, is up to the facility.

Sen. Mathern: Well, Mr. Chairman, I think that is our role--to talk to these facilities. They are our constituents to a greater extent than the department. The department helps us with the numbers and administering these programs. But I think it is important to get this data from these groups.

Chairman Delzer: Senator, we had 3 1/2 months that we worked on that. That is not an issue before this conference committee. It was an issue when the House worked on it and an issue for you when the Senate worked on it. There is no difference in that funding level between the House and the Senate conference. So it is not an issue.

Sen. Mathern: You have included many things in here that were not a difference between the Senate and House Appropriations committees. We put all kinds of things in here that were not a difference.

Chairman Delzer: The FMAP was one we made an exception for at the start of these conference committees.

Sen. Mathern: We are also changing the funding formula for all of these providers.

Sen. Fischer: Sen. Mathern, would you like to reduce those then? Is that what you are proposing, that we take it back to two-and-two and take the FMAP reimbursement out? If we should not have made those changes, should we go back and get them out of there?

Sen. Mathern: I would propose that we increase it, not reduce it.

Sen. Fischer: We have discussed that in the Senate and in the subcommittee in the Senate. We went through all these things and that was the appropriate time for discussion and to increase them at that time.

Sen. Mathern: And this is another attempt.

Chairman Delzer: Further discussion on .0227 of HB 1012? If not, the clerk will call the roll on .0227. Motion passes 4-2. Rep. Kerzman.

Rep. Kerzman: I would like to further amend that \$500,000 back in that the House took out on DD.

Sen. Mathern: I second it.

Chairman Delzer: There is a motion and a second. Discussion?

Rep. Kerzman: I have to applaud Sen. Mathern for his efforts and I agree wholeheartedly. It is a tough battle. I still think it is \$500,000 short. It will short them at least the ten cents. If we want to get somewhat realistic on the figures, I think we need to put that \$500,000 back in there and add that to the \$900,000.

Chairman Delzer: Thank you. Further discussion? The clerk will call the role on a voice amendment to add \$500,000 to Disability Services. Motion fails 2-4. Sen. Mathern.

Sen. Mathern: I think the main providers we tried to move to some sort of equitable inflationary are QSPs, DD and nursing facilities. It appears the quality service providers or home care providers who do this on a private basis, are hurt the most or helped the least by these amendments. In a rural area, they are the people who might drive to an appointment. They do not get paid for that. They are the people that have direct costs because they do not work for an agency where there are benefits. I think we ought to at least bring them up further than we have. I am just wondering if that is something you would be open to?

Chairman Delzer: No. Again, this is part of the reason for 1252 going out of the House the way it was--to put everyone the same. For the most part, we have agreed on 1252 being voted out. The report has not been signed. The 2.65 and 2.65 adds \$486,000. We share the same concerns about that. That is the reason for section 12, to make sure that we know what we are doing when we make these adjustments. I have some real concerns myself about the way they are paid. But I want to know what I am doing before we make changes on it. That is the reason for the study on the QSPs.

Sen. Mathern: It seems to me we have gotten considerable information about that. Why don't we put \$250,000 in there? Help move the process forward so while they are doing the study, we do not lose those providers. We can come back to the next Legislative Assembly with that study with the providers still on board. I think some additional amount of money for those people would set that base or protection.

Chairman Delzer: Again, we are putting \$486,000 in that was not there this morning.

Sen. Mathern: What line was that?

Chairman Delzer: It is the part on the difference on two-and-two to 2.65 to 2.65. QSPs is \$269,780 General Fund plus \$216,258 Other Funds, for a total of \$486,038. It would be under LTC, the 2.65, \$2,814,580 that is on page 9 of the amendment. The inflator of 2.65 would include the QSPs section.

Sen. Mathern: I would move that we add \$100,000 to the private provider QSPs.

Rep. Kerzman: I second it.

Chairman Delzer: Well, we need to wrap this up in about five minutes, so we will take this motion and see what happens. If that is it, I think we will go with what we have in front of us. Discussion? The clerk will call the roll on voice amendment of \$100,000 to QSPs under LTC General Fund dollars. Motion fails 2-4. Rep. Kerzman.

Rep. Kerzman: Thank you. One more thing I would like in section 13 is to double that appropriation of \$30,000 to the Health Department. If I can get a second, I would like to discuss it.

Sen. Mathern: I second it.

Rep. Kerzman: We really appreciate the \$30,000 that was put in there for suicide prevention. As you well know, North Dakota is on the top of the list as far as suicides in the nation. We had two more in the last couple of weeks. We have had meetings with a group of people from various entities, with the Health Department, Human Services, Reservation, and the school system's Mental Health. For some of the preliminary things that they put together, they think they would need \$150,000 to put in a task force to train people to recognize the tendencies on suicide, kids with depression, etc. I think they are realistic in that figure. I think if we get just the \$60,000, we could go to the Tribes and get matching money, which would bring us to \$120,000. I think we

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can make somewhat of an impact. I do not think the \$30,000 is going to do the job. The department had \$33,000 roll-up for this biennium. It is a start. They sent a professional down there from UND. I think her name is Jacqueline Gray. Some preliminary work was done and it does not take much to exhaust those funds. If we are going to get some people into the communities to do some kind of prevention and we save even one life, it is well worth it.

Chairman Delzer: Further discussion? The clerk will call the roll on a \$30,000 voice amendment for the Health Department. Motion fails 2-4. Committee members, I think this concludes our work on HB 1012. Thank you for your time. The committee is adjourned.

April 13, 2005

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the House accede to the Senate amendments as printed on pages 1628-1636 of the House Journal and pages 1286-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be further amended as follows:

Page 8, after line 19, insert:

"SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$656,008, or so much of the sum as may be necessary, and from other funds the sum of \$1,110,008, to the department of human services for nursing home inflationary increases in accordance with provisions of House Bill No. 1252, for the biennium beginning July 1, 2005, and ending June 30, 2007. The funding is provided to inflate historical costs by 2 percent for the rate year beginning January 1, 2006, and by 3.92 percent for the rate year beginning January 1, 2007.

SECTION 5. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$805,223, or so much of the sum as may be necessary, and from other funds the sum of \$1,353,625, to the department of human services for inflationary increases for developmental disabilities service providers, for the biennium beginning July 1, 2005, and ending June 30, 2007. The funding is provided to inflate historical costs by 2 percent for the rate year beginning July 1, 2005, and by 3.92 percent for the rate year beginning July 1, 2006.

SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,770,554, or so much of the sum as may be necessary, and from other funds the sum of \$5,036,173, to the department of human services for the costs associated with adding funding for increasing the average wage of employees of developmental disabilities service providers by ninety-five cents per hour, forty-seven cents on January 1, 2006, and forty-eight cents on January 1, 2007, for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 7. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$291,149, or so much of the sum as may be necessary, and from other funds the sum of \$225,437, to the department of human services for the costs associated with increasing payment rates for qualified service providers, for the biennium beginning July 1, 2005, and ending June 30, 2007. The funding is provided to increase payment rates by 2 percent beginning July 1, 2005, and by 3.92 percent beginning July 1, 2006."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Department of Human Services - Conference Committee Action

This amendment adds a total of \$12,248,177, of which \$4,522,934 is from the general fund for nursing homes, developmental disabilities service providers, and qualified service providers as provided in Sections 4 through 7 added by this amendment.

HOUSE BILL NO. 1012 - PROPOSED FUNDING ADJUSTMENTS (CONTAINED IN AMENDMENT #58035.0225)

	General Fund	Health Care Trust Fund	Permanent Oil Tax Trust Fund
Adds funding to provide a 2.65 percent inflationary increase each year for all providers rather than a 2 percent	\$3,001,852		
Adds funding for increasing the average wage of employees of developmental disabilities service providers in addition to the funding added by the House	900,217		
Changes funding from federal funds to the general fund to reflect a portion of the additional state matching requirements resulting from federal fiscal year 2007 FMAP changes	1,600,000		
Removes funding for the senior citizen mill levy matching program based on provisions of SB 2267 as approved by the House	(1,662,945)		
Changes funding source from the general fund to federal TANF block grant funds for children and family services	(1,074,471)		
Adds funding for Indian county allocation at 100 percent per SB 2301	311,178		
Changes funding for corporate guardianship petitioning costs	(30,000)		
Subtotal	\$3,045,831		
Transfers additional funding from the health care trust fund to the general fund	(\$3,164,653)	\$3,164,653	
Changes source of funding for the MMIS replacement system from the health care trust fund to the permanent oil tax trust fund		(3,667,820)	\$3,667,820
Net cost (savings) effect on fund	(\$118,822)	(\$503,167)	\$3,667,820

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the Senate recede from its amendments as printed on pages 1628-1636 of the House Journal and pages 1286-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 2, replace "and" with "an" and after "study" insert "; to provide an appropriation to the state department of health"

Page 1, line 3, replace "a transfer" with "transfers", remove "and", and after "authority" insert "; to create and enact a new section to chapter 25-18 of the North Dakota Century Code, relating to providing services to medically fragile children; to amend and reenact subsection 10 of section 54-44.8-01 of the North Dakota Century Code, relating to telecommunications equipment; and to declare an emergency"

Page 3, line 29, replace "\$486,633" with "\$498,738"

Page 3, line 30, replace "(1,787,339)" with "27,401,520"

Page 4, line 2, replace "\$5,535,466" with "\$23,641,288"

Page 4, line 3, replace "(11,288,586)" with "17,895,373"

Page 4, line 4, replace "5,753,120" with "5,745,915"

Page 4, line 7, replace "699,801" with "670,847"

Page 4, line 8, replace "(109,195)" with "(104,195)"

Page 4, line 10, replace "44,572,418" with "44,150,725"

Page 4, line 11, replace "71,360,100" with "84,529,164"

Page 4, line 12, replace "116,517,316" with "129,240,733"

Page 4, line 13, replace "63,463,933" with "72,319,612"

Page 4, line 14, replace "53,053,383" with "56,921,121"

Page 4, line 19, replace "43,292" with "37,052"

Page 4, line 20, replace "39,123" with "35,963"

Page 4, line 21, replace "4,169" with "1,089"

Page 4, line 23, replace "713,327" with "698,351"

Page 4, line 24, replace "533,839" with "526,839"

Page 4, line 25, replace "179,488" with "171,512"

Page 4, line 27, replace "680,656" with "672,918"

Page 4, line 28, replace "431,083" with "427,285"

Page 4, line 29, replace "249,573" with "245,633"

Page 5, line 2, replace "1,055,769" with "1,037,049"

Page 5, line 3, replace "745,840" with "734,210"

Page 5, line 4, replace "309,929" with "302,839"

Page 5, line 6, replace "2,801,880" with "2,779,416"

Page 5, line 7, replace "2,430,373" with "2,417,169"

Page 5, line 8, replace "371,507" with "362,247"

Page 5, line 10, replace "780,171" with "769,313"

Page 5, line 11, replace "578,413" with "572,445"

Page 5, line 12, replace "201,758" with "196,868"

Page 5, line 14, replace "920,924" with "905,199"

Page 5, line 15, replace "537,278" with "529,098"

Page 5, line 16, replace "383,646" with "376,101"

Page 5, line 18, replace "383,660" with "373,926"

Page 5, line 19, replace "250,774" with "245,520"

Page 5, line 20, replace "132,886" with "128,406"

Page 5, line 22, replace "230,001" with "292,827"

Page 5, line 23, replace "5,430,860" with "5,424,120"

Page 5, line 24, replace "5,660,861" with "5,716,947"

Page 5, line 25, replace "(728,482)" with "(746,586)"

Page 5, line 26, replace "6,389,343" with "6,463,533"

Page 5, line 28, replace "1,463,546" with "1,403,643"

Page 5, line 29, replace "(1,124,148)" with "(1,168,531)"

Page 5, line 30, replace "2,587,694" with "2,572,174"

Page 5, line 31, replace "14,254,086" with "14,143,814"

Page 6, line 1, replace "3,694,093" with "3,573,412"

Page 6, line 2, replace "10,559,993" with "10,570,402"

Page 6, line 3, replace "69,366,496" with "73,237,438"

Page 6, line 4, replace "55,869,440" with "93,788,397"

Page 6, line 5, replace "125,235,936" with "167,025,835"

Page 6, line 14, replace "10,529,652" with "10,517,547"

Page 6, line 15, replace "31,779,849" with "60,968,708"

Page 6, line 17, replace "42,312,257" with "71,489,011"

Page 6, line 18, replace "22,841,521" with "52,025,480"

Page 6, line 19, replace "19,470,736" with "19,463,531"

Page 6, line 22, replace "22,753,582" with "22,724,628"

Page 6, line 23, replace "37,272,214" with "37,277,214"

Page 6, line 25, replace "333,260,143" with "332,838,450"

Page 6, line 26, replace "993,037,274" with "1,006,206,338"

Page 6, line 27, replace "1,386,357,077" with "1,399,080,494"

Page 6, line 28, replace "1,022,556,015" with "1,031,411,694"

Page 6, line 29, replace "363,801,062" with "367,668,800"

Page 7, line 3, replace "7,318,971" with "7,312,731"

Page 7, line 4, replace "3,684,763" with "3,681,603"

Page 7, line 5, replace "3,634,208" with "3,631,128"

Page 7, line 7, replace "15,278,197" with "15,263,221"

Page 7, line 8, replace "7,257,513" with "7,250,513"

Page 7, line 9, replace "8,020,684" with "8,012,708"

Page 7, line 11, replace "9,101,589" with "9,093,851"

Page 7, line 12, replace "4,214,056" with "4,210,258"

Page 7, line 13, replace "4,887,533" with "4,883,593"

Page 7, line 15, replace "20,496,952" with "20,478,232"

Page 7, line 16, replace "12,190,660" with "12,179,030"

Page 7, line 17, replace "8,306,292" with "8,299,202"

Page 7, line 19, replace "23,526,422" with "23,503,958"

Page 7, line 20, replace "13,645,595" with "13,632,391"

Page 7, line 21, replace "9,880,827" with "9,871,567"

Page 7, line 23, replace "12,139,146" with "12,128,288"

Page 7, line 24, replace "6,310,281" with "6,304,313"

Page 7, line 25, replace "5,828,865" with "5,823,975"

Page 7, line 27, replace "18,505,768" with "18,490,043"

Page 7, line 28, replace "9,658,913" with "9,650,733"

Page 7, line 29, replace "8,846,855" with "8,839,310"

Page 8, line 1, replace "9,308,287" with "9,298,553"

Page 8, line 2, replace "4,809,497" with "4,804,243"

Page 8, line 3, replace "4,498,790" with "4,494,310"

Page 8, line 5, replace "42,119,562" with "42,182,388"

Page 8, line 6, replace "5,430,860" with "5,424,120"

Page 8, line 7, replace "47,550,422" with "47,606,508"

Page 8, line 8, replace "15,676,878" with "15,658,774"

Page 8, line 9, replace "31,873,544" with "31,947,734"

Page 8, line 11, replace "42,224,603" with "42,164,700"

Page 8, line 12, replace "30,825,680" with "30,781,297"

Page 8, line 13, replace "11,398,923" with "11,383,403"

Page 8, line 14, replace "205,450,357" with "205,340,085"

Page 8, line 15, replace "108,273,836" with "108,153,155"

Page 8, line 16, replace "97,176,521" with "97,186,930"

Page 8, line 17, replace "480,448,319" with "484,319,261"

Page 8, line 18, replace "1,153,671,372" with "1,191,590,329"

Page 8, line 19, replace "1,634,119,691" with "1,675,909,590"

Page 9, line 11, replace "\$114,755" with "\$254,356"

Page 9, after line 14, insert:

**"SECTION 8. ESTIMATED INCOME - LIMIT - PERMANENT OIL TAX TRUST
FUND.** Notwithstanding section 57-51.1-07.2, the estimated income line item in

subdivision 1 of section 3 of this Act includes \$3,667,820 from the permanent oil tax trust fund. The department of human services expenditures from this fund may not exceed this amount for the period beginning with the effective date of this Act, and ending June 30, 2007.

SECTION 9. HEALTH CARE TRUST FUND - TRANSFER TO THE GENERAL FUND. The director of the office of management and budget and the state treasurer shall transfer \$3,164,653 from the health care trust fund to the general fund during the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 9, after line 18, insert:

"SECTION 11. FUNDING FOR CORPORATE GUARDIANSHIP PETITIONING COSTS. The department of human services may spend up to \$30,000 of the funds appropriated in the operating expenses line item in subdivision 2 of section 3 of this Act for paying petitioning costs for indigent individuals with developmental disabilities who have been referred for corporate guardianship for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 12. FEDERAL MEDICAL ASSISTANCE PERCENTAGE CHANGES - DEPARTMENT OF HUMAN SERVICES PROGRAM REVIEW - LEGISLATIVE COUNCIL REPORT. During the 2005-06 interim, the department of human services shall determine the fiscal effect of anticipated changes in the federal medical assistance percentage for North Dakota for federal fiscal years 2007 and 2008. The department, with input from service providers, shall review its budget and programs and services to determine the extent to which the department can provide for additional general fund requirements resulting from federal matching changes without affecting the level of services provided by the department. If the department determines that programs and services will be affected, the department, with input from service providers, shall identify programs and services to reduce or discontinue to maintain its general fund budget within the funding level approved by the 2005 legislative assembly. By July 1, 2006, the department shall report to the legislative council regarding its budget and program review and its suggestions for programs and services to reduce or discontinue, including any legislation necessary to make the suggested changes. The legislative council shall receive the department's report and report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 13. LEGISLATIVE COUNCIL STUDY - QUALIFIED SERVICE PROVIDER PAYMENT SYSTEM. The legislative council shall consider studying, during the 2005-06 interim, the department of human services system of paying qualified service providers. The study must include a review of the appropriateness of payment levels to various providers. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 14. APPROPRIATION - STATE DEPARTMENT OF HEALTH. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much of the sum as may be necessary, to the state department of health for the purpose of providing a grant for suicide prevention programs on the Standing Rock Indian Reservation for the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 9, line 25, after the period insert "The study, if conducted, must also include, with input from representatives of the department of human services, the long-term care industry, and the federal centers for medicare and medicaid services, the possibility of accessing additional federal funding through the intergovernmental transfer process. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 16. LEGISLATIVE COUNCIL STUDY - RESIDENTIAL TREATMENT CENTER AND RESIDENTIAL CHILD CARE FACILITY PAYMENT SYSTEMS. The legislative council shall consider studying, during the 2005-06 interim, the services provided by residential treatment centers and residential child care facilities and the appropriateness of the payments provided by the state for these services.

SECTION 17. PLAN TO TRANSFER APPROPRIATE DEVELOPMENTAL CENTER RESIDENTS TO COMMUNITIES - LEGISLATIVE COUNCIL REPORT. The department of human services, with input from developmental disabilities services providers, shall develop, during the 2005-06 interim, a plan to transfer appropriate individuals from the developmental center to community placements and begin the transfers during the 2005-07 biennium. The department shall report to the legislative council on its plan and on the anticipated number of individuals that will be transferred during the 2005-07 biennium.

SECTION 18. DEPARTMENT OF HUMAN SERVICES AND INDIAN AFFAIRS COMMISSION - CHILD SUPPORT - STATE AND TRIBAL COURT COORDINATION. The department of human services and the indian affairs commission shall collaborate to facilitate the coordination of state and tribal court activities to increase the amount of child support collected for noncustodial parents for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 19. A new section to chapter 25-18 of the North Dakota Century Code is created and enacted as follows:

Payment for services to medically fragile children. The department may consider the unique level of care, the additional cost required to provide services to medically fragile clients under twenty-one years of age, and the actual and reasonable cost of providing services to developmentally disabled individuals when reimbursing an intermediate care facility for the mentally retarded.

SECTION 20. AMENDMENT. Subsection 10 of section 54-44.8-01 of the North Dakota Century Code is amended and reenacted as follows:

10. "Specialized telecommunications equipment" means a dedicated telecommunications device that, when connected to a telephone, enables or assists a person who is communications impaired to communicate with another person utilizing the telephone network. The term may include telecommunications devices for the deaf, amplifiers, and signaling devices. Specialized telecommunications equipment provided under this chapter to an individual may not exceed two thousand dollars in total cost per device.

SECTION 21. EMERGENCY. The appropriation of \$29,188,859 included in subdivision 1 of section 3 of this Act for the medicaid management information system replacement project and section 20 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
State Department of Health						
Total all funds	\$0	\$0	\$30,000	\$30,000	\$0	\$30,000
Less estimated income						
General fund	\$0	\$0	\$30,000	\$30,000	\$0	\$30,000

DHS - Management						
Total all funds	\$71,539,214	\$42,312,257	\$29,176,754	\$71,489,011	\$71,489,011	\$0
Less estimated income	48,374,575	22,841,521	29,183,959	52,025,480	52,025,480	
General fund	\$23,164,639	\$19,470,736	(\$7,205)	\$19,463,531	\$19,463,531	\$0
DHS - Program/Policy						
Total all funds	\$1,396,151,539	\$1,386,357,077	\$12,723,417	\$1,399,080,494	\$1,389,331,530	\$9,748,964
Less estimated income	1,027,728,022	1,022,556,015	8,855,679	1,031,411,694	1,024,708,561	6,703,133
General fund	\$368,423,517	\$363,801,062	\$3,867,738	\$367,668,800	\$364,622,969	\$3,045,831
DHS - State Hospital						
Total all funds	\$47,728,538	\$47,550,422	\$56,086	\$47,606,508	\$47,606,508	\$0
Less estimated income	15,610,871	15,676,878	(18,104)	15,658,774	15,658,774	
General fund	\$32,117,667	\$31,873,544	\$74,190	\$31,947,734	\$31,947,734	\$0
DHS - Developmental Center						
Total all funds	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700	\$42,164,700	\$0
Less estimated income	31,349,952	30,825,680	(44,383)	30,781,297	30,781,297	
General fund	\$11,696,425	\$11,398,923	(\$15,520)	\$11,383,403	\$11,383,403	\$0
DHS - Northwest HSC						
Total all funds	\$7,379,756	\$7,318,971	(\$6,240)	\$7,312,731	\$7,312,731	\$0
Less estimated income	3,691,210	3,684,763	(3,160)	3,681,603	3,681,603	
General fund	\$3,688,546	\$3,634,208	(\$3,080)	\$3,631,128	\$3,631,128	\$0
DHS - North Central HSC						
Total all funds	\$15,433,218	\$15,278,197	(\$14,976)	\$15,263,221	\$15,263,221	\$0
Less estimated income	7,270,196	7,257,513	(7,000)	7,250,513	7,250,513	
General fund	\$8,163,022	\$8,020,684	(\$7,976)	\$8,012,708	\$8,012,708	\$0
DHS - Lake Region HSC						
Total all funds	\$9,196,380	\$9,101,589	(\$7,738)	\$9,093,851	\$9,093,851	\$0
Less estimated income	4,221,881	4,214,056	(3,798)	4,210,258	4,210,258	
General fund	\$4,974,499	\$4,887,533	(\$3,940)	\$4,883,593	\$4,883,593	\$0
DHS - Northeast HSC						
Total all funds	\$20,696,142	\$20,496,952	(\$18,720)	\$20,478,232	\$20,478,232	\$0
Less estimated income	12,211,610	12,190,660	(11,630)	12,179,030	12,179,030	
General fund	\$8,484,532	\$8,306,292	(\$7,090)	\$8,299,202	\$8,299,202	\$0
DHS - Southeast HSC						
Total all funds	\$23,822,246	\$23,526,422	(\$22,464)	\$23,503,958	\$23,503,958	\$0
Less estimated income	13,673,717	13,645,595	(13,204)	13,632,391	13,632,391	
General fund	\$10,148,529	\$9,880,827	(\$9,260)	\$9,871,567	\$9,871,567	\$0
DHS - South Central HSC						
Total all funds	\$12,238,992	\$12,139,146	(\$10,858)	\$12,128,288	\$12,128,288	\$0
Less estimated income	6,322,357	6,310,281	(5,968)	6,304,313	6,304,313	
General fund	\$5,916,635	\$5,828,865	(\$4,890)	\$5,823,975	\$5,823,975	\$0
DHS - West Central HSC						
Total all funds	\$18,700,819	\$18,505,768	(\$15,725)	\$18,490,043	\$18,490,043	\$0
Less estimated income	9,675,203	9,658,913	(8,180)	9,650,733	9,650,733	
General fund	\$9,025,416	\$8,846,855	(\$7,545)	\$8,839,310	\$8,839,310	\$0
DHS - Badlands HSC						
Total all funds	\$9,388,791	\$9,308,287	(\$9,734)	\$9,298,553	\$9,298,553	\$0
Less estimated income	4,819,177	4,809,497	(5,254)	4,804,243	4,804,243	
General fund	\$4,569,614	\$4,498,790	(\$4,480)	\$4,494,310	\$4,494,310	\$0
Bill Total						
Total all funds	\$1,675,321,812	\$1,634,119,691	\$41,819,899	\$1,675,939,590	\$1,666,160,626	\$9,778,964
Less estimated income	1,184,948,771	1,153,671,372	37,918,957	1,191,590,329	1,184,887,196	6,703,133
General fund	\$490,373,041	\$480,448,319	\$3,900,942	\$484,349,261	\$481,273,430	\$3,075,831

House Bill No. 1012 - State Department of Health - Conference Committee Action

A section is added appropriating \$30,000 from the general fund to the State Department of Health for providing a grant for suicide prevention programs on the Standing Rock Indian Reservation.

House Bill No. 1012 - DHS - Management - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$10,567,750	\$10,529,652	(\$12,105)	\$10,517,547	\$10,517,547	
Operating expenses	60,968,708	31,779,849	29,188,859	60,968,708	60,968,708	
Capital assets	2,756	2,756		2,756	2,756	
Total all funds	\$71,539,214	\$42,312,257	\$29,176,754	\$71,489,011	\$71,489,011	\$0
Less estimated income	48,374,575	22,841,521	29,183,959	52,025,480	52,025,480	
General fund	\$23,164,639	\$19,470,736	(\$7,205)	\$19,463,531	\$19,463,531	\$0
FTE	99.10	99.10	0.00	99.10	99.10	0.00

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
1Management - Conference Committee Changes:				
Reduces recommended funding for health insurance		(\$7,205)	(\$4,900)	(\$12,105)
Administration Support Program				
None				
Division of Information Technology Program				
Restores funding for the Medicaid management information system (MMIS) computer project removed by the House with state matching funds of \$3,667,820 provided from the permanent oil tax trust fund rather than the general fund. The Senate also restored the funding except used the health care trust fund for the state match.			29,188,859	29,188,859
Total Conference Committee Changes - Management	0.00	(\$7,205)	\$29,183,959	\$29,176,754
Other changes affecting Management programs or multiple programs of the department:				
A section is added transferring \$3,164,653 from the health care trust fund to the general fund.				

House Bill No. 1012 - DHS - Program/Policy - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES 1	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$23,054,340	\$22,753,582	(\$28,954)	\$22,724,628	\$22,724,628	
Operating expenses	38,232,573	37,272,214	5,000	37,277,214	37,352,214	(\$75,000)
Capital assets	33,864	33,864		33,864	33,864	
Grants	334,055,993	333,260,143	(421,693)	332,838,450	333,622,731	(784,281)
Grants - Medical assistance	1,000,774,769	993,037,274	13,169,064	1,006,206,338	995,598,093	10,608,245
Total all funds	\$1,396,151,539	\$1,386,357,077	\$12,723,417	\$1,399,080,494	\$1,389,331,530	\$9,748,964
Less estimated income	1,027,728,022	1,022,556,015	8,855,679	1,031,411,694	1,024,708,561	6,703,133
General fund	\$368,423,517	\$363,801,062	\$3,887,738	\$367,668,800	\$364,622,969	\$3,045,831
FTE	233.30	232.30	0.00	232.30	232.30	0.00

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
1Program and Policy - Conference Committee Changes:				
Reduces recommended funding for health insurance		(\$8,140)	(\$20,814)	(\$28,954)
Adds funding to reflect a portion of the estimated additional general funding matching funds that will be required under the Medicaid program resulting from an anticipated reduction in North Dakota's federal medical assistance percentage (FMAP) for federal fiscal year 2007 of .86 percent, from 63.23 percent estimated in the executive budget to the current estimate of 62.37 percent		1,600,000	(1,600,000)	
Economic Assistance Policy Program				
Adds funding to calculate Indian county allocation grants at 100 percent of excess costs, rather than 90 percent, in accordance with provisions of Senate Bill No. 2301		311,178		311,178
Child Support Program				
None				
Medical Services Program				
Restores funding reduced by the House from the community health trust fund for breast and cervical cancer treatment services, the same as the Senate version			139,601	139,601
Adds funding for the children's health insurance program (Healthy Steps) in anticipation of increased caseload resulting from implementation		428,425	1,607,893	2,036,318

of the vision eligibility system, the same as the Senate version

Adds funding to provide for a 2.65 percent inflationary increase for each year of the biennium rather than 2 percent

846,712 2,202,724 3,049,436

Long-Term Care Program

Adds funding to provide for a 2.65 percent inflationary increase for each year of the biennium rather than 2 percent

1,164,473 1,650,107 2,814,580

Aging Services Program

Removes funding for the senior citizen mill levy matching grant program to reflect provisions of Senate Bill No. 2267 which provide a continuing appropriation to the State Treasurer for providing these grants

(1,662,945) (1,662,945)

Children and Family Services Program

Adds funding for increasing the maximum treatment services payment for residential child care facilities to \$15 per day. The House had added funding to increase the maximum payment from \$11.50 to \$14.15 per day and the Senate had added funding to increase the payment to \$15.

21,622 56,066 77,688

Restores a portion of the House reductions made to the funding anticipated to be needed for foster care and subsidized adoption services. The House had reduced this funding by \$594,106, of which \$250,000 is from the general fund and the Senate restored the same amount as the conference committee.

100,000 184,900 284,900

Changes the source of funding for children and family services programs from the general fund to federal temporary assistance for needy families (TANF) funds

(1,074,471) 1,074,471

Adds funding to provide for a 2.65 percent inflationary increase for each year of the biennium rather than 2 percent

213,407 354,079 567,486

Mental Health and Substance Abuse Program

None

Developmental Disabilities Council

None

Disabilities Program

Adds funding for increasing payment rates for facilities serving children with extensive medical needs, including the Anne Carlsen Center. The Senate also added this funding. This amount is in addition to the \$284,900 added by the House for this purpose.

100,000 184,900 284,900

Adds funding for costs relating to transferring appropriate individuals from the Developmental Center to community placements. The department may use up to \$5,000 of this funding for developing the plan for these transfers. The Senate also added this funding but did not limit the amount that could be spent for the plan.

50,000 50,000

Restores funding to \$910,056 from the general fund for the family subsidy program, the same as the Senate version. The House had reduced funding for this program by \$100,000 from the general fund.

100,000 100,000

Adds funding to provide for a 2.65 percent inflationary increase for each year of the biennium rather than 2 percent

777,260 1,386,220 2,163,480

Adds funding to increase the average wage of employees of developmental disabilities service providers by an additional 5 cents per hour for the first year of the biennium and by 20 cents per hour for the second year. The House added funding to provide an additional 10 cents per hour for the first year of the biennium.

900,217 1,635,532 2,535,749

Total Conference Committee Changes - Program and Policy

0.00 \$3,867,738 \$8,855,679 \$12,723,417

Other changes affecting Program and Policy programs:

Sections are added:

- Providing that the department recognize additional costs incurred by intermediate care facilities for the mentally retarded (ICF/MRs) serving medically fragile clients under 21 years of age. The Senate added a similar section but required the department to recognize these additional costs.
- Directing the department and developmental disabilities service providers to develop, during the 2005-06 interim, a plan for transferring appropriate individuals from the Developmental Center to community placements and to begin the transition during the 2005-07 biennium. The section also provides that the department report to the Legislative Council on its plan. The Senate also included a similar section.
- Changing the definition of specialized telecommunications equipment, the same as the Senate version.
- Requiring the department and the Indian Affairs Commission to collaborate to improve the coordination of tribal and state court activities relating to child support enforcement, the same as the Senate version.
- Providing for a Legislative Council study of the services provided by residential treatment centers and residential child care facilities and the appropriateness of the payments provided by the state for these services, the same as the Senate version.
- Authorizing the department to spend up to \$30,000 of the program and policy operating expenses line item for paying petitioning costs for individuals with developmental disabilities who have been referred for corporate guardianship. The Senate appropriated an additional \$30,000 from the general fund for these costs.
- Providing for a Legislative Council study of the Department of Human Services system of paying qualified service providers.
- Requiring the Department of Human Services to determine the effect of anticipated FMAP changes on the department's budget and programs and to report to the Legislative Council on the extent to which the department can provide for any additional general fund requirements related to FMAP changes within the department's budget and to identify programs to reduce or discontinue if the effect cannot be provided for within the department's budget.

The section added by the House providing for a Legislative Council study of long-term care is expanded to include the possibility of accessing additional federal funding through the intergovernmental transfer process.

House Bill No. 1012 - DHS - State Hospital - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Traditional Secure	\$42,272,978 <u>5,455,560</u>	\$42,119,562 <u>5,430,860</u>	\$62,826 <u>(6,740)</u>	\$42,182,388 <u>5,424,120</u>	\$42,182,388 <u>5,424,120</u>	
Total all funds	\$47,728,538	\$47,550,422	\$56,086	\$47,606,508	\$47,606,508	\$0
Less estimated income	<u>15,610,871</u>	<u>15,676,878</u>	<u>(18,104)</u>	<u>15,658,774</u>	<u>15,658,774</u>	
General fund	\$32,117,667	\$31,873,544	\$74,190	\$31,947,734	\$31,947,734	\$0
FTE	424.01	424.01	0.00	424.01	424.01	0.00

¹State Hospital - Conference Committee Changes:

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Reduces recommended funding for health insurance		(\$35,810)	(\$18,104)	(\$53,914)
Adds funds for repairing and painting the State Hospital water tower, the same as the Senate version		110,000		110,000
Total Conference Committee Changes - State Hospital	0.00	\$74,190	(\$18,104)	\$56,086

House Bill No. 1012 - DHS - Developmental Center - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Human service centers/institutions	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700	\$42,164,700	
Total all funds	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700	\$42,164,700	\$0
Less estimated income	31,349,952	30,825,680	(44,383)	30,781,297	30,781,297	
General fund	\$11,696,425	\$11,398,923	(\$15,520)	\$11,383,403	\$11,383,403	\$0
FTE	451.54	451.54	0.00	451.54	451.54	0.00
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL	

¹Developmental Center - Conference Committee Changes:

Reduces recommended funding for health insurance		(\$15,520)	(\$44,383)	(\$59,903)	
Total Conference Committee Changes - Developmental Center	0.00	(\$15,520)	(\$44,383)	(\$59,903)	

House Bill No. 1012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
DHS - Northwest HSC	\$3,688,546	\$3,634,208	(\$3,080)	\$3,631,128	\$3,631,128	
DHS - North Central HSC	8,163,022	8,020,684	(7,976)	8,012,708	8,012,708	
DHS - Lake Region HSC	4,974,499	4,887,533	(3,940)	4,883,593	4,883,593	
DHS - Northeast HSC	8,484,532	8,306,292	(7,090)	8,299,202	8,299,202	
DHS - Southeast HSC	10,148,529	9,880,827	(9,260)	9,871,567	9,871,567	
DHS - South Central HSC	5,916,635	5,828,865	(4,890)	5,823,975	5,823,975	
DHS - West Central HSC	9,025,416	8,846,855	(7,545)	8,839,310	8,839,310	
DHS - Badlands HSC	4,569,614	4,498,790	(4,480)	4,494,310	4,494,310	
Total general fund	\$54,970,793	\$53,904,054	(\$48,261)	\$53,855,793	\$53,855,793	\$0

House Bill No. 1012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
DHS - Northwest HSC	\$3,691,210	\$3,684,763	(\$3,160)	\$3,681,603	\$3,681,603	
DHS - North Central HSC	7,270,196	7,257,513	(7,000)	7,250,513	7,250,513	
DHS - Lake Region HSC	4,221,881	4,214,056	(3,798)	4,210,258	4,210,258	
DHS - Northeast HSC	12,211,610	12,190,660	(11,630)	12,179,030	12,179,030	
DHS - Southeast HSC	13,673,717	13,645,595	(13,204)	13,632,391	13,632,391	
DHS - South Central HSC	6,322,357	6,310,281	(5,968)	6,304,313	6,304,313	
DHS - West Central HSC	9,675,203	9,658,913	(8,180)	9,650,733	9,650,733	
DHS - Badlands HSC	4,819,177	4,809,497	(5,254)	4,804,243	4,804,243	
Total other funds	\$61,885,351	\$61,771,278	(\$58,194)	\$61,713,084	\$61,713,084	\$0

House Bill No. 1012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
DHS - Northwest HSC	\$7,379,756	\$7,318,971	(\$6,240)	\$7,312,731	\$7,312,731	
DHS - North Central HSC	15,433,218	15,278,197	(14,976)	15,263,221	15,263,221	
DHS - Lake Region HSC	9,196,380	9,101,589	(7,738)	9,083,851	9,083,851	
DHS - Northeast HSC	20,696,142	20,496,952	(18,720)	20,478,232	20,478,232	
DHS - Southeast HSC	23,822,246	23,526,422	(22,464)	23,503,958	23,503,958	
DHS - South Central HSC	12,238,992	12,139,146	(10,858)	12,128,288	12,128,288	
DHS - West Central HSC	18,700,619	18,505,768	(15,725)	18,490,043	18,490,043	
DHS - Badlands HSC	9,388,791	9,308,287	(9,734)	9,298,553	9,298,553	
Total all funds	\$116,856,144	\$115,675,332	(\$106,455)	\$115,568,877	\$115,568,877	\$0
FTE	840.48	840.48	0.00	840.48	840.48	0.00

¹Reduces recommended funding for health insurance at the human service centers as follows:

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Northwest HSC		(\$3,080)	(\$3,160)	(\$6,240)
North Central HSC		(7,976)	(7,000)	(14,976)
Lake Region HSC		(3,940)	(3,798)	(7,738)

Northeast HSC	(7,090)	(11,630)	(18,720)
Southeast HSC	(9,260)	(13,204)	(22,464)
South Central HSC	(4,890)	(5,968)	(10,858)
West Central HSC	(7,545)	(8,180)	(15,725)
Badlands HSC	(4,480)	(5,254)	(9,734)
Total	(\$48,261)	(\$58,194)	(\$106,455)

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the Senate recede from its amendments as printed on pages 1628-1636 of the House Journal and pages 1286-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 2, replace "and" with "an" and after "study" insert "; to provide an appropriation to the state department of health"

Page 1, line 3, remove "and" and after "authority" insert "; to create and enact a new section to chapter 25-18 of the North Dakota Century Code, relating to providing services to medically fragile children; to amend and reenact subsection 10 of section 54-44.8-01 of the North Dakota Century Code, relating to telecommunications equipment; and to declare an emergency"

Page 3, line 29, replace "(\$486,633)" with "(\$498,738)"

Page 3, line 30, replace "(1,787,339)" with "27,401,520"

Page 4, line 2, replace "(\$5,535,466)" with "\$23,641,288"

Page 4, line 3, replace "(11,288,586)" with "17,895,373"

Page 4, line 4, replace "5,753,120" with "5,745,915"

Page 4, line 7, replace "699,801" with "670,847"

Page 4, line 8, replace "(109,195)" with "(104,195)"

Page 4, line 10, replace "44,572,418" with "44,150,725"

Page 4, line 11, replace "71,360,100" with "84,529,164"

Page 4, line 12, replace "116,517,316" with "129,240,733"

Page 4, line 13, replace "63,463,933" with "74,019,612"

Page 4, line 14, replace "53,053,383" with "55,221,121"

Page 4, line 19, replace "43,292" with "37,052"

Page 4, line 20, replace "39,123" with "35,963"

Page 4, line 21, replace "4,169" with "1,089"

Page 4, line 23, replace "713,327" with "698,351"

Page 4, line 24, replace "533,839" with "526,839"

Page 4, line 25, replace "179,488" with "171,512"

Page 4, line 27, replace "680,656" with "672,918"

Page 4, line 28, replace "431,083" with "427,285"

Page 4, line 29, replace "249,573" with "245,633"

Page 5, line 2, replace "1,055,769" with "1,037,049"

Page 5, line 3, replace "745,840" with "734,210"

Page 5, line 4, replace "309,929" with "302,839"

Page 5, line 6, replace "2,801,880" with "2,779,416"

Page 5, line 7, replace "2,430,373" with "2,417,169"

Page 5, line 8, replace "371,507" with "362,247"

Page 5, line 10, replace "780,171" with "769,313"

Page 5, line 11, replace "578,413" with "572,445"

Page 5, line 12, replace "201,758" with "196,868"

Page 5, line 14, replace "920,924" with "905,199"

Page 5, line 15, replace "537,278" with "529,098"

Page 5, line 16, replace "383,646" with "376,101"

Page 5, line 18, replace "383,660" with "373,926"

Page 5, line 19, replace "250,774" with "245,520"

Page 5, line 20, replace "132,886" with "128,406"

Page 5, line 22, replace "230,001" with "292,827"

Page 5, line 23, replace "5,430,860" with "5,424,120"

Page 5, line 24, replace "5,660,861" with "5,716,947"

Page 5, line 25, replace "(728,482)" with "(746,586)"

Page 5, line 26, replace "6,389,343" with "6,463,533"

Page 5, line 28, replace "1,463,546" with "1,403,643"

Page 5, line 29, replace "(1,124,148)" with "(1,168,531)"

Page 5, line 30, replace "2,587,694" with "2,572,174"

Page 5, line 31, replace "14,254,086" with "14,143,814"

Page 6, line 1, replace "3,694,093" with "3,573,412"

Page 6, line 2, replace "10,559,993" with "10,570,402"
Page 6, line 3, replace "69,366,496" with "71,537,438"
Page 6, line 4, replace "55,869,440" with "95,488,397"
Page 6, line 5, replace "125,235,936" with "167,025,835"
Page 6, line 14, replace "10,529,652" with "10,517,547"
Page 6, line 15, replace "31,779,849" with "60,968,708"
Page 6, line 17, replace "42,312,257" with "71,489,011"
Page 6, line 18, replace "22,841,521" with "52,025,480"
Page 6, line 19, replace "19,470,736" with "19,463,531"
Page 6, line 22, replace "22,753,582" with "22,724,628"
Page 6, line 23, replace "37,272,214" with "37,277,214"
Page 6, line 25, replace "333,260,143" with "332,838,450"
Page 6, line 26, replace "993,037,274" with "1,006,206,338"
Page 6, line 27, replace "1,386,357,077" with "1,399,080,494"
Page 6, line 28, replace "1,022,556,015" with "1,033,111,694"
Page 6, line 29, replace "363,801,062" with "365,968,800"

Page 7, line 3, replace "7,318,971" with "7,312,731"
Page 7, line 4, replace "3,684,763" with "3,681,603"
Page 7, line 5, replace "3,634,208" with "3,631,128"
Page 7, line 7, replace "15,278,197" with "15,263,221"
Page 7, line 8, replace "7,257,513" with "7,250,513"
Page 7, line 9, replace "8,020,684" with "8,012,708"
Page 7, line 11, replace "9,101,589" with "9,093,851"
Page 7, line 12, replace "4,214,056" with "4,210,258"
Page 7, line 13, replace "4,887,533" with "4,883,593"
Page 7, line 15, replace "20,496,952" with "20,478,232"
Page 7, line 16, replace "12,190,660" with "12,179,030"
Page 7, line 17, replace "8,306,292" with "8,299,202"
Page 7, line 19, replace "23,526,422" with "23,503,958"

Page 7, line 20, replace "13,645,595" with "13,632,391"

Page 7, line 21, replace "9,880,827" with "9,871,567"

Page 7, line 23, replace "12,139,146" with "12,128,288"

Page 7, line 24, replace "6,310,281" with "6,304,313"

Page 7, line 25, replace "5,828,865" with "5,823,975"

Page 7, line 27, replace "18,505,768" with "18,490,043"

Page 7, line 28, replace "9,658,913" with "9,650,733"

Page 7, line 29, replace "8,846,855" with "8,839,310"

Page 8, line 1, replace "9,308,287" with "9,298,553"

Page 8, line 2, replace "4,809,497" with "4,804,243"

Page 8, line 3, replace "4,498,790" with "4,494,310"

Page 8, line 5, replace "42,119,562" with "42,182,388"

Page 8, line 6, replace "5,430,860" with "5,424,120"

Page 8, line 7, replace "47,550,422" with "47,606,508"

Page 8, line 8, replace "15,676,878" with "15,658,774"

Page 8, line 9, replace "31,873,544" with "31,947,734"

Page 8, line 11, replace "42,224,603" with "42,164,700"

Page 8, line 12, replace "30,825,680" with "30,781,297"

Page 8, line 13, replace "11,398,923" with "11,383,403"

Page 8, line 14, replace "205,450,357" with "205,340,085"

Page 8, line 15, replace "108,273,836" with "108,153,155"

Page 8, line 16, replace "97,176,521" with "97,186,930"

Page 8, line 17, replace "480,448,319" with "482,619,261"

Page 8, line 18, replace "1,153,671,372" with "1,193,290,329"

Page 8, line 19, replace "1,634,119,691" with "1,675,909,590"

Page 9, line 11, replace "\$114,755" with "\$254,356"

Page 9, after line 14, insert:

**"SECTION 8. ESTIMATED INCOME - LIMIT - PERMANENT OIL TAX TRUST
FUND.** Notwithstanding section 57-51.1-07.2, the estimated income line item in

subdivision 1 of section 3 of this Act includes \$3,667,820 from the permanent oil tax trust fund. The department of human services expenditures from this fund may not exceed this amount for the period beginning with the effective date of this Act, and ending June 30, 2007."

Page 9, after line 18, insert:

"SECTION 10. FUNDING FOR CORPORATE GUARDIANSHIP PETITIONING COSTS. The department of human services may spend up to \$30,000 of the funds appropriated in the operating expenses line item in subdivision 2 of section 3 of this Act for paying petitioning costs for indigent individuals with developmental disabilities who have been referred for corporate guardianship for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 11. FEDERAL MEDICAL ASSISTANCE PERCENTAGE CHANGES - DEPARTMENT OF HUMAN SERVICES PROGRAM REVIEW - LEGISLATIVE COUNCIL REPORT. During the 2005-06 interim, the department of human services shall determine the fiscal effect of anticipated changes in the federal medical assistance percentage for North Dakota for federal fiscal years 2007 and 2008. The department, with input from service providers, shall review its budget and programs and services to determine the extent to which the department can provide for additional general fund requirements resulting from federal matching changes without affecting the level of services provided by the department. If the department determines that programs and services will be affected, the department, with input from service providers, shall identify programs and services to reduce or discontinue to maintain its general fund budget within the funding level approved by the 2005 legislative assembly. By July 1, 2006, the department shall report to the legislative council regarding its budget and program review and its suggestions for programs and services to reduce or discontinue, including any legislation necessary to make the suggested changes. The legislative council shall receive the department's report and report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 12. LEGISLATIVE COUNCIL STUDY - QUALIFIED SERVICE PROVIDER PAYMENT SYSTEM. The legislative council shall consider studying, during the 2005-06 interim, the department of human services system of paying qualified service providers. The study must include a review of the appropriateness of payment levels to various providers. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 13. APPROPRIATION - STATE DEPARTMENT OF HEALTH. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much of the sum as may be necessary, to the state department of health for the purpose of providing a grant for suicide prevention programs on the Standing Rock Indian Reservation for the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 9, line 25, after the period insert "The study, if conducted, must also include, with input from representatives of the department of human services, the long-term care industry, and the federal centers for medicare and medicaid services, the possibility of accessing additional federal funding through the intergovernmental transfer process. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 15. LEGISLATIVE COUNCIL STUDY - RESIDENTIAL TREATMENT CENTER AND RESIDENTIAL CHILD CARE FACILITY PAYMENT SYSTEMS. The legislative council shall consider studying, during the 2005-06 interim,

the services provided by residential treatment centers and residential child care facilities and the appropriateness of the payments provided by the state for these services.

SECTION 16. PLAN TO TRANSFER APPROPRIATE DEVELOPMENTAL CENTER RESIDENTS TO COMMUNITIES - LEGISLATIVE COUNCIL REPORT. The department of human services, with input from developmental disabilities services providers, shall develop, during the 2005-06 interim, a plan to transfer appropriate individuals from the developmental center to community placements and begin the transfers during the 2005-07 biennium. The department shall report to the legislative council on its plan and on the anticipated number of individuals that will be transferred during the 2005-07 biennium.

SECTION 17. DEPARTMENT OF HUMAN SERVICES AND INDIAN AFFAIRS COMMISSION - CHILD SUPPORT - STATE AND TRIBAL COURT COORDINATION. The department of human services and the indian affairs commission shall collaborate to facilitate the coordination of state and tribal court activities to increase the amount of child support collected for noncustodial parents for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 18. A new section to chapter 25-18 of the North Dakota Century Code is created and enacted as follows:

Payment for services to medically fragile children. The department may consider the unique level of care, the additional cost required to provide services to medically fragile clients under twenty-one years of age, and the actual and reasonable cost of providing services to developmentally disabled individuals when reimbursing an intermediate care facility for the mentally retarded.

SECTION 19. AMENDMENT. Subsection 10 of section 54-44.8-01 of the North Dakota Century Code is amended and reenacted as follows:

10. "Specialized telecommunications equipment" means a dedicated telecommunications device that, when connected to a telephone, enables or assists a person who is communications impaired to communicate with another person utilizing the telephone network. The term may include telecommunications devices for the deaf, amplifiers, and signaling devices. Specialized telecommunications equipment provided under this chapter to an individual may not exceed two thousand dollars in total cost per device.

SECTION 20. EMERGENCY. The appropriation of \$29,188,859 included in subdivision 1 of section 3 of this Act for the medicaid management information system replacement project and section 19 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
State Department of Health						
Total all funds	\$0	\$0	\$30,000	\$30,000	\$0	\$30,000
Less estimated income						
General fund	\$0	\$0	\$30,000	\$30,000	\$0	\$30,000

DHS - Management							
Total all funds	\$71,539,214	\$42,312,257	\$29,176,754	\$71,489,011	\$71,489,011		\$0
Less estimated income	48,374,575	22,841,521	29,183,959	52,025,480	52,025,480		
General fund	\$23,164,639	\$19,470,736	(\$7,205)	\$19,463,531	\$19,463,531		\$0
DHS - Program/Policy							
Total all funds	\$1,396,151,539	\$1,386,357,077	\$12,723,417	\$1,399,080,494	\$1,389,331,530		\$9,748,964
Less estimated income	1,027,728,022	1,022,556,015	10,555,679	1,033,111,694	1,024,708,561		8,403,133
General fund	\$368,423,517	\$363,801,062	\$2,167,738	\$365,968,800	\$364,622,969		\$1,345,831
DHS - State Hospital							
Total all funds	\$47,728,538	\$47,550,422	\$56,086	\$47,606,508	\$47,606,508		\$0
Less estimated income	15,610,871	15,676,878	(18,104)	15,658,774	15,658,774		
General fund	\$32,117,667	\$31,873,544	\$74,190	\$31,947,734	\$31,947,734		\$0
DHS - Developmental Center							
Total all funds	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700	\$42,164,700		\$0
Less estimated income	31,349,952	30,825,680	(44,383)	30,781,297	30,781,297		
General fund	\$11,696,425	\$11,398,923	(\$15,520)	\$11,383,403	\$11,383,403		\$0
DHS - Northwest HSC							
Total all funds	\$7,379,756	\$7,318,971	(\$6,240)	\$7,312,731	\$7,312,731		\$0
Less estimated income	3,691,210	3,684,763	(3,160)	3,681,603	3,681,603		
General fund	\$3,688,546	\$3,634,208	(\$3,080)	\$3,631,128	\$3,631,128		\$0
DHS - North Central HSC							
Total all funds	\$15,433,218	\$15,278,197	(\$14,976)	\$15,263,221	\$15,263,221		\$0
Less estimated income	7,270,196	7,257,513	(7,000)	7,250,513	7,250,513		
General fund	\$8,163,022	\$8,020,684	(\$7,976)	\$8,012,708	\$8,012,708		\$0
DHS - Lake Region HSC							
Total all funds	\$9,196,380	\$9,101,589	(\$7,738)	\$9,093,851	\$9,093,851		\$0
Less estimated income	4,221,881	4,214,056	(3,798)	4,210,258	4,210,258		
General fund	\$4,974,499	\$4,887,533	(\$3,940)	\$4,883,593	\$4,883,593		\$0
DHS - Northeast HSC							
Total all funds	\$20,696,142	\$20,496,952	(\$18,720)	\$20,478,232	\$20,478,232		\$0
Less estimated income	12,211,610	12,190,660	(11,630)	12,179,030	12,179,030		
General fund	\$8,484,532	\$8,306,292	(\$7,090)	\$8,299,202	\$8,299,202		\$0
DHS - Southeast HSC							
Total all funds	\$23,822,246	\$23,526,422	(\$22,464)	\$23,503,958	\$23,503,958		\$0
Less estimated income	13,673,717	13,645,595	(13,204)	13,632,391	13,632,391		
General fund	\$10,148,529	\$9,880,827	(\$9,260)	\$9,871,567	\$9,871,567		\$0
DHS - South Central HSC							
Total all funds	\$12,238,992	\$12,139,146	(\$10,858)	\$12,128,288	\$12,128,288		\$0
Less estimated income	6,322,357	6,310,281	(5,968)	6,304,313	6,304,313		
General fund	\$5,916,635	\$5,828,865	(\$4,890)	\$5,823,975	\$5,823,975		\$0
DHS - West Central HSC							
Total all funds	\$18,700,619	\$18,505,768	(\$15,725)	\$18,490,043	\$18,490,043		\$0
Less estimated income	9,675,203	9,658,913	(8,180)	9,650,733	9,650,733		
General fund	\$9,025,416	\$8,846,855	(\$7,545)	\$8,839,310	\$8,839,310		\$0
DHS - Badlands HSC							
Total all funds	\$9,388,791	\$9,308,287	(\$9,734)	\$9,298,553	\$9,298,553		\$0
Less estimated income	4,819,177	4,809,497	(5,254)	4,804,243	4,804,243		
General fund	\$4,569,614	\$4,498,790	(\$4,480)	\$4,494,310	\$4,494,310		\$0
Bill Total							
Total all funds	\$1,675,321,812	\$1,634,119,691	\$41,819,899	\$1,675,939,590	\$1,666,160,626		\$9,778,964
Less estimated income	1,184,948,771	1,153,671,372	39,618,957	1,193,290,329	1,184,887,196		8,403,133
General fund	\$490,373,041	\$480,448,319	\$2,200,942	\$482,649,261	\$481,273,430		\$1,375,831

House Bill No. 1012 - State Department of Health - Conference Committee Action

A section is added appropriating \$30,000 from the general fund to the State Department of Health for providing a grant for suicide prevention programs on the Standing Rock Indian Reservation.

House Bill No. 1012 - DHS - Management - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES 1	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$10,567,750	\$10,529,652	(\$12,105)	\$10,517,547	\$10,517,547	
Operating expenses	60,968,708	31,779,849	29,188,859	60,968,708	60,968,708	
Capital assets	2,756	2,756		2,756	2,756	
Total all funds	\$71,539,214	\$42,312,257	\$29,176,754	\$71,489,011	\$71,489,011	\$0
Less estimated income	48,374,575	22,841,521	29,183,959	52,025,480	52,025,480	
General fund	\$23,164,639	\$19,470,736	(\$7,205)	\$19,463,531	\$19,463,531	\$0
FTE	99.10	99.10	0.00	99.10	99.10	0.00

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
1Management - Conference Committee Changes:				
Reduces recommended funding for health insurance		(\$7,205)	(\$4,900)	(\$12,105)
Administration Support Program				
None				
Division of Information Technology Program				
Restores funding for the Medicaid management information system (MMIS) computer project removed by the House with state matching funds of \$3,667,820 provided from the permanent oil tax trust fund rather than the general fund. The Senate also restored the funding except used the health care trust fund for the state match.			29,188,859	29,188,859
Total Conference Committee Changes - Management	0.00	(\$7,205)	\$29,183,959	\$29,176,754

House Bill No. 1012 - DHS - Program/Policy - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$23,054,340	\$22,763,582	(\$28,954)	\$22,724,628	\$22,724,628	
Operating expenses	38,232,573	37,272,214	5,000	37,277,214	37,352,214	(\$75,000)
Capital assets	33,864	33,864		33,864	33,864	
Grants	334,055,993	333,260,143	(421,693)	332,838,450	333,622,731	(784,281)
Grants - Medical assistance	<u>1,000,774,769</u>	<u>993,037,274</u>	<u>13,169,064</u>	<u>1,006,206,338</u>	<u>995,598,093</u>	<u>10,608,245</u>
Total all funds	\$1,396,151,539	\$1,386,357,077	\$12,723,417	\$1,399,080,494	\$1,389,331,530	\$9,748,964
Less estimated income	<u>1,027,728,022</u>	<u>1,022,556,015</u>	<u>10,555,679</u>	<u>1,033,111,694</u>	<u>1,024,708,561</u>	<u>8,403,133</u>
General fund	\$368,423,517	\$363,801,062	\$2,167,738	\$365,968,800	\$364,622,969	\$1,345,831
FTE	233.30	232.30	0.00	232.30	232.30	0.00
	FTE		GENERAL FUND	ESTIMATED INCOME	TOTAL	

1Program and Policy - Conference Committee Changes:

Reduces recommended funding for health insurance (\$8,140) (\$20,814) (\$28,954)

Adds funding to reflect a portion of the estimated additional general funding matching funds that will be required under the Medicaid program resulting from an anticipated reduction in North Dakota's federal medical assistance percentage (FMAP) for federal fiscal year 2007 of .86 percent, from 63.23 percent estimated in the executive budget to the current estimate of 62.37 percent

3,100,000 (3,100,000)

Economic Assistance Policy Program

Adds funding to calculate Indian county allocation grants at 100 percent of excess costs, rather than 90 percent, in accordance with provisions of Senate Bill No. 2301

311,178 311,178

Child Support Program

None

Medical Services Program

Restores funding reduced by the House from the community health trust fund for breast and cervical cancer treatment services, the same as the Senate version

139,601 139,601

Adds funding for the children's health insurance program (Healthy Steps) in anticipation of increased caseload resulting from implementation

428,425 1,607,893 2,036,318

of the vision eligibility system, the same as the Senate version

Adds funding to provide for a 2.65 percent inflationary increase for each year of the biennium rather than 2 percent. The state match of \$846,712 is provided from the health care trust fund.

3,049,436 3,049,436

Long-Term Care Program

Adds funding to provide for a 2.65 percent inflationary increase for each year of the biennium rather than 2 percent. The state match of \$1,164,473 is provided from the health care trust fund.

2,814,580 2,814,580

Aging Services Program

Removes funding for the senior citizen mill levy matching grant program to reflect provisions of Senate Bill No. 2267 which provide a continuing appropriation to the State Treasurer for providing these grants

(1,662,945) (1,662,945)

Children and Family Services Program

Adds funding for increasing the maximum treatment services payment for residential child care facilities to \$15 per day. The House had added funding to increase the maximum payment from \$11.50 to \$14.15 per day and the Senate had added funding to increase the payment to \$15.

21,622 56,066 77,688

Restores a portion of the House reductions made to the funding anticipated to be needed for foster care and subsidized adoption services. The House had reduced this funding by \$594,106, of which \$250,000 is from the general fund and the Senate restored the same amount as the conference committee.

100,000 184,900 284,900

Changes the source of funding for children and family services programs from the general fund to federal temporary assistance for needy families (TANF) funds

(1,074,471) 1,074,471

Adds funding to provide for a 2.65 percent inflationary increase for each year of the biennium rather than 2 percent. The state match of \$213,407 is provided from the health care trust fund.

567,486 567,486

Mental Health and Substance Abuse Program

None

Developmental Disabilities Council

None

Disabilities Program

Adds funding for increasing payment rates for facilities serving children with extensive medical needs, including the Anne Carlsen Center. The Senate also added this funding. This amount is in addition to the \$284,900 added by the House for this purpose.

100,000 184,900 284,900

Adds funding for costs relating to transferring appropriate individuals from the Developmental Center to community placements. The department may use up to \$5,000 of this funding for developing the plan for these transfers. The Senate also added this funding but did not limit the amount that could be spent for the plan.

50,000 50,000

Restores funding to \$910,056 from the general fund for the family subsidy program, the same as the Senate version. The House had reduced funding for this program by \$100,000 from the general fund.

100,000 100,000

Adds funding to provide for a 2.65 percent inflationary increase for each year of the biennium rather than 2 percent. The state match of \$777,260 is provided from the health care trust fund.

2,163,480 2,163,480

Adds funding to increase the average wage of employees of developmental disabilities service providers by an additional 5 cents per hour for the first year of the biennium and by 20 cents per hour for the second year. Of the \$900,217 state match, \$198,148 is provided from the health care trust fund and the remaining

702,069 1,833,680 2,535,749

\$702,069 from the general fund. The House added funding providing an additional 10 cents per hour for the first year of the biennium.

Total Conference Committee Changes - Program and Policy

0.00 \$2,167,738 \$10,555,679 \$12,723,417

Other changes affecting Program and Policy programs:

Sections are added:

- Providing that the department recognize additional costs incurred by intermediate care facilities for the mentally retarded (ICF/MRs) serving medically fragile clients under 21 years of age. The Senate added a similar section but required the department to recognize these additional costs.
- Directing the department and developmental disabilities service providers to develop, during the 2005-06 interim, a plan for transferring appropriate individuals from the Developmental Center to community placements and to begin the transition during the 2005-07 biennium. The section also provides that the department report to the Legislative Council on its plan. The Senate also included a similar section.
- Changing the definition of specialized telecommunications equipment, the same as the Senate version.
- Requiring the department and the Indian Affairs Commission to collaborate to improve the coordination of tribal and state court activities relating to child support enforcement, the same as the Senate version.
- Providing for a Legislative Council study of the services provided by residential treatment centers and residential child care facilities and the appropriateness of the payments provided by the state for these services, the same as the Senate version.
- Authorizing the department to spend up to \$30,000 of the program and policy operating expenses line item for paying petitioning costs for individuals with developmental disabilities who have been referred for corporate guardianship. The Senate appropriated an additional \$30,000 from the general fund for these costs.
- Providing for a Legislative Council study of the Department of Human Services system of paying qualified service providers.
- Requiring the Department of Human Services to determine the effect of anticipated FMAP changes on the department's budget and programs and to report to the Legislative Council on the extent to which the department can provide for any additional general fund requirements related to FMAP changes within the department's budget and to identify programs to reduce or discontinue if the effect cannot be provided for within the department's budget.

The section added by the House providing for a Legislative Council study of long-term care is expanded to include the possibility of accessing additional federal funding through the intergovernmental transfer process.

House Bill No. 1012 - DHS - State Hospital - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Traditional Secure	\$42,272,978 <u>5,455,560</u>	\$42,119,562 <u>5,430,860</u>	\$62,826 <u>(6,740)</u>	\$42,182,388 <u>5,424,120</u>	\$42,182,388 <u>5,424,120</u>	
Total all funds	\$47,728,538	\$47,550,422	\$56,086	\$47,606,508	\$47,606,508	\$0
Less estimated income	<u>15,610,871</u>	<u>15,676,878</u>	<u>(18,104)</u>	<u>15,658,774</u>	<u>15,658,774</u>	
General fund	\$32,117,667	\$31,873,544	\$74,190	\$31,947,734	\$31,947,734	\$0
FTE	424.01	424.01	0.00	424.01	424.01	0.00

FTE GENERAL FUND ESTIMATED INCOME TOTAL

¹State Hospital - Conference Committee Changes:

Reduces recommended funding for health insurance	(\$35,810)	(\$18,104)	(\$53,914)
Adds funds for repairing and painting the State	110,000		110,000

Hospital water tower, the same as the Senate version

Total Conference Committee Changes - State Hospital	0.00	\$74,190	(\$18,104)	\$56,086
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House Bill No. 1012 - DHS - Developmental Center - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Human service centers/institutions	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700	\$42,164,700	
Total all funds	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700	\$42,164,700	\$0
Less estimated income	31,349,952	30,825,680	(44,383)	30,781,297	30,781,297	
General fund	\$11,696,425	\$11,398,923	(\$15,520)	\$11,383,403	\$11,383,403	\$0
FTE	451.54	451.54	0.00	451.54	451.54	0.00
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL	

¹Developmental Center - Conference Committee Changes:

Reduces recommended funding for health insurance		(\$15,520)	(\$44,383)	(\$59,903)
Total Conference Committee Changes - Developmental Center	0.00	(\$15,520)	(\$44,383)	(\$59,903)

House Bill No. 1012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
DHS - Northwest HSC	\$3,688,546	\$3,634,208	(\$3,080)	\$3,631,128	\$3,631,128	
DHS - North Central HSC	8,163,022	8,020,684	(7,976)	8,012,708	8,012,708	
DHS - Lake Region HSC	4,974,499	4,887,533	(3,940)	4,883,593	4,883,593	
DHS - Northeast HSC	8,484,532	8,306,292	(7,090)	8,299,202	8,299,202	
DHS - Southeast HSC	10,148,529	9,880,827	(9,260)	9,871,567	9,871,567	
DHS - South Central HSC	5,916,635	5,828,865	(4,890)	5,823,975	5,823,975	
DHS - West Central HSC	9,025,416	8,846,855	(7,545)	8,839,310	8,839,310	
DHS - Badlands HSC	4,569,614	4,498,790	(4,480)	4,494,310	4,494,310	
Total general fund	\$54,970,793	\$53,904,054	(\$48,261)	\$53,855,793	\$53,855,793	\$0

House Bill No. 1012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
DHS - Northwest HSC	\$3,691,210	\$3,684,763	(\$3,160)	\$3,681,603	\$3,681,603	
DHS - North Central HSC	7,270,196	7,257,513	(7,000)	7,250,513	7,250,513	
DHS - Lake Region HSC	4,221,881	4,214,056	(3,798)	4,210,258	4,210,258	
DHS - Northeast HSC	12,211,610	12,190,660	(11,630)	12,179,030	12,179,030	
DHS - Southeast HSC	13,673,717	13,645,595	(13,204)	13,632,391	13,632,391	
DHS - South Central HSC	6,322,357	6,310,281	(5,968)	6,304,313	6,304,313	
DHS - West Central HSC	9,675,203	9,658,913	(8,180)	9,650,733	9,650,733	
DHS - Badlands HSC	4,819,177	4,809,497	(5,254)	4,804,243	4,804,243	
Total other funds	\$61,885,351	\$61,771,278	(\$58,194)	\$61,713,084	\$61,713,084	\$0

House Bill No. 1012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
DHS - Northwest HSC	\$7,379,756	\$7,318,971	(\$6,240)	\$7,312,731	\$7,312,731	
DHS - North Central HSC	15,433,218	15,278,197	(14,976)	15,263,221	15,263,221	
DHS - Lake Region HSC	9,196,380	9,101,589	(7,738)	9,093,851	9,093,851	
DHS - Northeast HSC	20,696,142	20,496,952	(18,720)	20,478,232	20,478,232	
DHS - Southeast HSC	23,822,246	23,526,422	(22,464)	23,503,958	23,503,958	
DHS - South Central HSC	12,238,992	12,139,146	(10,858)	12,128,288	12,128,288	
DHS - West Central HSC	18,700,619	18,505,768	(15,725)	18,490,043	18,490,043	
DHS - Badlands HSC	9,388,791	9,308,287	(9,734)	9,298,553	9,298,553	
Total all funds	\$116,856,144	\$115,675,332	(\$106,455)	\$115,568,877	\$115,568,877	\$0
FTE	840.48	840.48	0.00	840.48	840.48	0.00

¹Reduces recommended funding for health insurance at the human service centers as follows:

FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Northwest HSC	(\$3,080)	(\$3,160)	(\$6,240)
North Central HSC	(7,976)	(7,000)	(14,976)
Lake Region HSC	(3,940)	(3,798)	(7,738)
Northeast HSC	(7,090)	(11,630)	(18,720)
Southeast HSC	(9,260)	(13,204)	(22,464)
South Central HSC	(4,890)	(5,968)	(10,858)
West Central HSC	(7,545)	(8,180)	(15,725)
Badlands HSC	<u>(4,480)</u>	<u>(5,254)</u>	<u>(9,734)</u>
Total	(\$48,261)	(\$58,194)	(\$106,455)

April 20, 2005

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the House accede to the Senate amendments as printed on pages 1628-1636 of the House Journal and pages 1286-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be further amended as follows:

Page 1, line 3, remove "and" and after "authority" insert "; to create and enact a new section to chapter 50-24.1 of the North Dakota Century Code, relating to developmental disabilities service providers; to amend and reenact sections 50-24.4-06 and 50-24.4-10, subsection 1 of section 50-24.4-11, sections 50-24.4-13, 50-24.4-14, 50-24.4-16, 50-24.4-19, and 50-24.4-27, and subsection 3 of section 50-24.5-02 of the North Dakota Century Code, relating to nursing home rates and basic care rates; and to repeal section 50-24.4-09 of the North Dakota Century Code, relating to interim rates for nursing homes"

Page 9, after line 25, insert:

"SECTION 10. A new section to chapter 50-24.1 of the North Dakota Century Code is created and enacted as follows:

Operating costs for developmental disabilities service providers and qualified service providers. The department of human services shall determine the budget for private, licensed developmental disabilities service providers and qualified service providers by inflating historical costs or payments by the annual percentage developed for long-term care facilities. The department shall consider any additional funds appropriated by the legislative assembly to be in addition to the annual inflator. In this section, a qualified service provider is a county agency or independent contractor that agrees to meet standards for personal attendant care service as established by the department of human services.

SECTION 11. AMENDMENT. Section 50-24.4-06 of the North Dakota Century Code is amended and reenacted as follows:

50-24.4-06. Rate determination. The department shall determine prospective payment rates for resident care costs. For rate years beginning on or after January 1, 1990, ~~the~~ The department shall develop procedures for determining operating cost payment rates that take into account the mix of resident needs and other factors as determined by the department.

The department shall establish, by rule, limitations on compensation recognized in the historical base for top management personnel. Compensation for top management personnel must be categorized as a general and administrative cost and is subject to any limits imposed on that cost category.

SECTION 12. AMENDMENT. Section 50-24.4-10 of the North Dakota Century Code is amended and reenacted as follows:

50-24.4-10. Operating costs after January 1, 1990.

1. For rate years beginning on or after January 1, 1990, ~~the~~ The department shall establish procedures for determining per diem reimbursement for operating costs.

2. The department shall maintain access to national and state economic change indices that can be applied to the appropriate cost categories when determining the operating cost payment rate.
3. The department shall analyze and evaluate each nursing home's cost report of allowable operating costs incurred by the nursing home during the reporting year immediately preceding the rate year for which the payment rate becomes effective.
4. The department shall establish limits on actual allowable historical operating cost per diems based on cost reports of allowable operating costs for the reporting year that begins July 1, 1987, taking into consideration relevant factors including resident needs, nursing hours necessary to meet resident needs, size of the nursing home, and the costs that must be incurred for the care of residents in an efficiently and economically operated nursing home. The limits established by the department may not be less, in the aggregate, than the sixtieth percentile of total actual allowable historical operating cost per diems for each group of nursing homes established under this chapter based on cost reports of allowable operating costs in the previous reporting year. The limits established under this subsection remain in effect until the department establishes a new base period. For the rate year beginning 2006, the department shall establish limits for cost categories using the June 30, 2003, cost report year as the base period. The limits may not fall below the median of the cost report used for the base period. Until a new base period is established, the department shall adjust the limits annually using the appropriate economic change indices established in subsection 5. In determining allowable historical operating cost per diems for purposes of setting limits and nursing home payment rates, the department shall divide the allowable historical operating costs by the actual number of resident days, except that where a nursing home is occupied at less than ninety percent of licensed capacity days, the department may establish procedures to adjust the computation of the indirect care cost per diem to an imputed occupancy level at or below ninety percent. To encourage the development of home and community-based services as an alternative to nursing home care, the department may waive the imputed occupancy level requirements for a nursing home that the department determines to be providing significant home and community-based services in coordination with home and community-based service providers to avoid duplicating existing services. The department shall establish efficiency incentives as appropriate for indirect care costs. The department may establish efficiency incentives for different operating cost categories. The department shall consider establishing efficiency incentives in care-related cost categories. The department may combine one or more operating cost categories and may use different methods for calculating payment rates for each operating cost category or combination of operating cost categories.
5. The department shall establish a composite index or indices based on the average of the increase in the Data Resources, Incorporated, Global Insight, Incorporated, nursing home input price index and the increase in the consumer price index for all urban wage earners and clerical workers (all items, United States city average) to be applied to specific operating cost categories or combination of operating cost categories.
6. Each nursing home shall receive an operating cost payment rate equal to the sum of the nursing home's operating cost payment rates for each operating cost category. The operating cost payment rate for an operating cost category must be the lesser of the nursing home's historical operating cost in the category increased by the appropriate index established in subsection 5 for the operating cost category plus an efficiency incentive

established pursuant to subsection 4 or the limit for the operating cost category increased by the same ~~index~~ inflation rate. If a nursing home's actual historic operating costs are greater than the prospective payment rate for that rate year, there may be no retroactive cost settle-up. In establishing payment rates for one or more operating cost categories, the department may establish separate rates for different classes of residents based on their relative care needs.

7. Effective July 1, 1991, the The efficiency incentives to be established by the department pursuant to subsection 4 for a facility with an actual rate below the limit rate for indirect care costs must include the lesser of two dollars and sixty cents per resident day or the amount determined by multiplying seventy percent times the difference between the actual rate, exclusive of inflation ~~indices~~ rates, and the limit rate, exclusive of current inflation ~~indices~~ rates. The efficiency incentive must be included as a part of the indirect care cost rate.
8. Effective July 1, 1991, each Each nursing home must receive an operating margin of at least three percent based upon the lesser of the actual direct care and other direct care costs and the limit rate prior to inflation. The operating margin will then be added to the rate for direct care and other direct care cost categories.
9. A new base period must be established at least every four years beginning with the cost report period June 30, 2006.

SECTION 13. AMENDMENT. Subsection 1 of section 50-24.4-11 of the North Dakota Century Code is amended and reenacted as follows:

1. For rate years beginning on or after January 1, 1991, the The department may allow a one-time adjustment to historical operating costs of a nursing home that has been found by the department to be significantly below care related minimum standards appropriate to the mix of resident needs in that nursing home when it is determined by the department that the nursing home is unable to meet minimum standards through reallocation of nursing home costs and efficiency incentives or allowances. In developing procedures to allow adjustments, the department shall specify the terms and conditions governing any additional payments made to a nursing home as a result of the adjustment. The department shall establish procedures to recover amounts paid under this section, in whole or in part, and to adjust current and future rates, for nursing homes that fail to use the adjustment to satisfy care related minimum standards.

SECTION 14. AMENDMENT. Section 50-24.4-13 of the North Dakota Century Code is amended and reenacted as follows:

50-24.4-13. Exclusion. Until procedures for determining operating cost payment rates according to mix of resident needs are established for nursing homes that exclusively provide residential services for nongeriatric individuals with physical disabilities or units within nursing homes which exclusively provide geropsychiatric services, such nursing homes or units within nursing homes may not be included in the calculation of the percentiles of any group limits of any cost categories. Each of these nursing homes or units within nursing homes shall receive its actual allowed historical operating cost per diem adjusted by a percentage amount equal to the increase, if any, in the national or state economic change index, made available under section 50-24.4-10, and which the department determines to be relevant to residential services for nongeriatric individuals with physical disabilities or geropsychiatric services.

SECTION 15. AMENDMENT. Section 50-24.4-14 of the North Dakota Century Code is amended and reenacted as follows:

50-24.4-14. General and administrative costs after January 1, 1990. For rate years beginning on or after January 1, 1990, all All general and administrative costs must be included in general and administrative costs in total, without direct or indirect allocation to other cost categories. In a nursing home of sixty or fewer beds, part of an administrator's salary may be allocated to other cost categories to the extent justified in records kept by the nursing home. Central or home office costs representing services of consultants required by law in areas including, but not limited to, dietary, pharmacy, social services, or activities may be allocated to the appropriate department, but only if those costs are directly identified by the nursing home. Central, affiliated, or corporate office costs representing services of consultants not required by law in the areas of nursing, medical records, dietary, other care related services, and plant operations may be allocated to the appropriate operating cost category of a nursing home according to subsections 1 through 5.

1. Only the salaries, fringe benefits, and payroll taxes associated with the individual performing the service may be allocated. No other costs may be allocated.
2. The allocation must be based on direct identification and only to the extent justified in time distribution records that show the actual time spent by the consultant performing the services in for the nursing home.
3. The cost in subsection 1 for each consultant must not be allocated to more than one operating cost category in the nursing home. If more than one nursing home is served by a consultant, all nursing homes shall allocate the consultant's cost to the same operating category.
4. Top management personnel must not be considered consultants.
5. The consultant's full-time responsibilities are to provide the services identified in this section.

SECTION 16. AMENDMENT. Section 50-24.4-16 of the North Dakota Century Code is amended and reenacted as follows:

50-24.4-16. Special rates.

1. For nursing homes with a significant capacity increase and for newly constructed nursing homes, which first provide services on or after July 1, 1988, and which are not included in the calculation of the percentile for any group limits of any cost category, the department shall establish procedures for determining interim operating cost payment rates. The interim payment rate may not be in effect for more than eighteen months. The department shall establish procedures for determining the interim rate and for making a retroactive cost settle-up for periods when an interim rate was in effect.
2. As soon as is practicable following the establishment of the procedures required by subsection 1, the department shall apply the special rates for all affected facilities for rate periods beginning on or after January 1, 1990.

SECTION 17. AMENDMENT. Section 50-24.4-19 of the North Dakota Century Code is amended and reenacted as follows:

50-24.4-19. Prohibited practices. From and after January 1, 1990, a A nursing home is not eligible to receive medical assistance payments unless it refrains from all of the following:

1. Charging private-paying residents rates for similar services which exceed those rates which are approved by the department for medical assistance

recipients, as determined by the prospective desk audit rate, except under the following circumstances: the nursing home may charge private-paying residents a higher rate for a private room and charge for special services which are not included in the daily rate if medical assistance residents are charged separately at the same rate for the same services in addition to the daily rate paid by the department of human services. Services covered by the payment rate must be the same regardless of payment source. Special services, if offered, must be offered to all residents and charged separately at the same rate. Residents are free to select or decline special services. Special services must not include services which must be provided by the nursing home in order to comply with licensure or certification standards and that if not provided would result in a deficiency or violation by the nursing home. Services beyond those required to comply with licensure or certification standards must not be charged separately as a special service if they were included in the payment rate for the previous reporting year. A nursing home that charges a private-paying resident a rate in violation of this chapter is subject to an action by the state or any of its subdivisions or agencies for civil damages. A private-paying resident or the resident's legal representative has a cause of action for civil damages against a nursing home that charges the resident rates in violation of this chapter. The damages awarded shall include three times the payments that result from the violation, together with costs and disbursements, including reasonable ~~attorneys'~~ attorney's fees or their equivalent.

2. Requiring an applicant for admission to the home, or the guardian or conservator of the applicant, as a condition of admission, to pay any fee or deposit in excess of one hundred dollars, loan any money to the nursing home, or promise to leave all or part of the applicant's estate to the home.
3. Requiring any resident of the nursing home to utilize a vendor of health care services who is a licensed physician or pharmacist chosen by the nursing home.
4. Providing differential treatment on the basis of status with regard to public assistance.
5. Discriminating in admissions, services offered, or room assignment on the basis of status with regard to public assistance. Admissions discrimination shall include, but is not limited to:
 - a. Basing admissions decisions upon assurance by the applicant to the nursing home, or the applicant's guardian or conservator, that the applicant is neither eligible for nor will seek public assistance for payment of nursing home care costs.
 - b. Engaging in preferential selection from waiting lists based on an applicant's ability to pay privately.

The collection and use by a nursing home of financial information of any applicant pursuant to a preadmission screening program does not raise an inference that the nursing home is utilizing that information for any purpose prohibited by this chapter.

6. Requiring any vendor of medical care, who is reimbursed by medical assistance under a separate fee schedule, to pay any portion of the vendor's fee to the nursing home except as payment for the fair market value of renting or leasing space or equipment of the nursing home or purchasing support services, if those agreements are disclosed to the department.

7. Refusing, for more than twenty-four hours, to accept a resident returning to the resident's same bed or a bed certified for the same level of care, in accordance with a physician's order authorizing transfer, after receiving inpatient hospital services.
8. Violating any of the rights of health care facility residents enumerated in section 50-10.2-02.
9. Charging a managed care organization a rate that is less than the rate approved by the department for a medical assistance recipient in the same classification.

SECTION 18. AMENDMENT. Section 50-24.4-27 of the North Dakota Century Code is amended and reenacted as follows:

50-24.4-27. Medicare certification. All nursing facilities certified under the medical assistance program shall participate in medicare part A and part B with respect to at least thirty percent of the beds in the facility unless, after submitting an application, medicare certification is denied by the federal health care financing administration. The facility shall file on behalf of each patient or assist each patient in the filing of requests for any third-party benefits to which the patient may be entitled. Medicare review must be conducted at the time of the annual medical assistance review. Charges for medicare-covered services provided to residents who are simultaneously eligible for medical assistance and medicare must be billed to medicare part A or part B before billing medical assistance. Medical assistance may be billed only for charges not reimbursed by medicare.

SECTION 19. AMENDMENT. Subsection 3 of section 50-24.5-02 of the North Dakota Century Code is amended and reenacted as follows:

3. Supplement, within the limits of legislative appropriation, the income of an eligible beneficiary receiving necessary basic care services to the extent that the eligible beneficiary lacks income sufficient to meet the cost of that care, provided at rates determined by the department adjusted by the inflation rate for basic care services used to develop the legislative appropriation for the department.

SECTION 20. REPEAL. Section 50-24.4-09 of the North Dakota Century Code is repealed.

SECTION 21. NURSING HOME, DEVELOPMENTAL DISABILITIES SERVICES PROVIDER, AND QUALIFIED SERVICE PROVIDER OPERATING COSTS - EXCEPTION. Notwithstanding section 50-24.4-10, the department of human services shall inflate nursing home historical costs by two percent for the rate year beginning January 1, 2006. Notwithstanding section 10 of this Act, the department of human services shall inflate developmental disabilities services providers historical costs by two percent for the rate year beginning July 1, 2005. Notwithstanding section 10 of this Act, the department of human services shall inflate qualified service providers' payments by two percent for the rate year beginning January 1, 2006.

SECTION 22. NURSING HOME, DEVELOPMENTAL DISABILITIES SERVICES PROVIDER, AND QUALIFIED SERVICE PROVIDER OPERATING COSTS - EXCEPTION. Notwithstanding section 50-24.4-10, the department of human services shall inflate nursing home historical costs by 2 percent for the rate year beginning January 1, 2006. Notwithstanding section 1 of this Act, the department of human services shall inflate developmental disabilities service providers historical costs by 2 percent for the rate year beginning July 1, 2005, and by 2 percent for the first six months and in accordance with section 1 of this Act for the remaining six months of the rate year beginning July 1, 2006. Notwithstanding section 1 of this Act, the department

of human services shall inflate qualified service providers' payments by 2 percent for the rate year beginning July 1, 2005.

SECTION 23. APPROPRIATION. There is appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the sum of \$656,008, or so much of the sum as may be necessary, and from other funds the sum of \$1,110,008, to the department of human services for nursing home inflationary increases in accordance with provisions of House Bill No. 1252, for the biennium beginning July 1, 2005, and ending June 30, 2007. The funding is provided to inflate historical costs by 2 percent for the rate year beginning January 1, 2006, and by 3.92 percent for the rate year beginning January 1, 2007.

SECTION 24. APPROPRIATION. There is appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the sum of \$402,612, or so much of the sum as may be necessary, and from other funds the sum of \$676,813, to the department of human services for inflationary increases for developmental disabilities service providers, for the biennium beginning July 1, 2005, and ending June 30, 2007. The funding is provided to inflate historical costs by 2 percent for the rate year beginning July 1, 2005, and by 2 percent for six months and 3.92 percent for six months of the rate year beginning July 1, 2006.

SECTION 25. APPROPRIATION. There is appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the sum of \$2,770,554, or so much of the sum as may be necessary, and from other funds the sum of \$5,036,173, to the department of human services for the costs associated with adding funding for increasing the average wage of employees of developmental disabilities service providers by ninety-five cents per hour, forty-seven cents on January 1, 2006, and forty-eight cents on January 1, 2007, for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 26. APPROPRIATION. There is appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the sum of \$291,149, or so much of the sum as may be necessary, and from other funds the sum of \$225,437, to the department of human services for the costs associated with increasing payment rates for qualified service providers, for the biennium beginning July 1, 2005, and ending June 30, 2007. The funding is provided to increase payment rates by 2 percent beginning July 1, 2005, and by 3.92 percent beginning July 1, 2006.

SECTION 27. LEGISLATIVE INTENT. It is the intent of the fifty-ninth legislative assembly that the sixtieth legislative assembly review the appropriateness of inflationary increases provided for nursing homes, developmental disabilities service providers, and qualified service providers."

Renumber accordingly

REPORT OF CONFERENCE COMMITTEE (ACCEDE/RECEDE)

Bill Number 1012 (, as (re)engrossed):Date: 4/20/05 WED. 3:30 P.M.Your Conference Committee APPROPRIATIONS HUMAN RESOURCES

For the Senate:

YES / NO

SEN. FISCHER

✓

SEN. KILZER

✓

SEN. MATHERN

✓

For the House:

YES / NO

REP. DELZER

✓

REP. POLLERT

✓

REP. KERZMAN

✓

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE) from)the (Senate/House) amendments on (SJ/HJ) page(s) 1628 -- 1636, and place on the Seventh order.✓, adopt (further) amendments as follows, and place 1012 on the Seventh order: , having been unable to agree, recommends that the committee be discharged and a new committee be appointed.((Re)Engrossed) HB 1012 was placed on the Seventh order of business on the calendar.DATE: 4/20/05CARRIER: REP. DELZERLC NO. 58035 of amendment 0229LC NO. of engrossmentEmergency clause added or deleted
Statement of purpose of amendmentMOTION MADE BY: SEN. FISCHERSECONDED BY: SEN. KILZERVOTE COUNT 4 YES 2 NO ABSENT

Revised 4/1/05

REPORT OF CONFERENCE COMMITTEE

HB 1012, as engrossed: Your conference committee (Sens. Fischer, Kilzer, Mathern and Reps. Delzer, Pollert, Kerzman) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1628-1636, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1628-1636 of the House Journal and pages 1286-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 2, replace "and" with "an" and after "study" insert "; to provide an appropriation to the state department of health"

Page 1, line 3, remove "and" and after "authority" insert "; to create and enact a new section to chapter 25-18 of the North Dakota Century Code, relating to providing services to medically fragile children; to amend and reenact subsection 10 of section 54-44.8-01 of the North Dakota Century Code, relating to telecommunications equipment; and to declare an emergency"

Page 3, line 29, replace "(\$486,633)" with "(\$498,738)"

Page 3, line 30, replace "(1,787,339)" with "27,401,520"

Page 4, line 2, replace "(\$5,535,466)" with "\$23,641,288"

Page 4, line 3, replace "(11,288,586)" with "17,895,373"

Page 4, line 4, replace "5,753,120" with "5,745,915"

Page 4, line 7, replace "699,801" with "670,847"

Page 4, line 8, replace "(109,195)" with "(104,195)"

Page 4, line 10, replace "44,572,418" with "44,150,725"

Page 4, line 11, replace "71,360,100" with "84,529,164"

Page 4, line 12, replace "116,517,316" with "129,240,733"

Page 4, line 13, replace "63,463,933" with "74,019,612"

Page 4, line 14, replace "53,053,383" with "55,221,121"

Page 4, line 19, replace "43,292" with "37,052"

Page 4, line 20, replace "39,123" with "35,963"

Page 4, line 21, replace "4,169" with "1,089"

Page 4, line 23, replace "713,327" with "698,351"

Page 4, line 24, replace "533,839" with "526,839"

Page 4, line 25, replace "179,488" with "171,512"

Page 4, line 27, replace "680,656" with "672,918"

Page 4, line 28, replace "431,083" with "427,285"

Page 4, line 29, replace "249,573" with "245,633"

Page 5, line 2, replace "1,055,769" with "1,037,049"

Page 5, line 3, replace "745,840" with "734,210"

Page 5, line 4, replace "309,929" with "302,839"

Page 5, line 6, replace "2,801,880" with "2,779,416"

Page 5, line 7, replace "2,430,373" with "2,417,169"

Page 5, line 8, replace "371,507" with "362,247"

Page 5, line 10, replace "780,171" with "769,313"

Page 5, line 11, replace "578,413" with "572,445"

Page 5, line 12, replace "201,758" with "196,868"

Page 5, line 14, replace "920,924" with "905,199"

Page 5, line 15, replace "537,278" with "529,098"

Page 5, line 16, replace "383,646" with "376,101"

Page 5, line 18, replace "383,660" with "373,926"

Page 5, line 19, replace "250,774" with "245,520"

Page 5, line 20, replace "132,886" with "128,406"

Page 5, line 22, replace "230,001" with "292,827"

Page 5, line 23, replace "5,430,860" with "5,424,120"

Page 5, line 24, replace "5,660,861" with "5,716,947"

Page 5, line 25, replace "(728,482)" with "(746,586)"

Page 5, line 26, replace "6,389,343" with "6,463,533"

Page 5, line 28, replace "1,463,546" with "1,403,643"

Page 5, line 29, replace "(1,124,148)" with "(1,168,531)"

Page 5, line 30, replace "2,587,694" with "2,572,174"

Page 5, line 31, replace "14,254,086" with "14,143,814"

Page 6, line 1, replace "3,694,093" with "3,573,412"

Page 6, line 2, replace "10,559,993" with "10,570,402"

Page 6, line 3, replace "69,366,496" with "71,537,438"

Page 6, line 4, replace "55,869,440" with "95,488,397"

Page 6, line 5, replace "125,235,936" with "167,025,835"

Page 6, line 14, replace "10,529,652" with "10,517,547"

Page 6, line 15, replace "31,779,849" with "60,968,708"

Page 6, line 17, replace "42,312,257" with "71,489,011"

Page 6, line 18, replace "22,841,521" with "52,025,480"

Page 6, line 19, replace "19,470,736" with "19,463,531"

Page 6, line 22, replace "22,753,582" with "22,724,628"

Page 6, line 23, replace "37,272,214" with "37,277,214"

Page 6, line 25, replace "333,260,143" with "332,838,450"

Page 6, line 26, replace "993,037,274" with "1,006,206,338"

Page 6, line 27, replace "1,386,357,077" with "1,399,080,494"

Page 6, line 28, replace "1,022,556,015" with "1,033,111.694"

Page 6, line 29, replace "363,801,062" with "365,968,800"

Page 7, line 3, replace "7,318,971" with "7,312,731"

Page 7, line 4, replace "3,684,763" with "3,681,603"

Page 7, line 5, replace "3,634,208" with "3,631,128"

Page 7, line 7, replace "15,278,197" with "15,263,221"

Page 7, line 8, replace "7,257,513" with "7,250,513"

Page 7, line 9, replace "8,020,684" with "8,012,708"

Page 7, line 11, replace "9,101,589" with "9,093,851"

Page 7, line 12, replace "4,214,056" with "4,210,258"

Page 7, line 13, replace "4,887,533" with "4,883,593"

Page 7, line 15, replace "20,496,952" with "20,478,232"

Page 7, line 16, replace "12,190,660" with "12,179,030"

Page 7, line 17, replace "8,306,292" with "8,299,202"

Page 7, line 19, replace "23,526,422" with "23,503,958"

Page 7, line 20, replace "13,645,595" with "13,632,391"

Page 7, line 21, replace "9,880,827" with "9,871,567"

Page 7, line 23, replace "12,139,146" with "12,128,288"

Page 7, line 24, replace "6,310,281" with "6,304,313"

Page 7, line 25, replace "5,828,865" with "5,823,975"

Page 7, line 27, replace "18,505,768" with "18,490,043"

Page 7, line 28, replace "9,658,913" with "9,650,733"

Page 7, line 29, replace "8,846,855" with "8,839,310"

Page 8, line 1, replace "9,308,287" with "9,298,553"

Page 8, line 2, replace "4,809,497" with "4,804,243"

Page 8, line 3, replace "4,498,790" with "4,494,310"

Page 8, line 5, replace "42,119,562" with "42,182,388"

Page 8, line 6, replace "5,430,860" with "5,424,120"

Page 8, line 7, replace "47,550,422" with "47,606,508"

Page 8, line 8, replace "15,676,878" with "15,658,774"

Page 8, line 9, replace "31,873,544" with "31,947,734"

Page 8, line 11, replace "42,224,603" with "42,164,700"

Page 8, line 12, replace "30,825,680" with "30,781,297"

Page 8, line 13, replace "11,398,923" with "11,383,403"

Page 8, line 14, replace "205,450,357" with "205,340,085"

Page 8, line 15, replace "108,273,836" with "108,153,155"

Page 8, line 16, replace "97,176,521" with "97,186,930"

Page 8, line 17, replace "480,448,319" with "482,619,261"

Page 8, line 18, replace "1,153,671,372" with "1,193,290,329"

Page 8, line 19, replace "1,634,119,691" with "1,675,909,590"

Page 9, line 11, replace "\$114,755" with "\$254,356"

Page 9, after line 14, insert:

"SECTION 8. ESTIMATED INCOME - LIMIT - PERMANENT OIL TAX TRUST FUND. Notwithstanding section 57-51.1-07.2, the estimated income line item in subdivision 1 of section 3 of this Act includes \$3,667,820 from the permanent oil tax trust fund. The department of human services expenditures from this fund may not

exceed this amount for the period beginning with the effective date of this Act, and ending June 30, 2007."

Page 9, after line 18, insert:

"SECTION 10. FUNDING FOR CORPORATE GUARDIANSHIP PETITIONING COSTS. The department of human services may spend up to \$30,000 of the funds appropriated in the operating expenses line item in subdivision 2 of section 3 of this Act for paying petitioning costs for indigent individuals with developmental disabilities who have been referred for corporate guardianship for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 11. FEDERAL MEDICAL ASSISTANCE PERCENTAGE CHANGES - DEPARTMENT OF HUMAN SERVICES PROGRAM REVIEW - LEGISLATIVE COUNCIL REPORT. During the 2005-06 interim, the department of human services shall determine the fiscal effect of anticipated changes in the federal medical assistance percentage for North Dakota for federal fiscal years 2007 and 2008. The department, with input from service providers, shall review its budget and programs and services to determine the extent to which the department can provide for additional general fund requirements resulting from federal matching changes without affecting the level of services provided by the department. If the department determines that programs and services will be affected, the department, with input from service providers, shall identify programs and services to reduce or discontinue to maintain its general fund budget within the funding level approved by the 2005 legislative assembly. By July 1, 2006, the department shall report to the legislative council regarding its budget and program review and its suggestions for programs and services to reduce or discontinue, including any legislation necessary to make the suggested changes. The legislative council shall receive the department's report and report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 12. LEGISLATIVE COUNCIL STUDY - QUALIFIED SERVICE PROVIDER PAYMENT SYSTEM. The legislative council shall consider studying, during the 2005-06 interim, the department of human services system of paying qualified service providers. The study must include a review of the appropriateness of payment levels to various providers. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 13. APPROPRIATION - STATE DEPARTMENT OF HEALTH. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much of the sum as may be necessary, to the state department of health for the purpose of providing a grant for suicide prevention programs on the Standing Rock Indian Reservation for the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 9, line 25, after the period insert "The study, if conducted, must also include, with input from representatives of the department of human services, the long-term care industry, and the federal centers for medicare and medicaid services, the possibility of accessing additional federal funding through the intergovernmental transfer process. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 15. LEGISLATIVE COUNCIL STUDY - RESIDENTIAL TREATMENT CENTER AND RESIDENTIAL CHILD CARE FACILITY PAYMENT SYSTEMS. The legislative council shall consider studying, during the 2005-06 interim,

the services provided by residential treatment centers and residential child care facilities and the appropriateness of the payments provided by the state for these services. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 16. PLAN TO TRANSFER APPROPRIATE DEVELOPMENTAL CENTER RESIDENTS TO COMMUNITIES - LEGISLATIVE COUNCIL REPORT. The department of human services, with input from developmental disabilities services providers, shall develop, during the 2005-06 interim, a plan to transfer appropriate individuals from the developmental center to community placements and begin the transfers during the 2005-07 biennium. The department shall report to the legislative council on its plan and on the anticipated number of individuals that will be transferred during the 2005-07 biennium.

SECTION 17. DEPARTMENT OF HUMAN SERVICES AND INDIAN AFFAIRS COMMISSION - CHILD SUPPORT - STATE AND TRIBAL COURT COORDINATION. The department of human services and the indian affairs commission shall collaborate to facilitate the coordination of state and tribal court activities to increase the amount of child support collected for noncustodial parents for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 18. A new section to chapter 25-18 of the North Dakota Century Code is created and enacted as follows:

Payment for services to medically fragile children. The department may consider the unique level of care, the additional cost required to provide services to medically fragile clients under twenty-one years of age, and the actual and reasonable cost of providing services to developmentally disabled individuals when reimbursing an intermediate care facility for the mentally retarded.

SECTION 19. AMENDMENT. Subsection 10 of section 54-44.8-01 of the North Dakota Century Code is amended and reenacted as follows:

10. "Specialized telecommunications equipment" means adedicated telecommunications device that, when connected to a telephone, enables or assists a person who is communications impaired to communicate with another person utilizing the telephone network. The term may include telecommunications devices for the deaf, amplifiers, and signaling devices. Specialized telecommunications equipment provided under this chapter to an individual may not exceed two thousand dollars in total cost per device.

SECTION 20. EMERGENCY. The appropriation of \$29,188,859 included in subdivision 1 of section 3 of this Act for the medicaid management information system replacement project and section 19 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Conference Committee Action

EXECUTIVE
BUDGET

HOUSE
VERSION

CONFERENCE
COMMITTEE
CHANGES

CONFERENCE
COMMITTEE
VERSION

SENATE
VERSION

COMPARISON
TO SENATE

REPORT OF CONFERENCE COMMITTEE (420)
April 21, 2005 8:28 a.m.

Module No: HR-74-8404

Insert LC: 58035.0229

State Department of Health						
Total all funds	\$0	\$0	\$30,000	\$30,000	\$0	\$30,000
Less estimated income						
General fund	\$0	\$0	\$30,000	\$30,000	\$0	\$30,000
DHS - Management						
Total all funds	\$71,539,214	\$42,312,257	\$29,176,754	\$71,489,011	\$71,489,011	\$0
Less estimated income	48,374,575	22,841,521	29,183,959	52,025,480	52,025,480	
General fund	\$23,164,639	\$19,470,736	(\$7,205)	\$19,463,531	\$19,463,531	\$0
DHS - Program/Policy						
Total all funds	\$1,396,151,539	\$1,386,357,077	\$12,723,417	\$1,399,080,494	\$1,389,331,530	\$9,748,964
Less estimated income	1,027,728,022	1,022,556,015	10,555,679	1,033,111,694	1,024,708,561	8,403,133
General fund	\$368,423,517	\$363,801,062	\$2,167,738	\$365,968,800	\$364,622,969	\$1,345,831
DHS - State Hospital						
Total all funds	\$47,728,538	\$47,550,422	\$56,086	\$47,606,508	\$47,606,508	\$0
Less estimated income	15,610,871	15,676,878	(18,104)	15,658,774	15,658,774	
General fund	\$32,117,667	\$31,873,544	\$74,190	\$31,947,734	\$31,947,734	\$0
DHS - Developmental Center						
Total all funds	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700	\$42,164,700	\$0
Less estimated income	31,349,952	30,825,680	(44,383)	30,781,297	30,781,297	
General fund	\$11,696,425	\$11,398,923	(\$15,520)	\$11,383,403	\$11,383,403	\$0
DHS - Northwest HSC						
Total all funds	\$7,379,756	\$7,318,971	(\$6,240)	\$7,312,731	\$7,312,731	\$0
Less estimated income	3,691,210	3,684,763	(3,160)	3,681,603	3,681,603	
General fund	\$3,688,546	\$3,634,208	(\$3,080)	\$3,631,128	\$3,631,128	\$0
DHS - North Central HSC						
Total all funds	\$15,433,218	\$15,278,197	(\$14,976)	\$15,263,221	\$15,263,221	\$0
Less estimated income	7,270,196	7,257,513	(7,000)	7,250,513	7,250,513	
General fund	\$8,163,022	\$8,020,684	(\$7,976)	\$8,012,708	\$8,012,708	\$0
DHS - Lake Region HSC						
Total all funds	\$9,196,380	\$9,101,589	(\$7,738)	\$9,093,851	\$9,093,851	\$0
Less estimated income	4,221,881	4,214,056	(3,798)	4,210,258	4,210,258	
General fund	\$4,974,499	\$4,887,533	(\$3,940)	\$4,883,593	\$4,883,593	\$0
DHS - Northeast HSC						
Total all funds	\$20,696,142	\$20,496,952	(\$18,720)	\$20,478,232	\$20,478,232	\$0
Less estimated income	12,211,610	12,190,660	(11,630)	12,179,030	12,179,030	
General fund	\$8,484,532	\$8,306,292	(\$7,090)	\$8,299,202	\$8,299,202	\$0
DHS - Southeast HSC						
Total all funds	\$23,822,246	\$23,526,422	(\$22,464)	\$23,503,958	\$23,503,958	\$0
Less estimated income	13,673,717	13,645,595	(13,204)	13,632,391	13,632,391	
General fund	\$10,148,529	\$9,880,827	(\$9,260)	\$9,871,567	\$9,871,567	\$0
DHS - South Central HSC						
Total all funds	\$12,238,992	\$12,139,146	(\$10,858)	\$12,128,288	\$12,128,288	\$0
Less estimated income	6,322,357	6,310,281	(5,968)	6,304,313	6,304,313	
General fund	\$5,916,635	\$5,828,865	(\$4,890)	\$5,823,975	\$5,823,975	\$0
DHS - West Central HSC						
Total all funds	\$18,700,619	\$18,505,768	(\$15,725)	\$18,490,043	\$18,490,043	\$0
Less estimated income	9,675,203	9,658,913	(8,180)	9,650,733	9,650,733	
General fund	\$9,025,416	\$8,846,855	(\$7,545)	\$8,839,310	\$8,839,310	\$0
DHS - Badlands HSC						
Total all funds	\$9,388,791	\$9,308,287	(\$9,734)	\$9,298,553	\$9,298,553	\$0
Less estimated income	4,819,177	4,809,497	(5,254)	4,804,243	4,804,243	
General fund	\$4,569,614	\$4,498,790	(\$4,480)	\$4,494,310	\$4,494,310	\$0
Bill Total						
Total all funds	\$1,675,321,812	\$1,634,119,691	\$41,819,899	\$1,675,939,590	\$1,666,160,626	\$9,778,964
Less estimated income	1,184,948,771	1,153,671,372	39,618,957	1,193,290,329	1,184,887,196	8,403,133
General fund	\$490,373,041	\$480,448,319	\$2,200,942	\$482,649,261	\$481,273,430	\$1,375,831

House Bill No. 1012 - State Department of Health - Conference Committee Action

A section is added appropriating \$30,000 from the general fund to the State Department of Health for providing a grant for suicide prevention programs on the Standing Rock Indian Reservation.

House Bill No. 1012 - DHS - Management - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$10,567,750	\$10,529,652	(\$12,105)	\$10,517,547	\$10,517,547	
Operating expenses	60,968,708	31,779,849	29,188,859	60,968,708	60,968,708	

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April 21, 2005 8:28 a.m.

Module No: HR-74-8404

Insert LC: 58035.0229

Capital assets	<u>2,756</u>	<u>2,756</u>		<u>2,756</u>	<u>2,756</u>	
Total all funds	\$71,539,214	\$42,312,257	\$29,176,754	\$71,489,011	\$71,489,011	\$0
Less estimated income	<u>48,374,575</u>	<u>22,841,521</u>	<u>29,183,959</u>	<u>52,025,480</u>	<u>52,025,480</u>	
General fund	\$23,164,639	\$19,470,736	(\$7,205)	\$19,463,531	\$19,463,531	\$0
FTE	99.10	99.10	0.00	99.10	99.10	0.00

FTE GENERAL FUND ESTIMATED INCOME TOTAL

¹Management - Conference Committee Changes:

Reduces recommended funding for health insurance (\$7,205) (\$4,900) (\$12,105)

Administration Support Program

None

Division of Information Technology Program

Restores funding for the Medicaid management information system (MMIS) computer project removed by the House with state matching funds of \$3,667,820 provided from the permanent oil tax trust fund rather than the general fund. The Senate also restored the funding except used the health care trust fund for the state match.

29,188,859 29,188,859

Total Conference Committee Changes - Management 0.00 (\$7,205) \$29,183,959 \$29,176,754

House Bill No. 1012 - DHS - Program/Policy - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$23,054,340	\$22,753,582	(\$28,954)	\$22,724,628	\$22,724,628	
Operating expenses	38,232,573	37,272,214	5,000	37,277,214	37,352,214	(\$75,000)
Capital assets	33,864	33,864		33,864	33,864	
Grants	334,055,993	333,260,143	(421,693)	332,838,450	333,622,731	(784,281)
Grants - Medical assistance	<u>1,000,774,769</u>	<u>993,037,274</u>	<u>13,169,064</u>	<u>1,006,206,338</u>	<u>995,598,093</u>	<u>10,608,245</u>
Total all funds	\$1,396,151,539	\$1,386,357,077	\$12,723,417	\$1,399,080,494	\$1,389,331,530	\$9,748,964
Less estimated income	<u>1,027,728,022</u>	<u>1,022,556,015</u>	<u>10,555,679</u>	<u>1,033,111,694</u>	<u>1,024,708,561</u>	<u>8,403,133</u>
General fund	\$368,423,517	\$363,801,062	\$2,167,738	\$365,968,800	\$364,622,969	\$1,345,831
FTE	233.30	232.30	0.00	232.30	232.30	0.00
		FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL	

¹Program and Policy - Conference Committee Changes:

Reduces recommended funding for health insurance (\$8,140) (\$20,814) (\$28,954)

Adds funding to reflect a portion of the estimated additional general funding matching funds that will be required under the Medicaid program resulting from an anticipated reduction in North Dakota's federal medical assistance percentage (FMAP) for federal fiscal year 2007 of .86 percent, from 63.23 percent estimated in the executive budget to the current estimate of 62.37 percent

3,100,000 (3,100,000)

Economic Assistance Policy Program

Adds funding to calculate Indian county allocation grants at 100 percent of excess costs, rather than 90 percent, in accordance with provisions of Senate Bill No. 2301

311,178 311,178

Child Support Program

None

Medical Services Program

Restores funding reduced by the House from the community health trust fund for breast and

139,601 139,601

REPORT OF CONFERENCE COMMITTEE (420)
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Module No: HR-74-8404

Insert LC: 58035.0229

cervical cancer treatment services, the same as the Senate version

Adds funding for the children's health insurance program (Healthy Steps) in anticipation of increased caseload resulting from implementation of the vision eligibility system, the same as the Senate version	428,425	1,607,893	2,036,318
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Adds funding to provide for a 2.65 percent inflationary increase for each year of the biennium rather than 2 percent. The state match of \$846,712 is provided from the health care trust fund.		3,049,436	3,049,436
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Long-Term Care Program

Adds funding to provide for a 2.65 percent inflationary increase for each year of the biennium rather than 2 percent. The state match of \$1,164,473 is provided from the health care trust fund.		2,814,580	2,814,580
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Aging Services Program

Removes funding for the senior citizen mill levy matching grant program to reflect provisions of Senate Bill No. 2267 which provide a continuing appropriation to the State Treasurer for providing these grants	(1,662,945)		(1,662,945)
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Children and Family Services Program

Adds funding for increasing the maximum treatment services payment for residential child care facilities to \$15 per day. The House had added funding to increase the maximum payment from \$11.50 to \$14.15 per day and the Senate had added funding to increase the payment to \$15.	21,622	56,066	77,688
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Restores a portion of the House reductions made to the funding anticipated to be needed for foster care and subsidized adoption services. The House had reduced this funding by \$594,106, of which \$250,000 is from the general fund and the Senate restored the same amount as the conference committee.	100,000	184,900	284,900
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Changes the source of funding for children and family services programs from the general fund to federal temporary assistance for needy families (TANF) funds	(1,074,471)	1,074,471	
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Adds funding to provide for a 2.65 percent inflationary increase for each year of the biennium rather than 2 percent. The state match of \$213,407 is provided from the health care trust fund.		567,486	567,486
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Mental Health and Substance Abuse Program

None

Developmental Disabilities Council

None

Disabilities Program

Adds funding for increasing payment rates for facilities serving children with extensive medical needs, including the Anne Carlsen Center. The Senate also added this funding. This amount is in addition to the \$284,900 added by the House for this purpose.	100,000	184,900	284,900
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Adds funding for costs relating to transferring appropriate individuals from the Developmental Center to community placements. The department may use up to \$5,000 of this funding for developing the plan for these transfers. The Senate also added this funding but did not limit the amount that could be spent for the plan.	50,000		50,000
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Restores funding to \$910,056 from the general fund for the family subsidy program, the same as the Senate version. The House had reduced funding for this program by \$100,000 from the general fund.	100,000		100,000
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Adds funding to provide for a 2.65 percent inflationary increase for each year of the biennium rather than 2 percent. The state		2,163,480	2,163,480
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match of \$777,260 is provided from the health care trust fund.

Adds funding to increase the average wage of employees of developmental disabilities service providers by an additional 5 cents per hour for the first year of the biennium and by 20 cents per hour for the second year. Of the \$900,217 state match, \$198,148 is provided from the health care trust fund and the remaining \$702,069 from the general fund. The House added funding providing an additional 10 cents per hour for the first year of the biennium.

702,069	1,833,680	2,535,749
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**Total Conference Committee Changes -
Program and Policy**

0.00	\$2,167,738	\$10,555,679	\$12,723,417
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**Other changes affecting Program and Policy
programs:**

Sections are added:

- Providing that the department may consider additional costs incurred by intermediate care facilities for the mentally retarded (ICF/MRs) serving medically fragile clients under 21 years of age. The Senate added a similar section but required the department to recognize these additional costs.
- Directing the department and developmental disabilities service providers to develop, during the 2005-06 interim, a plan for transferring appropriate individuals from the Developmental Center to community placements and to begin the transition during the 2005-07 biennium. The section also provides that the department report to the Legislative Council on its plan. The Senate also included a similar section.
- Changing the definition of specialized telecommunications equipment, the same as the Senate version.
- Requiring the department and the Indian Affairs Commission to collaborate to improve the coordination of tribal and state court activities relating to child support enforcement, the same as the Senate version.
- Providing for a Legislative Council study of the services provided by residential treatment centers and residential child care facilities and the appropriateness of the payments provided by the state for these services, the same as the Senate version.
- Authorizing the department to spend up to \$30,000 of the program and policy operating expenses line item for paying petitioning costs for individuals with developmental disabilities who have been referred for corporate guardianship. The Senate appropriated an additional \$30,000 from the general fund for these costs.
- Providing for a Legislative Council study of the Department of Human Services system of paying qualified service providers.
- Requiring the Department of Human Services to determine the effect of anticipated FMAP changes on the department's budget and programs and to report to the Legislative Council on the extent to which the department can provide for any additional general fund requirements related to FMAP changes within the department's budget and to identify programs to reduce or discontinue if the effect cannot be provided for within the department's budget.

The section added by the House providing for a Legislative Council study of long-term care is expanded to include the possibility of accessing additional federal funding through the intergovernmental transfer process.

House Bill No. 1012 - DHS - State Hospital - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Traditional Secure	\$42,272,978 <u>5,455,560</u>	\$42,119,562 <u>5,430,860</u>	\$62,826 <u>(6,740)</u>	\$42,182,388 <u>5,424,120</u>	\$42,182,388 <u>5,424,120</u>	
Total all funds	\$47,728,538	\$47,550,422	\$56,086	\$47,606,508	\$47,606,508	\$0
Less estimated income	<u>15,610,871</u>	<u>15,676,878</u>	<u>(18,104)</u>	<u>15,658,774</u>	<u>15,658,774</u>	
General fund	\$32,117,667	\$31,873,544	\$74,190	\$31,947,734	\$31,947,734	\$0
FTE	424.01	424.01	0.00	424.01	424.01	0.00
			FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL

¹State Hospital - Conference Committee Changes:

Reduces recommended funding for health insurance		(\$35,810)	(\$18,104)	(\$53,914)
Adds funds for repairing and painting the State Hospital water tower, the same as the Senate version		110,000		110,000
Total Conference Committee Changes - State Hospital	0.00	\$74,190	(\$18,104)	\$56,086

House Bill No. 1012 - DHS - Developmental Center - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Human service centers/institutions	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700	\$42,164,700	
Total all funds	\$43,046,377	\$42,224,603	(\$59,903)	\$42,164,700	\$42,164,700	\$0
Less estimated income	<u>31,349,952</u>	<u>30,825,680</u>	<u>(44,383)</u>	<u>30,781,297</u>	<u>30,781,297</u>	
General fund	\$11,696,425	\$11,398,923	(\$15,520)	\$11,383,403	\$11,383,403	\$0
FTE	451.54	451.54	0.00	451.54	451.54	0.00
			FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL

¹Developmental Center - Conference Committee Changes:

Reduces recommended funding for health insurance		<u>(\$15,520)</u>	<u>(\$44,383)</u>	<u>(\$59,903)</u>
Total Conference Committee Changes - Developmental Center	0.00	(\$15,520)	(\$44,383)	(\$59,903)

House Bill No. 1012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
DHS - Northwest HSC	\$3,688,546	\$3,634,208	(\$3,080)	\$3,631,128	\$3,631,128	
DHS - North Central HSC	8,163,022	8,020,684	(7,976)	8,012,708	8,012,708	
DHS - Lake Region HSC	4,974,499	4,887,533	(3,940)	4,883,593	4,883,593	
DHS - Northeast HSC	8,484,532	8,306,292	(7,090)	8,299,202	8,299,202	
DHS - Southeast HSC	10,148,529	9,880,827	(9,260)	9,871,567	9,871,567	
DHS - South Central HSC	5,916,635	5,828,865	(4,890)	5,823,975	5,823,975	
DHS - West Central HSC	9,025,416	8,846,855	(7,545)	8,839,310	8,839,310	
DHS - Badlands HSC	<u>4,569,614</u>	<u>4,498,790</u>	<u>(4,480)</u>	<u>4,494,310</u>	<u>4,494,310</u>	
Total general fund	\$54,970,793	\$53,904,054	(\$48,261)	\$53,855,793	\$53,855,793	\$0

House Bill No. 1012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
DHS - Northwest HSC	\$3,691,210	\$3,684,763	(\$3,160)	\$3,681,603	\$3,681,603	
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REPORT OF CONFERENCE COMMITTEE (420)
April 21, 2005 8:28 a.m.

Module No: HR-74-8404

Insert LC: 58035.0229

DHS - North Central HSC	7,270,196	7,257,513	(7,000)	7,250,513	7,250,513	
DHS - Lake Region HSC	4,221,881	4,214,056	(3,798)	4,210,258	4,210,258	
DHS - Northeast HSC	12,211,610	12,190,660	(11,630)	12,179,030	12,179,030	
DHS - Southeast HSC	13,673,717	13,645,595	(13,204)	13,632,391	13,632,391	
DHS - South Central HSC	6,322,357	6,310,281	(5,968)	6,304,313	6,304,313	
DHS - West Central HSC	9,675,203	9,658,913	(8,180)	9,650,733	9,650,733	
DHS - Badlands HSC	<u>4,819,177</u>	<u>4,809,497</u>	<u>(5,254)</u>	<u>4,804,243</u>	<u>4,804,243</u>	
Total other funds	\$61,885,351	\$61,771,278	(\$58,194)	\$61,713,084	\$61,713,084	\$0

House Bill No. 1012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
DHS - Northwest HSC	\$7,379,756	\$7,318,971	(\$6,240)	\$7,312,731	\$7,312,731	
DHS - North Central HSC	15,433,218	15,278,197	(14,976)	15,263,221	15,263,221	
DHS - Lake Region HSC	9,196,380	9,101,589	(7,738)	9,093,851	9,093,851	
DHS - Northeast HSC	20,696,142	20,496,952	(18,720)	20,478,232	20,478,232	
DHS - Southeast HSC	23,822,246	23,526,422	(22,464)	23,503,958	23,503,958	
DHS - South Central HSC	12,238,992	12,139,146	(10,858)	12,128,288	12,128,288	
DHS - West Central HSC	18,700,619	18,505,768	(15,725)	18,490,043	18,490,043	
DHS - Badlands HSC	<u>9,388,791</u>	<u>9,308,287</u>	<u>(9,734)</u>	<u>9,298,553</u>	<u>9,298,553</u>	
Total all funds	\$116,856,144	\$115,675,332	(\$106,455)	\$115,568,877	\$115,568,877	\$0
FTE	840.48	840.48	0.00	840.48	840.48	0.00

¹ Reduces recommended funding for health insurance at the human service centers as follows:

REPORT OF CONFERENCE COMMITTEE (420)
April 21, 2005 8:28 a.m.

Module No: HR-74-8404

Insert LC: 58035.0229

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Northwest HSC		(\$3,080)	(\$3,160)	(\$6,240)
North Central HSC		(7,976)	(7,000)	(14,976)
Lake Region HSC		(3,940)	(3,798)	(7,738)
Northeast HSC		(7,090)	(11,630)	(18,720)
Southeast HSC		(9,260)	(13,204)	(22,464)
South Central HSC		(4,890)	(5,968)	(10,858)
West Central HSC		(7,545)	(8,180)	(15,725)
Badlands HSC		<u>(4,480)</u>	<u>(5,254)</u>	<u>(9,734)</u>
Total		(\$48,261)	(\$58,194)	(\$106,455)

Engrossed HB 1012 was placed on the Seventh order of business on the calendar.

2005 TESTIMONY

HB 1012