

FISCAL NOTE

Requested by Legislative Council

03/12/2001

Bill/Resolution No.:

Amendment to: Reengrossed
 HB 1196

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$11,618,355	\$89,256,454		
Expenditures		\$800,000	\$11,618,355	\$102,672,776		
Appropriations		\$800,000	\$11,618,355	\$102,672,776		

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

	1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
	Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
		\$800,000			\$200,000				

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill re-establishes the Intergovernmental Transfer (IGT) Program, which was established by Senate Bill 2168 of the 1999 Legislative Assembly. Senate Bill 2168 contained a sunset date of June 30, 2001. This bill, if passed, would continue the Long-term Care Loan Fund and the Health Care Trust Fund. This bill changes the rate of interest on the current and future loans to two percent, and identifies the purposes for which loans can be used. This bill also indicates the intended uses of the moneys in the Health Care Trust Fund, while providing a minimum balance of \$13 million as a contingency relating to the first year payment issues with the Federal government (Health Care Financing Agency).

Additionally, the Department would be required to pay \$400,000 **each** to the McVile and Dunseith facilities during the 1999 - 2001 biennium for catch-up payments. Both cities would receive additional revenue of \$100,000 **each** during the 2001 - 2003 biennium, to be retained from the pool payment.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Revenues would be generated from the following sources:

- Federal government - Medicaid program
- IGT payments returned to the Department from the McVile and Dunseith facilities
- Principal and interest from loan payments
- Interest earned on the balance of the fund

Revenue cannot be estimated for the 2003 - 2005 biennium as the Federal government is limiting the amount of revenue available through the Intergovernmental Transfer Program, and interest earnings cannot be anticipated until the Legislature approves the use of the funds for the 2001 - 2003 biennium.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The expenditures are:

- \$800,000 additional transaction fees for McVile and Dunseith - payable in 1999 - 2001
- The initial pool payment to McVile and Dunseith
- Loans
- Previously committed loans and grants
- Service payments for elderly and disabled (SPED)
- HIPAA computer project
- Bank of North Dakota fees
- Compensation enhancements for Nursing Homes and Basic Care Facilities
- Incentives for nursing home bed reductions
- Nursing Facility rebasing
- Nursing Facility, Intermediate Care Facility for the Mentally Retarded, and Basic Care personal care allowances
- Long Term Care need assessment
- Nursing Facility Nurses Student Loan Payment Fund
- Administrative costs
- QSP Training
- Senior citizen mill levy match
- Medical assistance - Targeted Case Management
- Independent living center grants
- \$13 million reserved until final resolution of issues raised by the Federal government
- \$200,000 for nursing student loan payments

Expenditures cannot be estimated for the 2003 - 2005 biennium until the remaining balance

of the fund for the 2001 - 2003 biennium is known, along with the intent of the Legislature and the Executive Budget recommendation for the future.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

This bill provides an appropriation for the expenditures detailed in Section 3B above, including an appropriation of \$200,000 for the Health Department to make nursing student loan payments.

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Agency: Department of Human Services
Date 03/13/2001
Prepared: