

**FIRST ENGROSSMENT
with Conference Committee Amendments**

ENGROSSED HOUSE BILL NO. 1012

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 human services; to provide an exception; to provide for a legislative council study; to provide an
3 appropriation to the state department of health; to provide for a transfer to the general fund; to
4 provide for the transfer of appropriation authority; to create and enact a new section to chapter
5 25-18 of the North Dakota Century Code, relating to providing services to medically fragile
6 children; to amend and reenact subsection 10 of section 54-44.8-01 of the North Dakota
7 Century Code, relating to telecommunications equipment; and to declare an emergency.

8 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

9 **SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this
10 section represent the base level funding component appropriated to the department of human
11 services in section 3 of this Act as follows:

12 Subdivision 1.

13 MANAGEMENT

14 Salaries and wages	\$11,016,285
15 Operating expenses	33,567,188
16 Capital assets	2,694
17 Developmentally disabled facility loan fund	<u>3,261,556</u>
18 Total all funds - Base level	\$47,847,723
19 Less estimated income - Base level	<u>34,130,107</u>
20 Total general fund - Base level	\$13,717,616

21 Subdivision 2.

22 PROGRAM AND POLICY

23 Salaries and wages	\$22,053,781
24 Operating expenses	37,381,409

Fifty-ninth
Legislative Assembly

1	Capital assets	39,672
2	Grants	288,687,725
3	Grants - Medical assistance	<u>921,677,174</u>
4	Total all funds - Base level	\$1,269,839,761
5	Less estimated income - Base level	<u>959,092,082</u>
6	Total general fund - Base level	\$310,747,679
7	Subdivision 3.	
8	MENTAL HEALTH COMMUNITY SERVICES CONTINGENCY	
9	Total general fund - Base level	\$250,000
10	NORTHWEST HUMAN SERVICE CENTER	
11	Total all funds - Base level	\$7,275,679
12	Less estimated income - Base level	<u>3,645,640</u>
13	Total general fund - Base level	\$3,630,039
14	NORTH CENTRAL HUMAN SERVICE CENTER	
15	Total all funds - Base level	\$14,564,870
16	Less estimated income - Base level	<u>6,723,674</u>
17	Total general fund - Base level	\$7,841,196
18	LAKE REGION HUMAN SERVICE CENTER	
19	Total all funds - Base level	\$8,420,933
20	Less estimated income - Base level	<u>3,782,973</u>
21	Total general fund - Base level	\$4,637,960
22	NORTHEAST HUMAN SERVICE CENTER	
23	Total all funds - Base level	\$19,441,183
24	Less estimated income - Base level	<u>11,444,820</u>
25	Total general fund - Base level	\$7,996,363
26	SOUTHEAST HUMAN SERVICE CENTER	
27	Total all funds - Base level	\$20,724,542
28	Less estimated income - Base level	<u>11,215,222</u>
29	Total general fund - Base level	\$9,509,320
30	SOUTH CENTRAL HUMAN SERVICE CENTER	

Fifty-ninth
Legislative Assembly

1	Total all funds - Adjustments/enhancements	\$672,918
2	Less estimated income - Adjustments/enhancements	<u>427,285</u>
3	Total general fund - Adjustments/enhancements	\$245,633
4	NORTHEAST HUMAN SERVICE CENTER	
5	Total all funds - Adjustments/enhancements	\$1,037,049
6	Less estimated income - Adjustments/enhancements	<u>734,210</u>
7	Total general fund - Adjustments/enhancements	\$302,839
8	SOUTHEAST HUMAN SERVICE CENTER	
9	Total all funds - Adjustments/enhancements	\$2,779,416
10	Less estimated income - Adjustments/enhancements	<u>2,417,169</u>
11	Total general fund - Adjustments/enhancements	\$362,247
12	SOUTH CENTRAL HUMAN SERVICE CENTER	
13	Total all funds - Adjustments/enhancements	\$769,313
14	Less estimated income - Adjustments/enhancements	<u>572,445</u>
15	Total general fund - Adjustments/enhancements	\$196,868
16	WEST CENTRAL HUMAN SERVICE CENTER	
17	Total all funds - Adjustments/enhancements	\$905,199
18	Less estimated income - Adjustments/enhancements	<u>529,098</u>
19	Total general fund - Adjustments/enhancements	\$376,101
20	BADLANDS HUMAN SERVICE CENTER	
21	Total all funds - Adjustments/enhancements	\$373,926
22	Less estimated income - Adjustments/enhancements	<u>245,520</u>
23	Total general fund - Adjustments/enhancements	\$128,406
24	STATE HOSPITAL	
25	Traditional services	\$292,827
26	Secure services	<u>5,424,120</u>
27	Total all funds - Adjustments/enhancements	\$5,716,947
28	Less estimated income - Adjustments/enhancements	<u>(746,586)</u>
29	Total general fund - Adjustments/enhancements	\$6,463,533
30	DEVELOPMENTAL CENTER	

Fifty-ninth
Legislative Assembly

1	Total all funds - Adjustments/enhancements	\$1,403,643
2	Less estimated income - Adjustments/enhancements	<u>(1,168,531)</u>
3	Total general fund - Adjustments/enhancements	\$2,572,174
4	Total all funds - Subdivision 3	\$14,143,814
5	Total estimated income - Subdivision 3	\$3,573,412
6	Total general fund appropriation - Subdivision 3	\$10,570,402
7	Total general fund - Section 2	\$71,537,438
8	Total special funds - Section 2	\$95,488,397
9	Total all funds - Section 2	\$167,025,835

10 **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the
11 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
12 treasury, not otherwise appropriated, and from special funds derived from federal funds and
13 other income, to the department of human services for the purpose of defraying the expenses
14 of its various divisions, for the biennium beginning July 1, 2005, and ending June 30, 2007, as
15 follows:

16 Subdivision 1.

17	MANAGEMENT	
18	Salaries and wages	\$10,517,547
19	Operating expenses	60,968,708
20	Capital assets	<u>2,756</u>
21	Total all funds	\$71,489,011
22	Less estimated income	<u>52,025,480</u>
23	Total general fund appropriation	\$19,463,531

24 Subdivision 2.

25	PROGRAM AND POLICY	
26	Salaries and wages	\$22,724,628
27	Operating expenses	37,277,214
28	Capital assets	33,864
29	Grants	332,838,450
30	Grants - Medical assistance	<u>1,006,206,338</u>
31	Total all funds	\$1,399,080,494

Fifty-ninth
Legislative Assembly

1	Less estimated income	<u>1,033,111,694</u>
2	Total general fund appropriation	\$365,968,800
3	Subdivision 3.	
4	NORTHWEST HUMAN SERVICE CENTER	
5	Total all funds	\$7,312,731
6	Less estimated income	<u>3,681,603</u>
7	Total general fund appropriation	\$3,631,128
8	NORTH CENTRAL HUMAN SERVICE CENTER	
9	Total all funds	\$15,263,221
10	Less estimated income	<u>7,250,513</u>
11	Total general fund appropriation	\$8,012,708
12	LAKE REGION HUMAN SERVICE CENTER	
13	Total all funds	\$9,093,851
14	Less estimated income	<u>4,210,258</u>
15	Total general fund appropriation	\$4,883,593
16	NORTHEAST HUMAN SERVICE CENTER	
17	Total all funds	\$20,478,232
18	Less estimated income	<u>12,179,030</u>
19	Total general fund appropriation	\$8,299,202
20	SOUTHEAST HUMAN SERVICE CENTER	
21	Total all funds	\$23,503,958
22	Less estimated income	<u>13,632,391</u>
23	Total general fund appropriation	\$9,871,567
24	SOUTH CENTRAL HUMAN SERVICE CENTER	
25	Total all funds	\$12,128,288
26	Less estimated income	<u>6,304,313</u>
27	Total general fund appropriation	\$5,823,975
28	WEST CENTRAL HUMAN SERVICE CENTER	
29	Total all funds	\$18,490,043
30	Less estimated income	<u>9,650,733</u>
31	Total general fund appropriation	\$8,839,310

1	BADLANDS HUMAN SERVICE CENTER	
2	Total all funds	\$9,298,553
3	Less estimated income	<u>4,804,243</u>
4	Total general fund appropriation	\$4,494,310
5	STATE HOSPITAL	
6	Traditional services	\$42,182,388
7	Secure services	<u>5,424,120</u>
8	Total all funds	\$47,606,508
9	Less estimated income	<u>15,658,774</u>
10	Total general fund appropriation	\$31,947,734
11	DEVELOPMENTAL CENTER	
12	Total all funds	\$42,164,700
13	Less estimated income	<u>30,781,297</u>
14	Total general fund appropriation	\$11,383,403
15	Total all funds - Subdivision 3	\$205,340,085
16	Total estimated income - Subdivision 3	\$108,153,155
17	Total general fund appropriation - Subdivision 3	\$97,186,930
18	Grand total general fund appropriation - H.B. 1012	\$482,619,261
19	Grand total special funds appropriation - H.B. 1012	\$1,193,290,329
20	Grand total all funds appropriation - H.B. 1012	\$1,675,909,590

21 **SECTION 4. FULL-TIME EQUIVALENT EMPLOYEES - MEDICAID - EMERGENCY**
22 **COMMISSION AND BUDGET SECTION APPROVAL.** Subject to emergency commission and
23 budget section approval, the department of human services may hire additional full-time
24 equivalent positions for medicaid program review of eligibility and payments in addition to those
25 authorized by the legislative assembly when it is cost-effective to hire additional positions in lieu
26 of contracts or if no acceptable contract proposal is received within the funding constraints.

27 **SECTION 5. MEDICAID ELIGIBILITY REVIEWS - CONTINGENT FUNDING.** The
28 appropriation in subdivision 2 of section 3 of this Act includes \$615,000 from the general fund
29 and \$615,000 of federal funds for payment error rate measurement eligibility reviews for the
30 medical assistance program. If the department of human services is not required by the federal

1 government to conduct these reviews, the department may not spend these funds for the
2 biennium beginning July 1, 2005, and ending June 30, 2007.

3 **SECTION 6. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.**

4 Notwithstanding section 54-16-04, the department of human services may transfer
5 appropriation authority between line items within each subdivision of section 3 of this Act and
6 between subdivisions within section 3 of this Act for the biennium beginning July 1, 2005, and
7 ending June 30, 2007. The department shall notify the office of management and budget of
8 any transfer made pursuant to this section. The department shall report to the budget section
9 after June 30, 2006, any transfers made in excess of \$50,000 and to the appropriations
10 committees of the sixtieth legislative assembly regarding any transfers made pursuant to this
11 section.

12 **SECTION 7. ESTIMATED INCOME - LIMIT - COMMUNITY HEALTH TRUST FUND.**

13 The estimated income line item in subdivision 2 of section 3 of this Act includes \$254,356 from
14 the community health trust fund. The department of human services expenditures from this
15 fund may not exceed this amount for the biennium beginning July 1, 2005, and ending June 30,
16 2007.

17 **SECTION 8. ESTIMATED INCOME - LIMIT - PERMANENT OIL TAX TRUST FUND.**

18 Notwithstanding section 57-51.1-07.2, the estimated income line item in subdivision 1 of
19 section 3 of this Act includes \$3,667,820 from the permanent oil tax trust fund. The department
20 of human services expenditures from this fund may not exceed this amount for the period
21 beginning with the effective date of this Act, and ending June 30, 2007.

22 **SECTION 9. COMPULSIVE GAMBLING PREVENTION AND TREATMENT FUND -**

23 **TRANSFER TO THE GENERAL FUND.** On July 1, 2005, the director of the office of
24 management and budget and the state treasurer shall transfer \$100,000 from the compulsive
25 gambling prevention and treatment fund to the general fund.

26 **SECTION 10. FUNDING FOR CORPORATE GUARDIANSHIP PETITIONING**

27 **COSTS.** The department of human services may spend up to \$30,000 of the funds
28 appropriated in the operating expenses line item in subdivision 2 of section 3 of this Act for
29 paying petitioning costs for indigent individuals with developmental disabilities who have been
30 referred for corporate guardianship for the biennium beginning July 1, 2005, and ending
31 June 30, 2007.

1 **SECTION 11. FEDERAL MEDICAL ASSISTANCE PERCENTAGE CHANGES -**
2 **DEPARTMENT OF HUMAN SERVICES PROGRAM REVIEW - LEGISLATIVE COUNCIL**
3 **REPORT.** During the 2005-06 interim, the department of human services shall determine the
4 fiscal effect of anticipated changes in the federal medical assistance percentage for North
5 Dakota for federal fiscal years 2007 and 2008. The department, with input from service
6 providers, shall review its budget and programs and services to determine the extent to which
7 the department can provide for additional general fund requirements resulting from federal
8 matching changes without affecting the level of services provided by the department. If the
9 department determines that programs and services will be affected, the department, with input
10 from service providers, shall identify programs and services to reduce or discontinue to
11 maintain its general fund budget within the funding level approved by the 2005 legislative
12 assembly. By July 1, 2006, the department shall report to the legislative council regarding its
13 budget and program review and its suggestions for programs and services to reduce or
14 discontinue, including any legislation necessary to make the suggested changes. The
15 legislative council shall receive the department's report and report its findings and
16 recommendations, together with any legislation required to implement the recommendations, to
17 the sixtieth legislative assembly.

18 **SECTION 12. LEGISLATIVE COUNCIL STUDY - QUALIFIED SERVICE PROVIDER**
19 **PAYMENT SYSTEM.** The legislative council shall consider studying, during the 2005-06
20 interim, the department of human services system of paying qualified service providers. The
21 study must include a review of the appropriateness of payment levels to various providers. The
22 legislative council shall report its findings and recommendations, together with any legislation
23 required to implement the recommendations, to the sixtieth legislative assembly.

24 **SECTION 13. APPROPRIATION - STATE DEPARTMENT OF HEALTH.** There is
25 appropriated out of any moneys in the general fund in the state treasury, not otherwise
26 appropriated, the sum of \$30,000, or so much of the sum as may be necessary, to the state
27 department of health for the purpose of providing a grant for suicide prevention programs on
28 the Standing Rock Indian Reservation for the biennium beginning July 1, 2005, and ending
29 June 30, 2007.

30 **SECTION 14. LEGISLATIVE COUNCIL STUDY - LONG-TERM CARE.** During the
31 2005-06 interim, the legislative council shall consider studying, with input from representatives

1 of the department of human services and the long-term care industry, methods of improving the
2 sustainability of funding long-term care services in the state, including a review of case mix and
3 rate equalization, consideration of additional support for facilities providing additional restorative
4 care services, and consideration of options for reducing the number of required reports of
5 facilities providing high-quality care or for seeking waivers to change the survey process. The
6 study, if conducted, must also include, with input from representatives of the department of
7 human services, the long-term care industry, and the federal centers for medicare and
8 medicaid services, the possibility of accessing additional federal funding through the
9 intergovernmental transfer process. The legislative council shall report its findings and
10 recommendations, together with any legislation required to implement the recommendations, to
11 the sixtieth legislative assembly.

12 **SECTION 15. LEGISLATIVE COUNCIL STUDY - RESIDENTIAL TREATMENT**
13 **CENTER AND RESIDENTIAL CHILD CARE FACILITY PAYMENT SYSTEMS.** The legislative
14 council shall consider studying, during the 2005-06 interim, the services provided by residential
15 treatment centers and residential child care facilities and the appropriateness of the payments
16 provided by the state for these services. The legislative council shall report its findings and
17 recommendations, together with any legislation required to implement the recommendations, to
18 the sixtieth legislative assembly.

19 **SECTION 16. PLAN TO TRANSFER APPROPRIATE DEVELOPMENTAL CENTER**
20 **RESIDENTS TO COMMUNITIES - LEGISLATIVE COUNCIL REPORT.** The department of
21 human services, with input from developmental disabilities services providers, shall develop,
22 during the 2005-06 interim, a plan to transfer appropriate individuals from the developmental
23 center to community placements and begin the transfers during the 2005-07 biennium. The
24 department shall report to the legislative council on its plan and on the anticipated number of
25 individuals that will be transferred during the 2005-07 biennium.

26 **SECTION 17. DEPARTMENT OF HUMAN SERVICES AND INDIAN AFFAIRS**
27 **COMMISSION - CHILD SUPPORT - STATE AND TRIBAL COURT COORDINATION.** The
28 department of human services and the indian affairs commission shall collaborate to facilitate
29 the coordination of state and tribal court activities to increase the amount of child support
30 collected for noncustodial parents for the biennium beginning July 1, 2005, and ending June 30,
31 2007.

1 **SECTION 18.** A new section to chapter 25-18 of the North Dakota Century Code is
2 created and enacted as follows:

3 **Payment for services to medically fragile children.** The department may consider
4 the unique level of care, the additional cost required to provide services to medically fragile
5 clients under twenty-one years of age, and the actual and reasonable cost of providing services
6 to developmentally disabled individuals when reimbursing an intermediate care facility for the
7 mentally retarded.

8 **SECTION 19. AMENDMENT.** Subsection 10 of section 54-44.8-01 of the North
9 Dakota Century Code is amended and reenacted as follows:

10 10. "Specialized telecommunications equipment" means a dedicated
11 telecommunications device that, when connected to a telephone, enables or
12 assists a person who is communications impaired to communicate with another
13 person utilizing the telephone network. The term may include telecommunications
14 devices for the deaf, amplifiers, and signaling devices. Specialized
15 telecommunications equipment provided under this chapter to an individual may
16 not exceed two thousand dollars in total cost per device.

17 **SECTION 20. EMERGENCY.** The appropriation of \$29,188,859 included in
18 subdivision 1 of section 3 of this Act for the medicaid management information system
19 replacement project and section 19 of this Act are declared to be an emergency measure.