

**Fifty-ninth Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 4, 2005**

HOUSE BILL NO. 1012  
(Appropriations Committee)  
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the department of human services; to provide an exception; to provide for a legislative council study; to provide an appropriation to the state department of health; to provide for a transfer to the general fund; to provide for the transfer of appropriation authority; 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.

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

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

Subdivision 1.

MANAGEMENT

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

Subdivision 2.

PROGRAM AND POLICY

Salaries and wages	\$22,053,781
Operating expenses	37,381,409
Capital assets	39,672
Grants	288,687,725
Grants - Medical assistance	<u>921,677,174</u>
Total all funds - Base level	\$1,269,839,761
Less estimated income - Base level	<u>959,092,082</u>
Total general fund - Base level	\$310,747,679

Subdivision 3.

MENTAL HEALTH COMMUNITY SERVICES CONTINGENCY

Total general fund - Base level	\$250,000
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NORTHWEST HUMAN SERVICE CENTER

Total all funds - Base level	\$7,275,679
Less estimated income - Base level	<u>3,645,640</u>
Total general fund - Base level	\$3,630,039

NORTH CENTRAL HUMAN SERVICE CENTER

Total all funds - Base level	\$14,564,870
Less estimated income - Base level	<u>6,723,674</u>
Total general fund - Base level	\$7,841,196

LAKE REGION HUMAN SERVICE CENTER	
Total all funds - Base level	\$8,420,933
Less estimated income - Base level	<u>3,782,973</u>
Total general fund - Base level	\$4,637,960
NORTHEAST HUMAN SERVICE CENTER	
Total all funds - Base level	\$19,441,183
Less estimated income - Base level	<u>11,444,820</u>
Total general fund - Base level	\$7,996,363
SOUTHEAST HUMAN SERVICE CENTER	
Total all funds - Base level	\$20,724,542
Less estimated income - Base level	<u>11,215,222</u>
Total general fund - Base level	\$9,509,320
SOUTH CENTRAL HUMAN SERVICE CENTER	
Total all funds - Base level	\$11,358,975
Less estimated income - Base level	<u>5,731,868</u>
Total general fund - Base level	\$5,627,107
WEST CENTRAL HUMAN SERVICE CENTER	
Total all funds - Base level	\$17,584,844
Less estimated income - Base level	<u>9,121,635</u>
Total general fund - Base level	\$8,463,209
BADLANDS HUMAN SERVICE CENTER	
Total all funds - Base level	\$8,924,627
Less estimated income - Base level	<u>4,558,723</u>
Total general fund - Base level	\$4,365,904
STATE HOSPITAL	
Total all funds - Base level	\$41,889,561
Less estimated income - Base level	<u>16,405,360</u>
Total general fund - Base level	\$25,484,201
DEVELOPMENTAL CENTER	
Total all funds - Base level	\$40,761,057
Less estimated income - Base level	<u>31,949,828</u>
Total general fund - Base level	\$8,811,229
Total all funds - Subdivision 3	\$191,196,271
Total estimated income - Subdivision 3	\$104,579,743
Total general fund appropriation - Subdivision 3	\$86,616,528
Total general fund - Section 1	\$411,081,823
Total special funds - Section 1	\$1,097,801,932
Total all funds - Section 1	\$1,508,883,755

**SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the department of human services which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

MANAGEMENT

Salaries and wages	(\$498,738)
Operating expenses	27,401,520
Capital assets	62
Developmentally disabled facility loan fund	<u>(3,261,556)</u>

Total all funds - Adjustments/enhancements	\$23,641,288
Less estimated income - Adjustments/enhancements	<u>17,895,373</u>
Total general fund - Adjustments/enhancements	\$5,745,915

Subdivision 2.

PROGRAM AND POLICY

Salaries and wages	\$670,847
Operating expenses	(104,195)
Capital assets	(5,808)
Grants	44,150,725
Grants - Medical assistance	<u>84,529,164</u>
Total all funds - Adjustments/enhancements	\$129,240,733
Less estimated income - Adjustments/enhancements	<u>74,019,612</u>
Total general fund - Adjustments/enhancements	\$55,221,121

Subdivision 3.

MENTAL HEALTH COMMUNITY SERVICES CONTINGENCY

Total general fund - Adjustments/enhancements	(\$250,000)
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NORTHWEST HUMAN SERVICE CENTER

Total all funds - Adjustments/enhancements	\$37,052
Less estimated income - Adjustments/enhancements	<u>35,963</u>
Total general fund - Adjustments/enhancements	\$1,089

NORTH CENTRAL HUMAN SERVICE CENTER

Total all funds - Adjustments/enhancements	\$698,351
Less estimated income - Adjustments/enhancements	<u>526,839</u>
Total general fund - Adjustments/enhancements	\$171,512

LAKE REGION HUMAN SERVICE CENTER

Total all funds - Adjustments/enhancements	\$672,918
Less estimated income - Adjustments/enhancements	<u>427,285</u>
Total general fund - Adjustments/enhancements	\$245,633

NORTHEAST HUMAN SERVICE CENTER

Total all funds - Adjustments/enhancements	\$1,037,049
Less estimated income - Adjustments/enhancements	<u>734,210</u>
Total general fund - Adjustments/enhancements	\$302,839

SOUTHEAST HUMAN SERVICE CENTER

Total all funds - Adjustments/enhancements	\$2,779,416
Less estimated income - Adjustments/enhancements	<u>2,417,169</u>
Total general fund - Adjustments/enhancements	\$362,247

SOUTH CENTRAL HUMAN SERVICE CENTER

Total all funds - Adjustments/enhancements	\$769,313
Less estimated income - Adjustments/enhancements	<u>572,445</u>
Total general fund - Adjustments/enhancements	\$196,868

WEST CENTRAL HUMAN SERVICE CENTER

Total all funds - Adjustments/enhancements	\$905,199
Less estimated income - Adjustments/enhancements	<u>529,098</u>
Total general fund - Adjustments/enhancements	\$376,101

BADLANDS HUMAN SERVICE CENTER

Total all funds - Adjustments/enhancements	\$373,926
Less estimated income - Adjustments/enhancements	<u>245,520</u>
Total general fund - Adjustments/enhancements	\$128,406

STATE HOSPITAL

Traditional services	\$292,827
Secure services	<u>5,424,120</u>
Total all funds - Adjustments/enhancements	\$5,716,947
Less estimated income - Adjustments/enhancements	<u>(746,586)</u>
Total general fund - Adjustments/enhancements	\$6,463,533

DEVELOPMENTAL CENTER

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

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

Subdivision 1.

MANAGEMENT

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

Subdivision 2.

PROGRAM AND POLICY

Salaries and wages	\$22,724,628
Operating expenses	37,277,214
Capital assets	33,864
Grants	332,838,450
Grants - Medical assistance	<u>1,006,206,338</u>
Total all funds	\$1,399,080,494
Less estimated income	<u>1,033,111,694</u>
Total general fund appropriation	\$365,968,800

Subdivision 3.

	NORTHWEST HUMAN SERVICE CENTER	
Total all funds		\$7,312,731
Less estimated income		<u>3,681,603</u>
Total general fund appropriation		\$3,631,128
	NORTH CENTRAL HUMAN SERVICE CENTER	
Total all funds		\$15,263,221
Less estimated income		<u>7,250,513</u>
Total general fund appropriation		\$8,012,708
	LAKE REGION HUMAN SERVICE CENTER	
Total all funds		\$9,093,851
Less estimated income		<u>4,210,258</u>
Total general fund appropriation		\$4,883,593
	NORTHEAST HUMAN SERVICE CENTER	
Total all funds		\$20,478,232
Less estimated income		<u>12,179,030</u>
Total general fund appropriation		\$8,299,202
	SOUTHEAST HUMAN SERVICE CENTER	
Total all funds		\$23,503,958
Less estimated income		<u>13,632,391</u>
Total general fund appropriation		\$9,871,567
	SOUTH CENTRAL HUMAN SERVICE CENTER	
Total all funds		\$12,128,288
Less estimated income		<u>6,304,313</u>
Total general fund appropriation		\$5,823,975
	WEST CENTRAL HUMAN SERVICE CENTER	
Total all funds		\$18,490,043
Less estimated income		<u>9,650,733</u>
Total general fund appropriation		\$8,839,310
	BADLANDS HUMAN SERVICE CENTER	
Total all funds		\$9,298,553
Less estimated income		<u>4,804,243</u>
Total general fund appropriation		\$4,494,310
	STATE HOSPITAL	
Traditional services		\$42,182,388
Secure services		<u>5,424,120</u>
Total all funds		\$47,606,508
Less estimated income		<u>15,658,774</u>
Total general fund appropriation		\$31,947,734
	DEVELOPMENTAL CENTER	
Total all funds		\$42,164,700
Less estimated income		<u>30,781,297</u>
Total general fund appropriation		\$11,383,403
Total all funds - Subdivision 3		\$205,340,085
Total estimated income - Subdivision 3		\$108,153,155
Total general fund appropriation - Subdivision 3		\$97,186,930
Grand total general fund appropriation - H.B. 1012		\$482,619,261

Grand total special funds appropriation - H.B. 1012	\$1,193,290,329
Grand total all funds appropriation - H.B. 1012	\$1,675,909,590

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

**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 \$254,356 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. 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. 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. 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.

**SECTION 14. 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. 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 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.

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Chief Clerk of the House

\_\_\_\_\_  
Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-ninth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1012 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote:      Yeas          66              Nays          24              Absent        4

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote:      Yeas          47              Nays          0              Absent        0

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Secretary of the Senate

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2005.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2005.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2005,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State