

FISCAL NOTE
Requested by Legislative Council
12/16/2010

Bill/Resolution No.: SB 2028

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$1,718,014	\$0	\$1,718,014	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	(\$1,718,014)	\$0	\$0	(\$1,718,014)		

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB2028 requires the department of corrections and rehabilitation to reimburse a correctional facility for an inmate's medical or health care expenditures paid by that facility which exceeds \$10,000 for that inmate. SB2028 does not provide for an appropriation.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

SB2028 does not provide for an appropriation. The DOCR 2011-13 executive budget recommendation does not provide for the added cost of SB2028. The added cost (fiscal impact) of SB2028 is difficult to estimate due to the fact that the DOCR does not collect medical use or billing information from non-DOCR correctional facilities. For the purpose of estimating the fiscal impact of SB2023, medical use and expenditure data specific to the DOCR will be used. While the DOCR is able to access medical services at Medicaid rates, for the purpose of this fiscal note it will be assumed that medical services accessed by non-DOCR correctional facilities will be paid at non-Medicaid rates (assumption: non-medicaid rates = medicaid rates X 2). It is also assumed that the SB2028's reference to correctional facilities is limited to the 27 adult county or regional jails located within the State of North Dakota.

Other assumptions:

Total non-DOCR inmate population - 785

Est. number of inmates receiving medical services daily 2.23 - over a two year period (2.23 X 730) = 1,627.9

Est. non-Medicaid cost of inmate medical services over a 2 year period - \$2,822.24

Est. Total non-Medicaid cost of inmate medical services - (1,627.9 X \$2,822.24) = \$4,594,324

Est. percent of total cost consisting of medical claims which exceed \$10,000 - 35%

Est. total medical services cost reimbursable by the DOCR (\$4,594,324 X 35%) = \$1,608,014

Cost of drugs issued to inmates are an additional cost but can not be reasonably estimated for purposes of this fiscal note.

DOCR would require 1 new fte (RN) to administer SB2028 at an estimated cost of \$110,000

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.*

n/a

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.*

Using the assumptions noted above, the estimated total cost (fiscal impact) of SB2028 for a 2 year period is \$1,718,014 (general funds). It is estimated this amount would be reimbursed to county and regional jails for medical or health care expenditures paid by the county and regional jails which have exceeded \$10,000 per inmate. It is also estimated that an one additional FTE would be necessary due to the additional administrative burden SB2028 would create.

Expenditures related to SB2028 would be paid out the Adult Services line item of the DOCR budget.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

No appropriation is included in SB2028. The 2011-13 DOCR executive recommendation does not provide for the estimated fiscal or administrative burden of SB2028.

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