

Sixty-second
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2012

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 exemption; to provide legislative intent; ~~and to amend and~~
3 ~~reenact section 50-29-04 of the North Dakota Century Code, relating to eligibility for the~~
4 ~~children's health insurance program~~ to provide for legislative management studies; and to
5 provide for a department of human services study.

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

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
8 as may be necessary, are appropriated out of any moneys in the general fund in the state
9 treasury, not otherwise appropriated, and from special funds derived from federal funds and
10 other income, to the department of human services for the purpose of defraying the expenses of
11 its various divisions, for the biennium beginning July 1, 2011, and ending June 30, 2013, as
12 follows:

13 Subdivision 1.

	MANAGEMENT		
		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17 Salaries and wages	\$14,231,353	\$2,281,983	\$16,513,336
18 Operating expenses	46,548,787	15,859,351	62,408,138
19 Capital assets	0	138,400	138,400
20 Total all funds	\$60,780,140	\$18,279,734	\$79,059,874
21 Less estimated income	34,477,817	13,060,595	47,538,412
22 Total general fund	\$26,302,323	\$5,219,139	\$31,521,462
23 <u>Salaries and wages</u>	<u>\$14,231,353</u>	<u>\$2,226,715</u>	<u>\$16,458,068</u>
24 <u>Operating expenses</u>	<u>46,548,787</u>	<u>15,735,631</u>	<u>62,284,418</u>

Sixty-second
Legislative Assembly

1	Capital assets	0	138,400	138,400
2	Total all funds	\$60,780,140	\$18,100,746	\$78,880,886
3	Less estimated income	34,477,817	13,285,595	47,763,412
4	Total general fund	\$26,302,323	\$4,815,151	\$31,117,474

Subdivision 2.

PROGRAM AND POLICY

		Adjustments or		
	Base Level	Enhancements	Appropriation	
9	Salaries and wages	\$41,389,716	\$8,956,495	\$50,346,211
10	Operating expenses	75,461,417	15,388,946	90,850,363
11	Capital assets	8,580	(8,580)	0
12	Grants	452,990,742	34,015,295	487,006,037
13	Grants - Medical assistance	1,300,642,323	326,293,701	1,626,936,024
14	Total all funds	\$1,870,492,778	\$384,645,857	\$2,255,138,635
15	Less estimated income	1,381,801,240	136,289,446	1,518,090,686
16	Total general fund	\$488,691,538	\$248,356,411	\$737,047,949
17	Salaries and wages	\$41,389,716	\$8,330,668	\$49,720,384
18	Operating expenses	75,461,417	16,961,863	92,423,280
19	Capital assets	8,580	(8,580)	0
20	Grants	452,990,742	34,015,295	487,006,037
21	Grants - Medical assistance	1,300,642,323	260,496,543	1,561,138,866
22	Total all funds	\$1,870,492,778	\$319,795,789	\$2,190,288,567
23	Less estimated income	1,381,801,240	92,820,911	1,474,622,151
24	Total general fund	\$488,691,538	\$226,974,878	\$715,666,416

Subdivision 3.

HUMAN SERVICE CENTERS AND INSTITUTIONS

		Adjustments or		
	Base Level	Enhancements	Appropriation	
29	Northwest human service center	\$8,452,001	\$297,067	\$8,749,068
30	North-central human service center	19,208,018	3,225,866	22,433,884
31	Lake region human service center	10,886,645	531,586	11,418,231

Sixty-second
Legislative Assembly

1	Northeast human service center	25,768,431	2,414,178	28,182,609
2	Southeast human service center	30,139,636	8,325,084	38,464,720
3	South central human service center	15,567,495	1,386,204	16,953,699
4	West central human service center	24,683,076	2,057,417	26,740,493
5	Badlands human service center	10,857,338	932,316	11,789,654
6	State hospital	65,641,609	7,993,431	73,635,040
7	Developmental center	52,939,281	(1,130,034)	51,809,247
8	Total all funds	\$264,143,530	\$26,033,115	\$290,176,645
9	Less estimated income	132,787,875	(7,146,173)	125,641,702
10	Total general fund	\$131,355,655	\$33,179,288	\$164,534,943
11	<u>Northwest human service center</u>	<u>\$8,452,001</u>	<u>\$222,567</u>	<u>\$8,674,568</u>
12	<u>North central human service center</u>	<u>19,208,018</u>	<u>1,694,208</u>	<u>20,902,226</u>
13	<u>Lake region human service center</u>	<u>10,886,645</u>	<u>357,661</u>	<u>11,244,306</u>
14	<u>Northeast human service center</u>	<u>25,768,431</u>	<u>2,321,019</u>	<u>28,089,450</u>
15	<u>Southeast human service center</u>	<u>30,139,636</u>	<u>7,868,498</u>	<u>38,008,134</u>
16	<u>South central human service center</u>	<u>15,567,495</u>	<u>1,291,516</u>	<u>16,859,011</u>
17	<u>West central human service center</u>	<u>24,683,076</u>	<u>1,669,367</u>	<u>26,352,443</u>
18	<u>Badlands human service center</u>	<u>10,857,338</u>	<u>850,716</u>	<u>11,708,054</u>
19	<u>State hospital</u>	<u>65,641,609</u>	<u>7,581,591</u>	<u>73,223,200</u>
20	<u>Developmental center</u>	<u>52,939,281</u>	<u>(1,130,034)</u>	<u>51,809,247</u>
21	<u>Total all funds</u>	<u>\$264,143,530</u>	<u>\$22,727,109</u>	<u>\$286,870,639</u>
22	<u>Less estimated income</u>	<u>132,787,875</u>	<u>(7,198,220)</u>	<u>125,589,655</u>
23	<u>Total general fund</u>	<u>\$131,355,655</u>	<u>\$29,925,329</u>	<u>\$161,280,984</u>
24	Subdivision 4.			
25	BILL TOTAL			
26			Adjustments or	
27		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
28	Grand total general fund	\$646,349,516	\$286,754,838	\$933,104,354
29	Grand total special funds	1,549,066,932	142,203,868	1,691,270,800
30	Grand total all funds	\$2,195,416,448	\$428,958,706	\$2,624,375,154
31	Full-time equivalent positions	2,216.88	(20.53)	2,196.35

1	<u>Grand total general fund</u>	<u>\$646,349,516</u>	<u>\$261,715,358</u>	<u>\$908,064,874</u>
2	<u>Grand total special funds</u>	<u>1,549,066,932</u>	<u>98,908,286</u>	<u>1,647,975,218</u>
3	<u>Grand total all funds</u>	<u>\$2,195,416,448</u>	<u>\$360,623,644</u>	<u>\$2,556,040,092</u>
4	<u>Full-time equivalent positions</u>	<u>2,216.88</u>	<u>(27.53)</u>	<u>2,189.35</u>

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

9	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
10	Developmental disabilities rate study	\$100,000	\$0
11	Supplemental payment	400,000	0
12	Extraordinary repairs	3,443,692	0
13	Federal stimulus funds	88,033,205	519,175
14	<u>Supplemental payment</u>	<u>0</u>	<u>200,000</u>
15	Equipment over \$5,000	352,606	0
16	State hospital capital projects	0	1,961,840
17	Total all funds	\$92,329,503	\$2,481,015
18	Less estimated income	88,033,205	519,175
19	Total general fund	\$4,296,298	\$1,961,840
20	<u>State hospital capital projects</u>	<u>0</u>	<u>1,800,000</u>
21	<u>Total all funds</u>	<u>\$92,329,503</u>	<u>\$2,519,175</u>
22	<u>Less estimated income</u>	<u>88,033,205</u>	<u>719,175</u>
23	<u>Total general fund</u>	<u>\$4,296,298</u>	<u>\$1,800,000</u>

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The department of human services shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. 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 1 of this Act and between subdivisions within section 1 of this Act for the biennium beginning July 1, 2011, and ending June 30, 2013.

1 The department shall notify the office of management and budget of any transfer made
2 pursuant to this section. The department shall report to the budget section after June 30, 2012,
3 any transfers made in excess of \$50,000 and to the appropriations committees of the sixty-third
4 legislative assembly regarding any transfers made pursuant to this section.

5 **SECTION 4. EXEMPTION.** The amount appropriated for the replacement of the medicaid
6 management information system in chapter 50 of the 2007 Session Laws is not subject to the
7 provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under
8 section 54-44.1-11 for continuation into the 2009-11 biennium are available for the completion of
9 the medicaid management information system project during the biennium beginning July 1,
10 2011, and ending June 30, 2013.

11 ~~**SECTION 5. EXEMPTION.** The amount appropriated to the department of human services,
12 as contained in subdivisions 1, 2, and 3 of section 1 of chapter 12 of the 2009 Session Laws is
13 not subject to the provisions of section 54-44.1-11. Any unexpended general fund dollars from
14 this appropriation are available for the purpose of funding medical assistance grants during the
15 biennium beginning July 1, 2011, and ending June 30, 2013.~~

16 ~~**SECTION 6. OFFICE SPACE LEASE LIMITATION.** The department of human services
17 may not expend more than twelve dollars and fifty cents per square foot per year for leasing
18 office space in the prairie hills plaza in Bismarck for the biennium beginning July 1, 2011, and
19 ending June 30, 2013.~~

20 ~~**SECTION 7. SUPPLEMENTAL PAYMENTS -- DEVELOPMENTAL DISABILITIES
21 SERVICE PROVIDER SALARY AND BENEFIT INCREASES.** The funding appropriated in
22 subdivision 2 of section 1 of this Act includes \$11,364,049, of which \$5,021,489 is from the
23 general fund and \$6,342,560 is from federal funds, for providing supplemental payments to
24 developmental disabilities service providers to allow for a salary and benefit increase for
25 employees beginning July 1, 2011.~~

26 ~~**SECTION 8. LEGISLATIVE INTENT -- FULL-TIME EQUIVALENT POSITIONS.** It is the
27 intent of the sixty-second legislative assembly that the department of human services only fill
28 the seven new full-time equivalent positions authorized by the legislative assembly for the
29 2011-13 biennium relating to implementing federal health care reform after receiving applicable
30 rules from the federal department of health and human services.~~

1 ~~**SECTION 9. AMENDMENT.** Section 50-29-04 of the North Dakota Century Code is~~
2 ~~amended and reenacted as follows:~~

3 ~~**50-29-04. Plan requirements.**~~

4 ~~The plan:~~

5 ~~1. Must be provided through private contracts with insurance carriers;~~

6 ~~2. Must allow conversion to another health insurance policy;~~

7 ~~3. Must be based on an actuarial equivalent of a benchmark plan;~~

8 ~~4. Must incorporate every state-required waiver approved by the federal government;~~

9 ~~5. Must include community-based eligibility outreach services; and~~

10 ~~6. Must provide:~~

11 ~~a. A net income eligibility limit of one hundred sixtyseveny-five percent of the~~
12 ~~poverty line;~~

13 ~~b. A copayment requirement for each pharmaceutical prescription and for each~~
14 ~~emergency room visit;~~

15 ~~c. A deductible for each inpatient hospital visit;~~

16 ~~d. Coverage for:~~

17 ~~(1) Inpatient hospital, medical, and surgical services;~~

18 ~~(2) Outpatient hospital and medical services;~~

19 ~~(3) Psychiatric and substance abuse services;~~

20 ~~(4) Prescription medications;~~

21 ~~(5) Preventive screening services;~~

22 ~~(6) Preventive dental and vision services; and~~

23 ~~(7) Prenatal services; and~~

24 ~~e. A coverage effective date that is the first day of the month, following the date of~~
25 ~~application and determination of eligibility.~~

26 **SECTION 5. GENERAL FUND TRANSFER TO BUDGET SECTION STABILIZATION**

27 **FUND - EXCEPTION - USE OF GENERAL FUND AMOUNTS.** Notwithstanding section
28 54-27.2-02, the state treasurer and the office of management and budget may not include in the
29 amount used to determine general fund transfers to the budget stabilization fund at the end of
30 the 2009-11 biennium under chapter 54-27.2 any general fund amounts resulting from the
31 increased federal share of medical assistance payments resulting from federal medical

1 assistance percentage changes under the American Recovery and Reinvestment Act of 2009
2 and H.R. 1586. The state treasurer and the office of management and budget shall separately
3 account for these amounts resulting from federal medical assistance percentage changes under
4 the American Recovery and Reinvestment Act of 2009 and H.R. 1586 and use these amounts
5 to defray the expenses of continuing program costs of the department of human services from
6 the general fund, for the biennium beginning July 1, 2011, and ending June 30, 2013, including
7 \$25,516,808 for inflationary increases for human services providers.

8 **SECTION 6. DEPARTMENT OF HUMAN SERVICES STUDY - HUMAN SERVICES**

9 **DELIVERY SYSTEM.** During the 2011-12 interim, the department of human services shall
10 review, study, and develop various plans for restructuring the human services delivery system in
11 this state. The review and study must consider the requirements imposed on the department of
12 human services by federal agencies under federal law, federal regulations, program state plans,
13 and program waivers for the administration of and receipt of payment under federal programs.
14 One of the plans for restructuring must provide for the creation of administrative units that are
15 authorized to deliver all of the economic assistance and therapeutic social services programs
16 and services that are currently being provided or authorized to be provided by counties and
17 regional human service centers. The administrative units must have a direct relationship with
18 the department of human services in administering federal programs in the state and must be
19 locally administered. Before August 1, 2012, the department shall present its findings and plans
20 to the legislative management.

21 **SECTION 7. PATIENT-CENTERED MEDICAL HOMES - LEGISLATIVE MANAGEMENT**

22 **STUDY.** During the 2011-12 interim, the legislative management shall consider studying and
23 evaluating the positive and negative impacts of implementation of patient-centered medical
24 homes in the state, including consideration of whether implementation would result in North
25 Dakotans experiencing health care savings and improved medical results as well as whether
26 implementation would impact North Dakota's critical access hospitals. The legislative
27 management shall report its findings and recommendations, together with any legislation
28 required to implement the recommendations, to the sixty-third legislative assembly.

29 **SECTION 8. REPORT ON THE DEMENTIA CARE SERVICES PROGRAM.** During the
30 2011-12 interim, the department of human services shall periodically report to the legislative
31 management regarding the status of the dementia care services program. The reports must

1 include information on budgeted and actual program expenditures, program services, and
2 program outcomes.

3 **SECTION 9. RISK BEHAVIOR PREVENTION GRANTS - MATCHING REQUIREMENTS.**

4 The department of human services shall use \$250,000 of federal funding appropriated in
5 subdivision 2 of section 1 of this Act for the mental health and substance abuse division for
6 providing grants to support a statewide school and community-based youth network dedicated
7 to implementing risk behavior prevention efforts, for the biennium beginning July 1, 2011, and
8 ending June 30, 2013. The department shall require an entity receiving a grant under this
9 section to provide one dollar of matching funds for each dollar of state funds provided.

10 **SECTION 10. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES GRANTS.** It is
11 the intent of the legislative assembly that the department of human services use any anticipated
12 unexpended appropriation authority relating to developmental disabilities grants resulting from
13 caseload or cost changes during the 2011-13 biennium for costs associated with transitioning
14 individuals from the developmental center to communities during the 2011-13 biennium.

15 **SECTION 11. LEGISLATIVE MANAGEMENT STUDY - QUALIFIED SERVICE PROVIDER**
16 **SYSTEM.** During the 2011-12 interim, the legislative management shall consider studying and
17 evaluating the state's qualified service provider system. The legislative management shall report
18 its findings and recommendations, together with any legislation required to implement the
19 recommendations, to the sixty-third legislative assembly.

20 **SECTION 12. SUPPLEMENTAL PAYMENT - HEALTH CARE TRUST FUND.** The grants -
21 medical assistance line item in subdivision 2 of section 1 of this Act includes \$200,000 from the
22 health care trust fund which the department shall provide as a one-time grant to the hospital in a
23 city with a population of less than five hundred according to the 2000 census which also has a
24 government nursing facility that participated in the intergovernmental transfer payment program.