

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 a legislative management study.

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

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

12 Subdivision 1.

13 MANAGEMENT

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

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

4 Subdivision 2.

5 PROGRAM AND POLICY

6		Adjustments or		
7		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
8	<del>Salaries and wages</del>	<del>\$41,389,716</del>	<del>\$8,956,495</del>	<del>\$50,346,211</del>
9	<del>Operating expenses</del>	<del>75,461,417</del>	<del>15,388,946</del>	<del>90,850,363</del>
10	<del>Capital assets</del>	<del>8,580</del>	<del>(8,580)</del>	<del>0</del>
11	<del>Grants</del>	<del>452,990,742</del>	<del>34,015,295</del>	<del>487,006,037</del>
12	<del>Grants - Medical assistance</del>	<del>1,300,642,323</del>	<del>326,293,701</del>	<del>1,626,936,024</del>
13	<del>Total all funds</del>	<del>\$1,870,492,778</del>	<del>\$384,645,857</del>	<del>\$2,255,138,635</del>
14	<del>Less estimated income</del>	<del>1,381,801,240</del>	<del>136,289,446</del>	<del>1,518,090,686</del>
15	<del>Total general fund</del>	<del>\$488,691,538</del>	<del>\$248,356,411</del>	<del>\$737,047,949</del>
16	<u>Salaries and wages</u>	<u>\$41,389,716</u>	<u>\$8,330,668</u>	<u>\$49,720,384</u>
17	<u>Operating expenses</u>	<u>75,461,417</u>	<u>16,961,863</u>	<u>92,423,280</u>
18	<u>Capital assets</u>	<u>8,580</u>	<u>(8,580)</u>	<u>0</u>
19	<u>Grants</u>	<u>452,990,742</u>	<u>34,015,295</u>	<u>487,006,037</u>
20	<u>Grants - Medical assistance</u>	<u>1,300,642,323</u>	<u>300,182,682</u>	<u>1,600,825,005</u>
21	<u>Total all funds</u>	<u>\$1,870,492,778</u>	<u>\$359,481,928</u>	<u>\$2,229,974,706</u>
22	<u>Less estimated income</u>	<u>1,381,801,240</u>	<u>115,058,125</u>	<u>1,496,859,365</u>
23	<u>Total general fund</u>	<u>\$488,691,538</u>	<u>\$244,423,803</u>	<u>\$733,115,341</u>

24 Subdivision 3.

25 HUMAN SERVICE CENTERS AND INSTITUTIONS

26		Adjustments or		
27		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
28	<del>Northwest human service center</del>	<del>\$8,452,001</del>	<del>\$297,067</del>	<del>\$8,749,068</del>
29	<del>North-central human service center</del>	<del>19,208,018</del>	<del>3,225,866</del>	<del>22,433,884</del>
30	<del>Lake region human service center</del>	<del>10,886,645</del>	<del>531,586</del>	<del>11,418,231</del>
31	<del>Northeast human service center</del>	<del>25,768,431</del>	<del>2,414,178</del>	<del>28,182,609</del>

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1	<del>Southeast human service center</del>	<del>30,139,636</del>	<del>8,325,084</del>	<del>38,464,720</del>
2	<del>South central human service center</del>	<del>15,567,495</del>	<del>1,386,204</del>	<del>16,953,699</del>
3	<del>West central human service center</del>	<del>24,683,076</del>	<del>2,057,417</del>	<del>26,740,493</del>
4	<del>Badlands human service center</del>	<del>10,857,338</del>	<del>932,316</del>	<del>11,789,654</del>
5	<del>State hospital</del>	<del>65,641,609</del>	<del>7,993,431</del>	<del>73,635,040</del>
6	<del>Developmental center</del>	<del>52,939,281</del>	<del>(1,130,034)</del>	<del>51,809,247</del>
7	<del>Total all funds</del>	<del>\$264,143,530</del>	<del>\$26,033,115</del>	<del>\$290,176,645</del>
8	<del>Less estimated income</del>	<del>132,787,875</del>	<del>(7,146,173)</del>	<del>125,641,702</del>
9	<del>Total general fund</del>	<del>\$131,355,655</del>	<del>\$33,179,288</del>	<del>\$164,534,943</del>
10	<u>Northwest human service center</u>	<u>\$8,452,001</u>	<u>\$222,567</u>	<u>\$8,674,568</u>
11	<u>North central human service center</u>	<u>19,208,018</u>	<u>1,694,208</u>	<u>20,902,226</u>
12	<u>Lake region human service center</u>	<u>10,886,645</u>	<u>357,661</u>	<u>11,244,306</u>
13	<u>Northeast human service center</u>	<u>25,768,431</u>	<u>2,321,019</u>	<u>28,089,450</u>
14	<u>Southeast human service center</u>	<u>30,139,636</u>	<u>7,868,498</u>	<u>38,008,134</u>
15	<u>South central human service center</u>	<u>15,567,495</u>	<u>1,291,516</u>	<u>16,859,011</u>
16	<u>West central human service center</u>	<u>24,683,076</u>	<u>1,669,367</u>	<u>26,352,443</u>
17	<u>Badlands human service center</u>	<u>10,857,338</u>	<u>850,716</u>	<u>11,708,054</u>
18	<u>State hospital</u>	<u>65,641,609</u>	<u>7,581,591</u>	<u>73,223,200</u>
19	<u>Developmental center</u>	<u>52,939,281</u>	<u>(1,130,034)</u>	<u>51,809,247</u>
20	<u>Total all funds</u>	<u>\$264,143,530</u>	<u>\$22,727,109</u>	<u>\$286,870,639</u>
21	<u>Less estimated income</u>	<u>132,787,875</u>	<u>(7,198,220)</u>	<u>125,589,655</u>
22	<u>Total general fund</u>	<u>\$131,355,655</u>	<u>\$29,925,329</u>	<u>\$161,280,984</u>

23 Subdivision 4.

24	BILL TOTAL			
25		Adjustments or		
26	Base Level	Enhancements	Appropriation	
27	<del>Grand total general fund</del>	<del>\$646,349,516</del>	<del>\$286,754,838</del>	<del>\$933,104,354</del>
28	<del>Grand total special funds</del>	<del>1,549,066,932</del>	<del>142,203,868</del>	<del>1,691,270,800</del>
29	<del>Grand total all funds</del>	<del>\$2,195,416,448</del>	<del>\$428,958,706</del>	<del>\$2,624,375,154</del>
30	<del>Full-time equivalent positions</del>	<del>2,216.88</del>	<del>(20.53)</del>	<del>2,196.35</del>
31	<u>Grand total general fund</u>	<u>\$646,349,516</u>	<u>\$279,164,283</u>	<u>\$925,513,799</u>

1	<u>Grand total special funds</u>	<u>1,549,066,932</u>	<u>121,145,500</u>	<u>1,670,212,432</u>
2	<u>Grand total all funds</u>	<u>\$2,195,416,448</u>	<u>\$400,309,783</u>	<u>\$2,595,726,231</u>
3	<u>Full-time equivalent positions</u>	<u>2,216.88</u>	<u>(27.53)</u>	<u>2,189.35</u>

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

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

8	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
9	Developmental disabilities rate study	\$100,000	\$0
10	Supplemental payment	400,000	0
11	Extraordinary repairs	3,443,692	0
12	Federal stimulus funds	88,033,205	519,175
13	<u>Supplemental payment</u>	<u>0</u>	<u>400,000</u>
14	Equipment over \$5,000	352,606	0
15	<del>State hospital capital projects</del>	<del>0</del>	<del>1,961,840</del>
16	<del>Total all funds</del>	<del>\$92,329,503</del>	<del>\$2,481,015</del>
17	<del>Less estimated income</del>	<del>88,033,205</del>	<del>519,175</del>
18	<del>Total general fund</del>	<del>\$4,296,298</del>	<del>\$1,961,840</del>
19	<u>State hospital capital projects</u>	<u>0</u>	<u>1,800,000</u>
20	<u>Total all funds</u>	<u>\$92,329,503</u>	<u>\$2,719,175</u>
21	<u>Less estimated income</u>	<u>88,033,205</u>	<u>919,175</u>
22	<u>Total general fund</u>	<u>\$4,296,298</u>	<u>\$1,800,000</u>

23 The 2011-13 one-time funding amounts are not a part of the entity's base budget for the  
24 2013-15 biennium. The department of human services shall report to the appropriations  
25 committees of the sixty-third legislative assembly on the use of this one-time funding for the  
26 biennium beginning July 1, 2011, and ending June 30, 2013.

27       **SECTION 3. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.** Notwithstanding  
28 section 54-16-04, the department of human services may transfer appropriation authority  
29 between line items within each subdivision of section 1 of this Act and between subdivisions  
30 within section 1 of this Act for the biennium beginning July 1, 2011, and ending June 30, 2013.  
31 The department shall notify the office of management and budget of any transfer made

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

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

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

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

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

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

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

1 ~~50-29-04. Plan requirements.~~

2 ~~The plan:~~

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

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

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

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

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

8 ~~6. Must provide:~~

9 ~~a. A net income eligibility limit of one hundred sixtyseven five percent of the~~  
10 ~~poverty line;~~

11 ~~b. A copayment requirement for each pharmaceutical prescription and for each~~  
12 ~~emergency room visit;~~

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

14 ~~d. Coverage for:~~

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

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

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

18 ~~(4) Prescription medications;~~

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

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

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

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

24 **SECTION 5. GENERAL FUND TRANSFER TO BUDGET STABILIZATION FUND -**

25 **EXCEPTION - USE OF GENERAL FUND AMOUNTS.** Notwithstanding section 54-27.2-02, the  
26 state treasurer and the office of management and budget may not include in the amount used to  
27 determine general fund transfers to the budget stabilization fund at the end of the 2009-11  
28 biennium under chapter 54-27.2 any general fund amounts resulting from the increased federal  
29 share of medical assistance payments resulting from federal medical assistance percentage  
30 changes under the American Recovery and Reinvestment Act of 2009 and H.R. 1586. The state  
31 treasurer and the office of management and budget shall separately account for these amounts

1 resulting from federal medical assistance percentage changes under the American Recovery  
2 and Reinvestment Act of 2009 and H.R. 1586 and use these amounts to defray the expenses of  
3 continuing program costs of the department of human services from the general fund, for the  
4 biennium beginning July 1, 2011, and ending June 30, 2013, including \$23,451,104 for  
5 inflationary increases for human services providers.

6 **SECTION 6. REPORT ON THE DEMENTIA CARE SERVICES PROGRAM.** During the  
7 2011-12 interim, the department of human services shall periodically report to the legislative  
8 management regarding the status of the dementia care services program. The reports must  
9 include information on budgeted and actual program expenditures, program services, and  
10 program outcomes.

11 **SECTION 7. RISK BEHAVIOR PREVENTION GRANTS - MATCHING REQUIREMENTS.**  
12 The department of human services shall use \$250,000 of federal funding appropriated in  
13 subdivision 2 of section 1 of this Act for the mental health and substance abuse division for  
14 providing grants to support a statewide school and community-based youth network dedicated  
15 to implementing risk behavior prevention efforts, for the biennium beginning July 1, 2011, and  
16 ending June 30, 2013. The department shall require an entity receiving a grant under this  
17 section to provide \$1 of matching funds for each \$1 of state funds provided.

18 **SECTION 8. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES GRANTS.** It is  
19 the intent of the legislative assembly that the department of human services use any anticipated  
20 unexpended appropriation authority relating to developmental disabilities grants resulting from  
21 caseload or cost changes during the 2011-13 biennium for costs associated with transitioning  
22 individuals from the developmental center to communities during the 2011-13 biennium.

23 **SECTION 9. LEGISLATIVE MANAGEMENT STUDY - QUALIFIED SERVICE PROVIDER**  
24 **SYSTEM.** During the 2011-12 interim, the legislative management shall consider studying and  
25 evaluating the state's qualified service provider system. The legislative management shall report  
26 its findings and recommendations, together with any legislation required to implement the  
27 recommendations, to the sixty-third legislative assembly.

28 **SECTION 10. SUPPLEMENTAL PAYMENT - HEALTH CARE TRUST FUND.** The grants -  
29 medical assistance line item in subdivision 2 of section 1 of this Act includes \$400,000 from the  
30 health care trust fund which the department shall provide as a one-time grant, for the biennium  
31 beginning July 1, 2011, and ending June 30, 2013. The department shall provide a grant of

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1 \$200,000 to the government nursing facility that participated in the intergovernmental transfer  
2 payment program in a city with a population of more than six hundred according to the 2000  
3 census and a grant of \$200,000 to the hospital in a city with a population of less than five  
4 hundred according to the 2000 census which also has a government nursing facility that  
5 participated in the intergovernmental transfer payment program.