

Sixty-third
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1012

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act providing an appropriation for defraying the expenses of the department of
2 human services; to provide for intermediate care facility construction review and personal needs
3 allowances; to amend and reenact subsection 6 of section 50-24.7-01 of the North Dakota
4 Century Code, relating to definitions for expanded service payments for elderly and disabled; to
5 provide an exemption; and to provide a statement of legislative intent.

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, 2013, and ending June 30, 2015, as
12 follows:

13 Subdivision 1.

14 MANAGEMENT

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
15				
16				
17	Salaries and wages	\$15,382,133	\$18,911,770	\$34,293,903
18	Operating expenses	62,229,003	4,968,982	67,197,985
19	Capital assets	<u>138,400</u>	<u>(126,400)</u>	<u>12,000</u>
20	Total all funds	\$77,749,536	\$23,754,352	\$101,503,888
21	Less estimated income	<u>46,573,712</u>	<u>10,360,100</u>	<u>56,933,812</u>
22	Total general fund	\$31,175,824	\$13,394,252	\$44,570,076

23 Subdivision 2.

24 PROGRAM AND POLICY

Sixty-third
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		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
1				
2				
3	Salaries and wages	\$50,207,605	(\$1,365,487)	\$48,842,118
4	Operating expenses	91,973,280	12,572,749	104,546,029
5	Grants	490,196,862	(36,322,732)	453,874,130
6	Grants - medical assistance	<u>1,601,650,984</u>	<u>136,544,093</u>	<u>1,738,195,077</u>
7	Total all funds	\$2,234,028,731	\$111,428,623	\$2,345,457,354
8	Less estimated income	<u>1,497,456,325</u>	<u>(76,052,936)</u>	<u>1,421,403,389</u>
9	Total general fund	\$736,572,406	\$187,481,559	\$924,053,965

10 Subdivision 3.

11 HUMAN SERVICE CENTERS AND INSTITUTIONS

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
12				
13				
14	Statewide human service centers	\$6,002,865	(\$933,110)	\$5,069,755
15	Northwest human service center	8,674,568	243,623	8,918,191
16	North central human service	20,902,226	1,046,945	21,949,171
17	center			
18	Lake region human service center	11,244,306	1,451,827	12,696,133
19	Northeast human service center	28,089,450	(246,675)	27,842,775
20	Southeast human service center	33,747,874	3,942,598	37,690,472
21	South central human service	16,466,240	287,643	16,753,883
22	center			
23	West central human service center	26,352,443	3,110,147	29,462,590
24	Badlands human service center	11,708,054	597,664	12,305,718
25	State hospital	71,423,200	1,641,436	73,064,636
26	Developmental center	<u>51,809,247</u>	<u>951,223</u>	<u>52,760,470</u>
27	Total all funds	\$286,420,473	\$12,093,321	\$298,513,794
28	Less estimated income	<u>126,939,489</u>	<u>(5,136,629)</u>	<u>121,802,860</u>
29	Total general fund	\$159,480,984	\$17,229,950	\$176,710,934

30 Subdivision 4.

31 BILL TOTAL

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Grand total general fund	\$927,229,214	\$218,105,761 \$1,145,334,975
4	Grand total special funds	<u>1,670,969,526</u>	<u>(70,829,465)</u> <u>1,600,140,061</u>
5	Grand total all funds	\$2,598,198,740	\$147,276,296 \$2,745,475,036
6	Full-time equivalent positions	2,197.35	(1.27) 2,196.08

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

SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
11			
12	Mainframe migration	\$0	\$810,000
13	Demolish refectory and pleasant view building -	0	220,000
14	developmental center		
15	State hospital capital projects	1,800,000	789,714
16	Grants	0	775,000
17	Federal stimulus funds	519,175	0
18	Supplemental payments	400,000	0
19	Eligibility system	42,416,499	0
20	Critical access payments	3,454,061	0
21	Guardianship enhancements	64,000	0
22	Replacement of MMIS general fund	1,474,362	0
23	System changes for processing jail claims	<u>221,418</u>	<u>0</u>
24	Total all funds	\$50,349,515	\$2,594,714
25	Less estimated income	<u>36,602,712</u>	<u>1,086,093</u>
26	Total general fund	\$13,746,803	\$1,508,621

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The department of human services shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

1 **SECTION 3. FUNDING TRANSFERS - EXCEPTIONS - AUTHORIZATION.**

2 Notwithstanding section 54-16-04, the department of human services may transfer
3 appropriation authority between line items within each subdivision of section 1 of this Act and
4 between subdivisions within section 1 of this Act for the biennium beginning July 1, 2013, and
5 ending June 30, 2015. The department shall notify the office of management and budget of any
6 transfer made pursuant to this section. The department shall report to the budget section after
7 June 30, 2014, any transfers made in excess of \$50,000 and to the appropriations committees
8 of the sixty-fourth legislative assembly regarding any transfers made pursuant to this section.

9 **SECTION 4. EXEMPTION.** The amount appropriated for the replacement of the medicaid
10 management information system in chapter 50 of the 2007 Session Laws is not subject to the
11 provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under
12 section 54-44.1-11 for continuation into the 2009-11 biennium and then the 2011-13 biennium
13 are available for the completion of the medicaid management information system project during
14 the biennium beginning July 1, 2013, and ending June 30, 2015.

15 **SECTION 5. MEDICAID UPPER PAYMENT LIMITS.** Any appropriated increase for
16 department providers paid with medicaid funding, may only be provided to the extent the
17 increase will not exceed the upper payment limit for that specific medicaid service.

18 **SECTION 6. LEGISLATIVE INTENT - REBASE RURAL HEALTH CLINICS.** It is the intent
19 of the legislative assembly that the department of human services rebase rural health clinics to
20 the medicare rates. Future increases will be authorized based on approved inflationary
21 increases.

22 **SECTION 7. AMENDMENT.** Subsection 6 of section 50-24.7-01 of the North Dakota
23 Century Code is amended and reenacted as follows:

- 24 6. "Eligible beneficiary" means a resident of this state who:
- 25 a. (1) Is aged; or
- 26 (2) Is at least eighteen years of age and is disabled or blind;
- 27 b. Has applied for and is eligible to receive benefits under title XIX of the Social
28 Security Act [42 U.S.C. 1396 et seq.], and who has applied for and is receiving
29 benefits, if the individual is eligible to receive benefits, under titles II and XVI of
30 the Social Security Act [42 U.S.C. 401-434 and 42 U.S.C. 1381 et seq.];

- 1 c. Based on a functional assessment, is not severely impaired in any of the
2 activities of daily living of toileting, transferring to or from a bed or chair, or eating
3 and:
4 (1) Has health, welfare, or safety needs, including a need for supervision or a
5 structured environment; ~~and/or~~
6 (2) Is impaired in three of the four instrumental activities of daily living of
7 preparing meals, doing homework, taking medicine, and doing laundry;
8 d. Has countable income, less the cost of necessary remedial care that may be
9 provided under this chapter, does not exceed an amount equal to the cash
10 benefit under titles II and XVI of the Social Security Act [42 U.S.C. 401-434 and
11 42 U.S.C. 1381 et seq.] which the individual would receive if the individual had no
12 income, plus the personal needs allowance;
13 e. Has impairments that are not the result of an intellectual disability; and
14 f. Is determined to be eligible pursuant to rules adopted by the department.

15 **SECTION 8.**

16 **Review and limitation.**

17 Intermediate care facility providers shall submit all facility construction or remodeling
18 proposals to the department of human services prior to enactment of a contract for the
19 completion of the project. The department of human services shall review all intermediate care
20 facility construction or remodeling proposals and may limit allowable construction and
21 remodeling costs to ensure the costs are reasonable and appropriate.

22 **SECTION 9.**

23 **Personal needs allowance adjustments.**

24 As of June thirtieth at the end of each biennium, the department of human services shall
25 determine an adjustment for each category of personal needs allowance based on the
26 consumer price index for urban consumers for the previous twelve months. The department of
27 human services shall adjust the personal needs allowance, rounded to the nearest whole dollar,
28 based on its determination on January first of the following year. If the consumer price index is a
29 negative factor, the personal needs allowance may not be changed.

30 **SECTION 10. GRANT TO ASSISTED LIVING CENTER - LIMITATION.** The sum of
31 \$425,000, or so much of the sum as may be necessary, included in the grants - medical

1 assistance line item in subdivision 2 of section 1 of this Act, is to provide a grant to an assisted
2 living center that accepts low-income tenants for an expansion project. This funding may not be
3 spent for any other purpose if the expansion project has not begun by July 1, 2015.

4 **SECTION 11. GRANTS.** The grants line item in subdivision 2 of section 1 of this Act
5 includes \$150,000, or so much of the sum as may be necessary, from the general fund for
6 grants to a jurisdiction that is adjacent to an Indian reservation but does not receive
7 reimbursement payments under section 50-01.2-03.2 and is determined by the department of
8 human services to be the most significantly impacted based on calendar year 2011 data
9 considering the provisions of subsection 2 of section 50-01.2-03.2, for the biennium beginning
10 July 1, 2013, and ending June 30, 2015.

11 **SECTION 12. AUTHORIZATION - GRANTS FOR ADAPTIVE SKIING.** The grants -
12 medical assistance line item in subdivision 2 of section 1 of this Act includes \$200,000 from the
13 general fund for grants for an adaptive skiing program, for the biennium beginning July 1, 2013,
14 and ending June 30, 2015. Of the funding provided, \$120,000 of the amount may be used for a
15 project coordinator and the remaining amount may be used for any equipment necessary for the
16 adaptive skiing program.

17 **SECTION 13. LEGISLATIVE MANAGEMENT STUDY - DEVELOPMENTAL CENTER.** The
18 legislative management shall consider studying, during the 2013-14 interim, the developmental
19 center in Grafton. If conducted, the study must determine future use, reduction in size, and any
20 change of scope for the developmental center. The study must consider information from local
21 community groups that have concerns or ideas for the future use of the developmental center.
22 The legislative management shall report its findings and recommendations, along with any
23 legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

24 **SECTION 14. LEGISLATIVE INTENT - DEMOLITION OF DEVELOPMENTAL CENTER**
25 **BUILDINGS.** It is the intent of the sixty-third legislative assembly that the department of human
26 services demolish the refectory and pleasant view buildings at the developmental center at
27 westwood park, Grafton. If the amount of \$220,000 included in the developmental center line
28 item in subdivision 3 of section 1 of this Act is insufficient to provide for the demolition of both
29 buildings, the department of human services may request emergency commission approval for
30 additional funding from the state contingencies appropriation.