

**FIRST ENGROSSMENT**

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 subdivision f of subsection 2 of section 12-60-24,  
 4 subsection 3 of section 14-09-09.10, and subsection 6 of section 50-24.7-01 of the North  
 5 Dakota Century Code, relating to criminal background checks for foster care providers, child  
 6 support payments, and definitions for expanded service payments for elderly and disabled; to  
 7 provide an exemption; to provide for a report to the legislative management; to provide for  
 8 legislative management studies; and to provide a statement of legislative intent.

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

10 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
 11 as may be necessary, are appropriated out of any moneys in the general fund in the state  
 12 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
 13 other income, to the department of human services for the purpose of defraying the expenses of  
 14 its various divisions, for the biennium beginning July 1, 2013, and ending June 30, 2015, as  
 15 follows:

16 Subdivision 1.

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

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1	<del>Total general fund</del>	<del>\$31,175,824</del>	<del>\$13,394,252</del>	<del>\$44,570,076</del>
2	<u>Salaries and wages</u>	<u>\$15,382,133</u>	<u>\$25,247,062</u>	<u>\$40,629,195</u>
3	<u>Operating expenses</u>	<u>62,229,003</u>	<u>8,668,982</u>	<u>70,897,985</u>
4	<u>Capital assets</u>	<u>138,400</u>	<u>(126,400)</u>	<u>12,000</u>
5	<u>Total all funds</u>	<u>\$77,749,536</u>	<u>\$33,789,644</u>	<u>\$111,539,180</u>
6	<u>Less estimated income</u>	<u>46,573,712</u>	<u>13,024,040</u>	<u>59,597,752</u>
7	<u>Total general fund</u>	<u>\$31,175,824</u>	<u>\$20,765,604</u>	<u>\$51,941,428</u>

8 Subdivision 2.

9 PROGRAM AND POLICY

10			Adjustments or	
11		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12	<del>Salaries and wages</del>	<del>\$50,207,605</del>	<del>(\$1,365,487)</del>	<del>\$48,842,118</del>
13	<del>Operating expenses</del>	<del>91,973,280</del>	<del>12,572,749</del>	<del>104,546,029</del>
14	<del>Grants</del>	<del>490,196,862</del>	<del>(36,322,732)</del>	<del>453,874,130</del>
15	<del>Grants - medical assistance</del>	<del>1,601,650,984</del>	<del>136,544,093</del>	<del>1,738,195,077</del>
16	<del>Total all funds</del>	<del>\$2,234,028,731</del>	<del>\$111,428,623</del>	<del>\$2,345,457,354</del>
17	<del>Less estimated income</del>	<del>1,497,456,325</del>	<del>(76,052,936)</del>	<del>1,421,403,389</del>
18	<del>Total general fund</del>	<del>\$736,572,406</del>	<del>\$187,481,559</del>	<del>\$924,053,965</del>
19	<u>Salaries and wages</u>	<u>\$50,207,605</u>	<u>(\$1,365,487)</u>	<u>\$48,842,118</u>
20	<u>Operating expenses</u>	<u>91,973,280</u>	<u>14,740,749</u>	<u>106,714,029</u>
21	<u>Grants</u>	<u>490,196,862</u>	<u>(36,122,732)</u>	<u>454,074,130</u>
22	<u>Grants - medical assistance</u>	<u>1,601,650,984</u>	<u>148,872,688</u>	<u>1,750,523,672</u>
23	<u>Total all funds</u>	<u>\$2,234,028,731</u>	<u>\$126,125,218</u>	<u>\$2,360,153,949</u>
24	<u>Less estimated income</u>	<u>1,497,456,325</u>	<u>(70,714,334)</u>	<u>1,426,741,991</u>
25	<u>Total general fund</u>	<u>\$736,572,406</u>	<u>\$196,839,552</u>	<u>\$933,411,958</u>

26 Subdivision 3.

27 HUMAN SERVICE CENTERS AND INSTITUTIONS

28			Adjustments or	
29		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
30	<del>Statewide human service centers</del>	<del>\$6,002,865</del>	<del>(\$933,110)</del>	<del>\$5,069,755</del>
31	<del>Northwest human service center</del>	<del>8,674,568</del>	<del>243,623</del>	<del>8,918,191</del>

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1	North central human service	20,902,226	1,046,945	21,949,171
2	— center			
3	Lake region human service center	11,244,306	1,451,827	12,696,133
4	Northeast human service center	28,089,450	(246,675)	27,842,775
5	Southeast human service center	33,747,874	3,942,598	37,690,472
6	South central human service	16,466,240	287,643	16,753,883
7	— center			
8	West central human service center	26,352,443	3,110,147	29,462,590
9	Badlands human service center	11,708,054	597,664	12,305,718
10	State hospital	71,423,200	1,641,436	73,064,636
11	Developmental center	51,809,247	951,223	52,760,470
12	Total all funds	\$286,420,473	\$12,093,321	\$298,513,794
13	Less estimated income	126,939,489	(5,136,629)	121,802,860
14	Total general fund	\$159,480,984	\$17,229,950	\$176,710,934

FIELD SERVICES

		Adjustments or		
	Base Level	Enhancements	Appropriation	
18	Human service centers	\$163,188,026	\$11,469,662	\$174,657,688
19	Institutions	123,232,447	2,667,659	125,900,106
20	Total all funds	\$286,420,473	\$14,137,321	\$300,557,794
21	Less estimated income	126,939,489	(4,554,629)	122,384,860
22	Total general fund	\$159,480,984	\$18,691,950	\$178,172,934

Subdivision 4.

BILL TOTAL

		Adjustments or		
	Base Level	Enhancements	Appropriation	
27	Grand total general fund	\$927,229,214	\$218,105,761	\$1,145,334,975
28	Grand total special funds	1,670,969,526	(70,829,465)	1,600,140,061
29	Grand total all funds	\$2,598,198,740	\$147,276,296	\$2,745,475,036
30	Full-time equivalent positions	2,197.35	(1.27)	2,196.08
31	Grand total general fund	\$927,229,214	\$237,540,188	\$1,164,769,402

1	<u>Grand total special funds</u>	<u>1,670,969,526</u>	<u>97,104,398</u>	<u>1,768,073,924</u>
2	<u>Grand total all funds</u>	<u>\$2,598,198,740</u>	<u>\$334,644,586</u>	<u>\$2,932,843,326</u>
3	<u>Full-time equivalent positions</u>	<u>2,197.35</u>	<u>2.73</u>	<u>2,200.08</u>

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

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

8	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
9	Mainframe migration	\$0	\$810,000
10	Demolish refectory and pleasant view building -	0	220,000
11	developmental center		
12	<del>State hospital capital projects</del>	<del>1,800,000</del>	<del>789,714</del>
13	<del>Grants</del>	<del>0</del>	<del>775,000</del>
14	<u>State hospital capital projects</u>	<u>1,800,000</u>	<u>864,714</u>
15	<u>Grants</u>	<u>0</u>	<u>925,000</u>
16	Federal stimulus funds	519,175	0
17	Supplemental payments	400,000	0
18	Eligibility system	42,416,499	0
19	Critical access payments	3,454,061	0
20	Guardianship enhancements	64,000	0
21	Replacement of MMIS general fund	1,474,362	0
22	System changes for processing jail claims	<u>221,418</u>	<u>0</u>
23	<del>Total all funds</del>	<del>\$50,349,515</del>	<del>\$2,594,714</del>
24	<del>Less estimated income</del>	<del>36,602,712</del>	<del>1,086,093</del>
25	<del>Total general fund</del>	<del>\$13,746,803</del>	<del>\$1,508,621</del>
26	<u>Total all funds</u>	<u>\$50,349,515</u>	<u>\$2,819,714</u>
27	<u>Less estimated income</u>	<u>36,602,712</u>	<u>1,086,093</u>
28	<u>Total general fund</u>	<u>\$13,746,803</u>	<u>\$1,733,621</u>

29       The 2013-15 one-time funding amounts are not a part of the entity's base budget for the  
30       2015-17 biennium. The department of human services shall report to the appropriations

1 committees of the sixty-fourth legislative assembly on the use of this one-time funding for the  
2 biennium beginning July 1, 2013, and ending June 30, 2015.

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

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

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

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

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

24 **SECTION 7. AMENDMENT.** Subdivision f of subsection 2 of section 12-60-24 of the North  
25 Dakota Century Code is amended and reenacted as follows:

26 f. The department of human services for foster care licenses and approvals under  
27 chapter 50-11, appointments of legal guardians under chapter 50-11.3, and  
28 petitions for adoptions under chapter 50-12, except that the criminal history  
29 record investigation must be conducted in accordance with those chapters. A  
30 criminal history record investigation completed under chapter 50-11, 50-11.3, or

1 50-12 may be used to satisfy the requirements of a criminal history record  
2 investigation under either of the other two chapters.

3 **SECTION 8. AMENDMENT.** Subsection 3 of section 14-09-09.10 of the North Dakota  
4 Century Code is amended and reenacted as follows:

- 5 3. "Child support" means payments for the support of ~~children~~ a child, including payments  
6 for health insurance coverage or other medical support, and ~~combined~~ payments for  
7 the support of ~~children and~~ spouses or former spouses with whom the child is living as  
8 long as the spousal support payment is owed to the spouse or former spouse under  
9 the same order as the payments for the child, however denominated, if the payment is  
10 required by the order of a court or other governmental agency having authority to  
11 issue such orders, and includes past-due support.

12 **SECTION 9. AMENDMENT.** Subsection 6 of section 50-24.7-01 of the North Dakota  
13 Century Code is amended and reenacted as follows:

- 14 6. "Eligible beneficiary" means a resident of this state who:  
15 a. (1) Is aged; or  
16 (2) Is at least eighteen years of age and is disabled or blind;  
17 b. Has applied for and is eligible to receive benefits under title XIX of the Social  
18 Security Act [42 U.S.C. 1396 et seq.], and who has applied for and is receiving  
19 benefits, if the individual is eligible to receive benefits, under titles II and XVI of  
20 the Social Security Act [42 U.S.C. 401-434 and 42 U.S.C. 1381 et seq.];  
21 c. Based on a functional assessment, is not severely impaired in any of the  
22 activities of daily living of toileting, transferring to or from a bed or chair, or eating  
23 and:  
24 (1) Has health, welfare, or safety needs, including a need for supervision or a  
25 structured environment; ~~and~~ or  
26 (2) Is impaired in three of the four instrumental activities of daily living of  
27 preparing meals, doing homework, taking medicine, and doing laundry;  
28 d. Has countable income, less the cost of necessary remedial care that may be  
29 provided under this chapter, does not exceed an amount equal to the cash  
30 benefit under titles II and XVI of the Social Security Act [42 U.S.C. 401-434 and

- 1                   42 U.S.C. 1381 et seq.] which the individual would receive if the individual had no  
2                   income, plus the personal needs allowance;  
3           e.   Has impairments that are not the result of an intellectual disability; and  
4           f.   Is determined to be eligible pursuant to rules adopted by the department.

5           **SECTION 10.**

6           **Review and limitation.**

7           Intermediate care facility providers shall submit all facility construction or remodeling  
8 proposals to the department of human services prior to enactment of a contract for the  
9 completion of the project. The department of human services shall review all intermediate care  
10 facility construction or remodeling proposals and may limit allowable construction and  
11 remodeling costs to ensure the costs are reasonable and appropriate.

12       — **SECTION 11.**

13       — **Personal needs allowance adjustments.**

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

20       **SECTION 11. GRANT TO ASSISTED LIVING CENTER - LIMITATION.** The sum of  
21 \$425,000, or so much of the sum as may be necessary, included in the grants - medical  
22 assistance line item in subdivision 2 of section 1 of this Act, is to provide a grant to an assisted  
23 living center that accepts low-income tenants for an expansion project. This funding may not be  
24 spent for any other purpose if the expansion project has not begun by July 1, 2015.

25       **SECTION 12. GRANTS.** The grants line item in subdivision 2 of section 1 of this Act  
26 includes ~~\$150,000~~\$300,000, or so much of the sum as may be necessary, from the general  
27 fund for grants to a jurisdiction that is adjacent to an Indian reservation but does not receive  
28 reimbursement payments under section 50-01.2-03.2 and is determined by the department of  
29 human services to be the most significantly impacted based on calendar year ~~2011~~2012 data  
30 considering the provisions of subsection 2 of section 50-01.2-03.2, for the biennium beginning

1 July 1, 2013, and ending June 30, 2015. No more than fifty percent of this appropriation may be  
2 distributed in each fiscal year of the biennium.

3 **SECTION 13. AUTHORIZATION - GRANTS GRANT FOR ADAPTIVE SKIING.** The grants -  
4 medical assistance line item in subdivision 2 of section 1 of this Act includes \$200,000 from the  
5 general fund for ~~grants~~ a grant for an adaptive skiing program affiliated with a winter park that is  
6 located in a county of less than 10,000 individuals, for the biennium beginning July 1, 2013, and  
7 ending June 30, 2015. Of the funding provided, \$120,000 of the amount may be used for a  
8 project coordinator and the remaining amount may be used for any equipment necessary for the  
9 adaptive skiing program. The requirements of chapter 54-44.4 do not apply to the selection of a  
10 grantee, the grant award, or payments made under this section.

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

18 **SECTION 15. LEGISLATIVE MANAGEMENT STUDY - NORTH DAKOTA HEALTH CARE.**  
19 During the 2013-14 interim, the legislative management shall consider studying the immediate  
20 needs and challenges of the North Dakota health care delivery system, implementing the  
21 healthy North Dakota initiative, examining Medicaid reform, and the feasibility of developing a  
22 plan for a private health care model that will comply with federal health care reform in a manner  
23 that will provide high-quality, accessible, and affordable care for North Dakota citizens. In  
24 performing the study, the legislative management may consider population shifts, facility needs,  
25 personnel needs, rural access, regulatory public health functions, and vulnerable populations;  
26 determine the scope of the weakness in the current health care system; take into account the  
27 ongoing impact that federal health care reform under the federal Affordable Care Act is having  
28 on state delivery of health care and on state delivery of Medicaid; and consider how to forge  
29 partnerships with federal payers and regulators in order to work toward addressing medical  
30 reimbursement system reform. The legislative management shall report its findings and

1 recommendations, together with any legislation required to implement the recommendations, to  
2 the sixty-fourth legislative assembly.

3       **SECTION 16. LEGISLATIVE MANAGEMENT STUDY OF THE NEED FOR A**  
4 **COMPREHENSIVE SYSTEM OF CARE FOR INDIVIDUALS WITH BRAIN INJURY.** During the  
5 2013-14 interim, the legislative management shall consider studying the need for a  
6 comprehensive system of care for individuals with brain injury, including services available to  
7 veterans who are returning from wars, the impact of the inclusion of all acquired brain injury on  
8 traumatic brain injury programs, the need for a statewide registry for brain injury, the need for  
9 increased awareness of the impact of brain injury, the need for screening for brain injury in the  
10 education system, the availability of community support systems, the availability of specialized  
11 substance abuse services, the examination of the long-term care needs, the availability of home  
12 and community-based services, services available from independent living centers, the need for  
13 transitional supportive housing, and the suitability of the current level of care determination for  
14 brain injury. Consideration should be given to input from the department of human services  
15 traumatic brain injury advisory committee and stakeholders from the private and public sectors,  
16 including individuals with brain injury, families impacted by brain injury, educators, treatment  
17 providers, and service providers. The legislative management shall report its findings and  
18 recommendations, together with any legislation required to implement the recommendations, to  
19 the sixty-fourth legislative assembly.

20       **SECTION 17. REPORT TO LEGISLATIVE MANAGEMENT - TRANSITIONAL LIVING**  
21 **FACILITY.** Subdivision 3 of section 1 of this Act includes funding of \$547,000 from the general  
22 fund and \$182,000 from other funds for an eight-unit transitional living facility in the southeast  
23 human service center region. The department of human services shall provide a report to the  
24 budget section in December 2014 on the status of the facility.

25       **SECTION 18. LEGISLATIVE INTENT - DEMOLITION OF DEVELOPMENTAL CENTER**  
26 **BUILDINGS.** It is the intent of the sixty-third legislative assembly that the department of human  
27 services demolish the refectory and pleasant view buildings at the developmental center at  
28 westwood park, Grafton. If the amount of \$220,000 included in the developmental center line  
29 item in subdivision 3 of section 1 of this Act is insufficient to provide for the demolition of both  
30 buildings, the department of human services may request emergency commission approval for  
31 additional funding from the state contingencies appropriation.

1 | **SECTION 19. LEGISLATIVE INTENT - DEPUTY DIRECTOR POSITION.** The removal of  
2 the full-time equivalent position in the administration and support division does not preclude the  
3 department of human services from employing a deputy director. The department may use an  
4 existing full-time equivalent position for the purpose of a deputy director position.

5 | **SECTION 20. LEGISLATIVE INTENT - ELECTRONIC HEALTH RECORDS.** Because the  
6 electronic health records system is needed for the state hospital to maintain accreditation, the  
7 reduction of the funding in the information technology division does not preclude the department  
8 of human services from procuring an electronic health records system if the department can  
9 initiate the project within its 2013-15 biennium appropriation for the information technology  
10 division or field services division.

11 | **SECTION 21. APPROPRIATION.** There is appropriated out of any moneys in the general  
12 fund in the state treasury, not otherwise appropriated, the sum of \$1,243,082, or so much of the  
13 sum as may be necessary, and from special funds derived from federal funds and other income,  
14 the sum of \$159,349,321, or so much of the sum as may be necessary, to the department of  
15 human services for the purpose of funding the following initiatives, for the biennium beginning  
16 July 1, 2013, and ending June 30, 2015. The department of human services is authorized four  
17 full-time equivalent positions.

18 Expedited ratesetting process	\$1,661,844
19 Recipient liability first claim	100,000
20 Supplemental nutrition assistance and temporary	500,304
21 assistance for needy families program changes	
22 Electronic prescriptions	299,324
23 Medical assistance program expansion	157,991,337
24 Committee on employment of people with disabilities	<u>39,594</u>
25 Total all funds	\$160,592,403
26 Less estimated income	<u>159,349,321</u>
27 Total general fund appropriation	\$1,243,082