

**FIRST ENGROSSMENT
with Senate Amendments
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; to amend and
3 reenact subdivision f of subsection 2 of section 12-60-24 and subsection 6 of section
4 50-24.7-01 of the North Dakota Century Code, relating to criminal background checks for foster
5 care providers and definitions for expanded service payments for elderly and disabled; to
6 provide an exemption; to provide an appropriation to the department of commerce; and to
7 provide a statement of legislative intent.

8 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Subdivision 1.

MANAGEMENT

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
19 Salaries and wages	\$15,382,133	\$31,964,747	\$47,346,880
20 Operating expenses	62,229,003	5,218,982	67,447,985
21 Capital assets	<u>138,400</u>	<u>(126,400)</u>	<u>12,000</u>
22 Total all funds	\$77,749,536	\$37,057,329	\$114,806,865
23 Less estimated income	<u>46,573,712</u>	<u>14,422,738</u>	<u>60,996,450</u>
24 Total general fund	\$31,175,824	\$22,634,591	\$53,810,415

1 Subdivision 2.

2 PROGRAM AND POLICY

3			Adjustments or	
4		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
5	Salaries and wages	\$50,207,605	(\$1,365,487)	\$48,842,118
6	Operating expenses	91,973,280	14,906,749	106,880,029
7	Grants	490,196,862	(35,822,732)	454,374,130
8	Grants - medical assistance	<u>1,601,650,984</u>	<u>167,844,926</u>	<u>1,769,495,910</u>
9	Total all funds	\$2,234,028,731	\$145,563,456	\$2,379,592,187
10	Less estimated income	<u>1,497,456,325</u>	<u>(61,475,771)</u>	<u>1,435,980,554</u>
11	Total general fund	\$736,572,406	\$207,039,227	\$943,611,633

12 Subdivision 3.

13 FIELD SERVICES

14			Adjustments or	
15		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
16	Human service centers	\$163,188,026	\$11,040,662	\$174,228,688
17	Institutions	<u>123,232,447</u>	<u>2,667,659</u>	<u>125,900,106</u>
18	Total all funds	\$286,420,473	\$13,708,321	\$300,128,794
19	Less estimated income	<u>126,939,489</u>	<u>(4,811,629)</u>	<u>122,127,860</u>
20	Total general fund	\$159,480,984	\$18,519,950	\$178,000,934

21 Subdivision 4.

22 BILL TOTAL

23			Adjustments or	
24		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
25	Grand total general fund	\$927,229,214	\$248,439,768	\$1,175,668,982
26	Grand total special funds	<u>1,670,969,526</u>	<u>(51,714,662)</u>	<u>1,619,254,864</u>
27	Grand total all funds	\$2,598,198,740	\$196,725,106	\$2,794,923,846
28	Full-time equivalent positions	2,197.35	(1.27)	2,196.08

29 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
 30 **SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time

Sixty-third
Legislative Assembly

1 funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and
2 the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

3	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
4	Mainframe migration	\$0	\$810,000
5	Demolish refectory and pleasant view building -	0	220,000
6	developmental center		
7	State hospital capital projects	1,800,000	864,714
8	Grants	0	775,000
9	Federal stimulus funds	519,175	0
10	Supplemental payments	400,000	0
11	Eligibility system	42,416,499	0
12	Critical access payments	3,454,061	0
13	Guardianship enhancements	64,000	0
14	Replacement of MMIS general fund	1,474,362	0
15	System changes for processing jail claims	<u>221,418</u>	<u>0</u>
16	Total all funds	\$50,349,515	\$2,669,714
17	Less estimated income	<u>36,602,712</u>	<u>1,086,093</u>
18	Total general fund	\$13,746,803	\$1,583,621

19 The 2013-15 one-time funding amounts are not a part of the entity's base budget for the
20 2015-17 biennium. The department of human services shall report to the appropriations
21 committees of the sixty-fourth legislative assembly on the use of this one-time funding for the
22 biennium beginning July 1, 2013, and ending June 30, 2015.

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

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

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

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

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

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

16 f. The department of human services for foster care licenses and approvals under
17 chapter 50-11, appointments of legal guardians under chapter 50-11.3, and
18 petitions for adoptions under chapter 50-12, except that the criminal history
19 record investigation must be conducted in accordance with those chapters. A
20 criminal history record investigation completed under chapter 50-11, 50-11.3, or
21 50-12 may be used to satisfy the requirements of a criminal history record
22 investigation under either of the other two chapters.

23 **SECTION 8. AMENDMENT.** Subsection 6 of section 50-24.7-01 of the North Dakota
24 Century Code is amended and reenacted as follows:

25 6. "Eligible beneficiary" means a resident of this state who:
26 a. (1) Is aged; or
27 (2) Is at least eighteen years of age and is disabled or blind;
28 b. Has applied for and is eligible to receive benefits under title XIX of the Social
29 Security Act [42 U.S.C. 1396 et seq.], and who has applied for and is receiving
30 benefits, if the individual is eligible to receive benefits, under titles II and XVI of
31 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 9.**

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

27 **SECTION 11. GRANTS.** The grants line item in subdivision 2 of section 1 of this Act
28 includes \$300,000, or so much of the sum as may be necessary, from the general fund for
29 grants to a jurisdiction that is adjacent to an Indian reservation but does not receive
30 reimbursement payments under section 50-01.2-03.2 and is determined by the department of
31 human services to be the most significantly impacted based on calendar year 2011 data

1 considering the provisions of subsection 2 of section 50-01.2-03.2, for the biennium beginning
2 July 1, 2013, and ending June 30, 2015.

3 **SECTION 12. AUTHORIZATION - GRANTS 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 for an adaptive skiing program, for the biennium beginning July 1, 2013,
6 and ending June 30, 2015. Of the funding provided, \$120,000 of the amount may be used for a
7 project coordinator and the remaining amount may be used for any equipment necessary for the
8 adaptive skiing program.

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

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

23 **SECTION 15. LEGISLATIVE INTENT - DEPUTY DIRECTOR POSITION.** The removal of
24 the full-time equivalent position in the administration and support division does not preclude the
25 department of human services from employing a deputy director. The department may use an
26 existing full-time equivalent position for the purpose of a deputy director position.

27 **SECTION 16. LEGISLATIVE INTENT - ELECTRONIC HEALTH RECORDS.** Because the
28 electronic health records system is needed for the state hospital to maintain accreditation, the
29 removal of the funding in the information technology division does not preclude the department
30 of human services from procuring an electronic health records system if the department can

1 initiate the project within its 2013-15 biennium appropriation for the information technology
2 division or field services division.

3 **SECTION 17. APPROPRIATION - DEPARTMENT OF COMMERCE.** There is appropriated
4 out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum
5 of \$100,000, or so much of the sum as may be necessary, and from special funds, derived from
6 private gifts and grants, the sum of \$150,000, or so much of the sum as may be necessary, to
7 the department of commerce for the purpose of funding the activities of the health care
8 consortium under section 18 of this Act, as part of the North Dakota 2020 and beyond initiative,
9 for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of
10 commerce may spend funding from the general fund only to the extent special funds from
11 private gifts and grants are received on a dollar-for-dollar basis.

12 **SECTION 18. HEALTH CARE CONSORTIUM - REPORT TO LEGISLATIVE**
13 **MANAGEMENT AND GOVERNOR.**

- 14 1. The governor shall appoint a consortium that includes a broad scope of private sector
15 stakeholders, members of the senate and the house of representatives, and
16 representation from the statewide vision and strategy partnership for a healthier North
17 Dakota and the university of North Dakota school of medicine and health sciences
18 advisory council. The consortium shall receive and review information provided by the
19 statewide vision and strategy partnership for a healthier North Dakota and the
20 university of North Dakota school of medicine and health sciences advisory council,
21 including the second annual report of the council. The consortium shall provide direct
22 input to the legislative management interim committee that conducts the study
23 provided for under House Bill No. 1034, as approved by the sixty-third legislative
24 assembly. The consortium shall focus its efforts on addressing the immediate needs
25 and challenges of the North Dakota health care delivery system, implementing the
26 healthy North Dakota initiative, examining medicaid reform, and developing a plan for
27 a private health care model that will comply with federal health care reform in a
28 manner that will provide high quality, accessible, and affordable care for North Dakota
29 citizens.
- 30 2. In developing the model health care system, the health care consortium shall:

- 1 a. Consider population shifts, facility needs, personnel needs, rural access,
2 regulatory public health functions, and vulnerable populations.
- 3 b. Determine the scope of the weaknesses in the current health care system and
4 the scope of the model health care system.
- 5 c. Take into account the ongoing impact that federal health care reform under the
6 federal Affordable Care Act is having on state delivery of health care and on state
7 delivery of medicaid.
- 8 d. Work to forge partnerships with federal payers and regulators in order to work
9 toward addressing medical reimbursement system reform.
- 10 3. The department of commerce shall contract with a consultant to assist the health care
11 consortium in developing a model health care system as required under subsection 2.
- 12 4. The health care consortium shall report to the budget section of the legislative
13 management on the status of funding available and anticipated uses of the funding for
14 the consortium during the 2013-14 interim. Before June 1, 2014, the health care
15 consortium shall report to the governor and to the legislative management on the
16 status of the development of the model health care system as well as any
17 recommendations.

18 **SECTION 19. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES.** There is
19 appropriated out of any moneys in the general fund in the state treasury, not otherwise
20 appropriated, the sum of \$146,000, or so much of the sum as may be necessary, to the
21 department of human services for the purpose of defraying the expenses relating to the
22 treatment of individuals addicted to controlled substances, for the biennium beginning July 1,
23 2013, and ending June 30, 2015.