

**FIRST ENGROSSMENT
with Conference Committee 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, subsection 3 of section 14-09-09.10,
4 and subsection 6 of section 50-24.7-01 of the North Dakota Century Code, relating to criminal
5 background checks for foster care providers, child support payments, and definitions for
6 expanded service payments for elderly and disabled; to provide an exemption; to provide for a
7 report to the legislative management; to provide for legislative management studies; and to
8 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.

17 MANAGEMENT

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20 Salaries and wages	\$15,382,133	\$25,247,062	\$40,629,195
21 Operating expenses	62,229,003	8,668,982	70,897,985
22 Capital assets	<u>138,400</u>	<u>(126,400)</u>	<u>12,000</u>
23 Total all funds	\$77,749,536	\$33,789,644	\$111,539,180

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1	Less estimated income	<u>46,573,712</u>	<u>13,024,040</u>	<u>59,597,752</u>
2	Total general fund	\$31,175,824	\$20,765,604	\$51,941,428
3	Subdivision 2.			
4		PROGRAM AND POLICY		
5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Salaries and wages	\$50,207,605	(\$1,365,487)	\$48,842,118
8	Operating expenses	91,973,280	14,740,749	106,714,029
9	Grants	490,196,862	(36,122,732)	454,074,130
10	Grants - medical assistance	<u>1,601,650,984</u>	<u>148,872,688</u>	<u>1,750,523,672</u>
11	Total all funds	\$2,234,028,731	\$126,125,218	\$2,360,153,949
12	Less estimated income	<u>1,497,456,325</u>	<u>(70,714,334)</u>	<u>1,426,741,991</u>
13	Total general fund	\$736,572,406	\$196,839,552	\$933,411,958
14	Subdivision 3.			
15		FIELD SERVICES		
16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Human service centers	\$163,188,026	\$11,469,662	\$174,657,688
19	Institutions	<u>123,232,447</u>	<u>2,667,659</u>	<u>125,900,106</u>
20	Total all funds	\$286,420,473	\$14,137,321	\$300,557,794
21	Less estimated income	<u>126,939,489</u>	<u>(4,554,629)</u>	<u>122,384,860</u>
22	Total general fund	\$159,480,984	\$18,691,950	\$178,172,934
23	Subdivision 4.			
24		BILL TOTAL		
25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Grand total general fund	\$927,229,214	\$237,540,188	\$1,164,769,402
28	Grand total special funds	<u>1,670,969,526</u>	<u>97,104,398</u>	<u>1,768,073,924</u>
29	Grand total all funds	\$2,598,198,740	\$334,644,586	\$2,932,843,326
30	Full-time equivalent positions	2,197.35	2.73	2,200.08

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

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

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

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

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

26 Notwithstanding section 54-16-04, the department of human services may transfer
27 appropriation authority between line items within each subdivision of section 1 of this Act and
28 between subdivisions within section 1 of this Act for the biennium beginning July 1, 2013, and
29 ending June 30, 2015. The department shall notify the office of management and budget of any
30 transfer made pursuant to this section. The department shall report to the budget section after

1 June 30, 2014, any transfers made in excess of \$50,000 and to the appropriations committees
2 of the sixty-fourth legislative assembly regarding any transfers made pursuant to this section.

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

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

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

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

18 f. The department of human services for foster care licenses and approvals under
19 chapter 50-11, appointments of legal guardians under chapter 50-11.3, and
20 petitions for adoptions under chapter 50-12, except that the criminal history
21 record investigation must be conducted in accordance with those chapters. A
22 criminal history record investigation completed under chapter 50-11, 50-11.3, or
23 50-12 may be used to satisfy the requirements of a criminal history record
24 investigation under either of the other two chapters.

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

27 3. "Child support" means payments for the support of ~~children~~ a child, including payments
28 for health insurance coverage or other medical support, and ~~combined~~ payments for
29 the support of ~~children and spouses or former spouses~~ with whom the child is living as
30 long as the spousal support payment is owed to the spouse or former spouse under
31 the same order as the payments for the child, however denominated, if the payment is

1 required by the order of a court or other governmental agency having authority to
2 issue such orders, and includes past-due support.

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

5 6. "Eligible beneficiary" means a resident of this state who:

6 a. (1) Is aged; or

7 (2) Is at least eighteen years of age and is disabled or blind;

8 b. Has applied for and is eligible to receive benefits under title XIX of the Social
9 Security Act [42 U.S.C. 1396 et seq.], and who has applied for and is receiving
10 benefits, if the individual is eligible to receive benefits, under titles II and XVI of
11 the Social Security Act [42 U.S.C. 401-434 and 42 U.S.C. 1381 et seq.];

12 c. Based on a functional assessment, is not severely impaired in any of the
13 activities of daily living of toileting, transferring to or from a bed or chair, or eating
14 and:

15 (1) Has health, welfare, or safety needs, including a need for supervision or a
16 structured environment; ~~and~~ or

17 (2) Is impaired in three of the four instrumental activities of daily living of
18 preparing meals, doing homework, taking medicine, and doing laundry;

19 d. Has countable income, less the cost of necessary remedial care that may be
20 provided under this chapter, does not exceed an amount equal to the cash
21 benefit under titles II and XVI of the Social Security Act [42 U.S.C. 401-434 and
22 42 U.S.C. 1381 et seq.] which the individual would receive if the individual had no
23 income, plus the personal needs allowance;

24 e. Has impairments that are not the result of an intellectual disability; and

25 f. Is determined to be eligible pursuant to rules adopted by the department.

26 **SECTION 10.**

27 **Review and limitation.**

28 Intermediate care facility providers shall submit all facility construction or remodeling
29 proposals to the department of human services prior to enactment of a contract for the
30 completion of the project. The department of human services shall review all intermediate care

1 facility construction or remodeling proposals and may limit allowable construction and
2 remodeling costs to ensure the costs are reasonable and appropriate.

3 **SECTION 11. GRANT TO ASSISTED LIVING CENTER - LIMITATION.** The sum of
4 \$425,000, or so much of the sum as may be necessary, included in the grants - medical
5 assistance line item in subdivision 2 of section 1 of this Act, is to provide a grant to an assisted
6 living center that accepts low-income tenants for an expansion project. This funding may not be
7 spent for any other purpose if the expansion project has not begun by July 1, 2015.

8 **SECTION 12. GRANTS.** The grants line item in subdivision 2 of section 1 of this Act
9 includes \$300,000, or so much of the sum as may be necessary, from the general fund for
10 grants to a jurisdiction that is adjacent to an Indian reservation but does not receive
11 reimbursement payments under section 50-01.2-03.2 and is determined by the department of
12 human services to be the most significantly impacted based on calendar year 2012 data
13 considering the provisions of subsection 2 of section 50-01.2-03.2, for the biennium beginning
14 July 1, 2013, and ending June 30, 2015. No more than fifty percent of this appropriation may be
15 distributed in each fiscal year of the biennium.

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

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

1 **SECTION 15. LEGISLATIVE MANAGEMENT STUDY - NORTH DAKOTA HEALTH CARE.**

2 During the 2013-14 interim, the legislative management shall consider studying the immediate
3 needs and challenges of the North Dakota health care delivery system, implementing the
4 healthy North Dakota initiative, examining Medicaid reform, and the feasibility of developing a
5 plan for a private health care model that will comply with federal health care reform in a manner
6 that will provide high-quality, accessible, and affordable care for North Dakota citizens. In
7 performing the study, the legislative management may consider population shifts, facility needs,
8 personnel needs, rural access, regulatory public health functions, and vulnerable populations;
9 determine the scope of the weakness in the current health care system; take into account the
10 ongoing impact that federal health care reform under the federal Affordable Care Act is having
11 on state delivery of health care and on state delivery of Medicaid; and consider how to forge
12 partnerships with federal payers and regulators in order to work toward addressing medical
13 reimbursement system reform. The legislative management shall report its findings and
14 recommendations, together with any legislation required to implement the recommendations, to
15 the sixty-fourth legislative assembly.

16 **SECTION 16. LEGISLATIVE MANAGEMENT STUDY OF THE NEED FOR A**
17 **COMPREHENSIVE SYSTEM OF CARE FOR INDIVIDUALS WITH BRAIN INJURY.** During the

18 2013-14 interim, the legislative management shall consider studying the need for a
19 comprehensive system of care for individuals with brain injury, including services available to
20 veterans who are returning from wars, the impact of the inclusion of all acquired brain injury on
21 traumatic brain injury programs, the need for a statewide registry for brain injury, the need for
22 increased awareness of the impact of brain injury, the need for screening for brain injury in the
23 education system, the availability of community support systems, the availability of specialized
24 substance abuse services, the examination of the long-term care needs, the availability of home
25 and community-based services, services available from independent living centers, the need for
26 transitional supportive housing, and the suitability of the current level of care determination for
27 brain injury. Consideration should be given to input from the department of human services
28 traumatic brain injury advisory committee and stakeholders from the private and public sectors,
29 including individuals with brain injury, families impacted by brain injury, educators, treatment
30 providers, and service providers. 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 17. REPORT TO LEGISLATIVE MANAGEMENT - TRANSITIONAL LIVING**
4 **FACILITY.** Subdivision 3 of section 1 of this Act includes funding of \$547,000 from the general
5 fund and \$182,000 from other funds for an eight-unit transitional living facility in the southeast
6 human service center region. The department of human services shall provide a report to the
7 budget section in December 2014 on the status of the facility.

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

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

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

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

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1	Expedited ratesetting process	\$1,661,844
2	Recipient liability first claim	100,000
3	Supplemental nutrition assistance and temporary	500,304
4	assistance for needy families program changes	
5	Electronic prescriptions	299,324
6	Medical assistance program expansion	157,991,337
7	Committee on employment of people with disabilities	<u>39,594</u>
8	Total all funds	\$160,592,403
9	Less estimated income	<u>159,349,321</u>
10	Total general fund appropriation	\$1,243,082