

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 create and enact subdivision aa of subsection 1 of section 50-09-29 and a  
 3 new section to chapter 50-24.1 of the North Dakota Century Code, relating to temporary  
 4 assistance for needy families benefits and to the monthly maintenance needs allowance; to  
 5 amend and reenact sections 50-06-16, 50-06-32.1, 50-06-37, and subsection 1 of section  
 6 50-09-29, of the North Dakota Century Code, relating to rulemaking authority, the expiration  
 7 date on the autism spectrum disorder voucher program pilot project, and the assessment used  
 8 for the developmental disabilities system reimbursement project; to provide an exemption; to  
 9 provide payments to counties out of enhanced federal payment; to provide reports to the  
 10 legislative management; to provide for a legislative management study; to provide an  
 11 appropriation to the legislative council; ~~and~~ to provide an effective date; and to declare an  
 12 emergency.

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

14 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the  
 15 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
 16 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
 17 other income, to the department of human services for the purpose of defraying the expenses of  
 18 its various divisions, for the biennium beginning July 1, 2015, and ending June 30, 2017, as  
 19 follows:

20 Subdivision 1.

21 MANAGEMENT

22 Adjustments or

23 Base Level

Enhancements

Appropriation

<del>Salaries and wages</del>	<del>\$23,949,306</del>	<del>\$15,772,402</del>	<del>\$39,721,708</del>
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Sixty-fourth  
Legislative Assembly

1	Operating expenses	67,749,348	27,600,120	95,349,468
2	Capital assets	12,000	14,000	26,000
3	IT project carryover	0	60,872,269	60,872,269
4	Total all funds	\$91,710,654	\$104,258,791	\$195,969,445
5	Less estimated income	53,608,032	65,689,982	119,298,014
6	Total general fund	\$38,102,622	\$38,568,809	\$76,671,431
7	Salaries and wages	\$23,949,306	\$3,829,290	\$27,778,596
8	Operating expenses	67,749,348	27,968,850	95,718,198
9	Capital assets	12,000	14,000	26,000
10	Total all funds	\$91,710,654	\$31,812,140	\$123,522,794
11	Less estimated income	53,608,032	17,605,096	71,213,128
12	Total general fund	\$38,102,622	\$14,207,044	\$52,309,666

Subdivision 2.

PROGRAM AND POLICY

		Adjustments or		
	Base Level	Enhancements	Appropriation	
17	Salaries and wages	\$52,422,982	\$7,469,097	\$59,892,079
18	Operating expenses	107,894,413	1,178,015	109,072,428
19	Capital assets	0	10,000	10,000
20	Grants	459,313,620	12,126,010	471,439,630
21	Grants - Medical assistance	1,910,060,462	541,447,672	2,451,508,134
22	Total all funds	\$2,529,691,477	\$562,230,794	\$3,091,922,271
23	Less estimated income	1,587,974,557	420,767,186	2,008,741,743
24	Total general fund	\$941,716,920	\$141,463,608	\$1,083,180,528
25	Salaries and wages	\$52,422,982	\$6,498,477	\$58,921,459
26	Operating expenses	107,894,413	1,353,871	109,248,284
27	Capital assets	0	10,000	10,000
28	Grants	458,913,620	12,469,860	471,383,480
29	Grants - medical assistance	1,910,060,462	524,869,406	2,434,929,868
30	Total all funds	\$2,529,291,477	\$545,201,614	\$3,074,493,091

Sixty-fourth  
Legislative Assembly

1	<u>Less estimated income</u>	<u>1,587,974,557</u>	<u>411,722,311</u>	<u>1,999,696,868</u>
2	<u>Total general fund</u>	<u>\$941,316,920</u>	<u>\$133,479,303</u>	<u>\$1,074,796,223</u>

3 Subdivision 3.

4 FIELD SERVICES

5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	<del>Human service centers</del>	<del>\$182,433,538</del>	<del>\$22,600,277</del>	<del>\$205,033,815</del>
8	<del>Institutions</del>	<del>130,697,211</del>	<del>23,083,466</del>	<del>153,780,677</del>
9	<del>Total all funds</del>	<del>\$313,130,749</del>	<del>\$45,683,743</del>	<del>\$358,814,492</del>
10	<del>Less estimated income</del>	<del>126,067,783</del>	<del>6,631,486</del>	<del>132,699,269</del>
11	<del>Total general fund</del>	<del>\$187,062,966</del>	<del>\$39,052,257</del>	<del>\$226,115,223</del>
12	<u>Human service centers</u>	<u>\$182,433,538</u>	<u>\$19,737,829</u>	<u>\$202,171,367</u>
13	<u>Institutions</u>	<u>130,697,211</u>	<u>16,113,473</u>	<u>146,810,684</u>
14	<u>Total all funds</u>	<u>\$313,130,749</u>	<u>\$35,851,302</u>	<u>\$348,982,051</u>
15	<u>Less estimated income</u>	<u>126,067,783</u>	<u>5,671,429</u>	<u>131,739,212</u>
16	<u>Total general fund</u>	<u>\$187,062,966</u>	<u>\$30,179,873</u>	<u>\$217,242,839</u>

17 Subdivision 4.

18 BILL TOTAL

19			Adjustments or	
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	<del>Grand total general fund</del>	<del>\$1,166,882,508</del>	<del>\$219,084,674</del>	<del>\$1,385,967,182</del>
22	<del>Grand total special funds</del>	<del>1,767,650,372</del>	<del>493,088,654</del>	<del>2,260,739,026</del>
23	<del>Grand total all funds</del>	<del>\$2,934,532,880</del>	<del>\$712,173,328</del>	<del>\$3,646,706,208</del>
24	<u>Grand total general fund</u>	<u>\$1,166,482,508</u>	<u>\$177,916,220</u>	<u>\$1,344,398,728</u>
25	<u>Grand total special funds</u>	<u>1,767,650,372</u>	<u>434,998,836</u>	<u>2,202,649,208</u>
26	<u>Grand total all funds</u>	<u>\$2,934,132,880</u>	<u>\$612,915,056</u>	<u>\$3,547,047,936</u>

27	Full-time equivalent positions	2,201.08	23.50	2,224.58
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28 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

29 **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
 30 items approved by the sixty-fourth legislative assembly for the 2013-15 biennium and the 2015-  
 31 17 one-time funding items included in the appropriation in section 1 of this Act:

Sixty-fourth  
Legislative Assembly

1	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
2	Mainframe migration	\$810,000	\$0
3	Building demolition - life skills and transition center	220,000	0
4	State hospital capital projects	864,714	0
5	Grants	925,000	0
6	Critical access hospital grants	9,600,000	0
7	Electronic health records	2,500,000	0
8	<del>Eligibility project</del>	<del>0</del>	<del>60,872,269</del>
9	<del>Heating plant repairs - state hospital</del>	<del>0</del>	<del>1,509,156</del>
10	<del>Surveillance cameras</del>	<del>0</del>	<del>390,000</del>
11	<del>Central air - Tompkins building</del>	<del>0</del>	<del>557,606</del>
12	<del>Heating plant repairs - life skills and transition center</del>	<del>0</del>	<del>230,000</del>
13	<del>Six living area kitchens - life skills and transition center</del>	<del>0</del>	<del>750,000</del>
14	<del>Total all funds</del>	<del>\$14,919,714</del>	<del>\$64,309,031</del>
15	<del>Less estimated income</del>	<del>10,686,093</del>	<del>46,860,102</del>
16	<del>Total general fund</del>	<del>\$4,233,621</del>	<del>\$17,448,929</del>
17	<u>Early childhood services grants</u>	<u>400,000</u>	<u>0</u>
18	<u>Total all funds</u>	<u>\$15,319,714</u>	<u>\$0</u>
19	<u>Less estimated income</u>	<u>10,686,093</u>	<u>0</u>
20	<u>Total general fund</u>	<u>\$4,633,621</u>	<u>\$0</u>

21 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the  
 22 2017-19 biennium. The department of human services shall report to the appropriations  
 23 committees of the sixty-fifth legislative assembly on the use of this one-time funding for the  
 24 biennium beginning July 1, 2015, and ending June 30, 2017.

25 **SECTION 3. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.** Notwithstanding  
 26 section 54-16-04, the department of human services may transfer appropriation authority  
 27 between line items within each subdivision of section 1 of this Act and between subdivisions  
 28 within section 1 of this Act for the biennium beginning July 1, 2015, and ending June 30, 2017.  
 29 The department shall notify the office of management and budget of any transfer made  
 30 pursuant to this section. The department shall report to the budget section after June 30, 2016,

1 any transfers made in excess of \$50,000 and to the appropriations committees of the sixty-fifth  
2 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 and related projects in chapter 50 of the 2007 Session Laws  
5 and chapter 38 of the 2011 Session Laws is not subject to the provisions of section 54-44.1-11.  
6 Any unexpended funds from these appropriations approved under section 54-44.1-11 for  
7 continuation into the 2009-11 biennium and then the 2011-13 biennium and then the 2013-15  
8 biennium are available for the completion of the medicaid management information system and  
9 related projects during the biennium beginning July 1, 2015, and ending June 30, 2017.

10 **SECTION 5. EXEMPTION.** The amount appropriated for the modification of the  
11 department's eligibility systems in chapter 578 of the 2011 Special Session Laws is not subject  
12 to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved  
13 under section 54-44.1-11 for continuation into the 2013-15 biennium are available for the  
14 completion of the modification of the eligibility systems project during the biennium beginning  
15 July 1, 2015, and ending June 30, 2017.

16 **SECTION 6. AMENDMENT.** Section 50-06-16 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18 **50-06-16. Rulemaking authority.**

19 The department may adopt rules necessary to carry out the responsibilities of the  
20 department in conformity with any statute administered or enforced by the department. All rules  
21 adopted must be published in the North Dakota Administrative Code. Rules adopted by  
22 agencies prior to January 1, 1982, which relate to functions or agencies covered by this chapter  
23 remain in effect until such time as they are specifically amended or repealed. The department is  
24 not required to adopt rules to establish the process for the administration of funds appropriated  
25 to the department in an appropriation identified by the legislative assembly as a one-time  
26 funding item.

27 **SECTION 7. AMENDMENT.** Section 50-06-32.1 of the North Dakota Century Code is  
28 amended and reenacted as follows:

1           **50-06-32.1. (~~Effective through June 30, 2015~~) Autism spectrum disorder voucher**  
2 **program pilot project - Legislative management report - Appeal.**

- 3           1. The department of human services shall establish a voucher program pilot project  
4 beginning July 1, 2014, to assist in funding equipment and general educational needs  
5 related to autism spectrum disorder for individuals below two hundred percent of the  
6 federal poverty level from age three to under age eighteen who have been diagnosed  
7 with autism spectrum disorder. The program may include funding for assistive  
8 technology; video modeling videos or equipment; language-generating devices;  
9 training and educational material for parents; parenting education; sensory equipment;  
10 tutors; safety equipment; travel tools; self-care equipment; timers; visual  
11 representation systems; respite care; specialized daycare; language comprehension  
12 equipment; and registration and related expenses for workshops and training to  
13 improve independent living skills, employment opportunities, and other executive or  
14 social skills.
- 15           2. The department shall adopt rules addressing management of this voucher program  
16 pilot project and establishing the eligibility requirements and exclusions for this  
17 voucher program pilot project. The program may not provide a voucher for early  
18 intensive behavioral intervention, including applied behavioral analysis, intensive early  
19 interventional behavioral therapy, intensive behavioral intervention, the Lovaas  
20 method, the Denver model, LEAP (learning experiences - an alternative program for  
21 preschoolers and parents), TEACCH (treatment and education of autistic and related  
22 communication handicapped children), pivotal response training, or discrete trial  
23 training.
- 24           3. A decision on a voucher application which is issued by the department under this  
25 section may be appealed as provided under chapter 28-32.
- 26           4. The department of human services shall report to the legislative management  
27 regarding the autism spectrum disorder program pilot project.

28           **SECTION 8. AMENDMENT.** Section 50-06-37 of the North Dakota Century Code is  
29 amended and reenacted as follows:

1           **50-06-37. Developmental disabilities system reimbursement project.**

2           The department of human services, in conjunction with developmental disabilities service  
3 providers, shall develop a prospective or related payment system with an independent rate  
4 model utilizing the support intensity scale.

5           1. The department shall establish a steering committee consisting of representatives  
6 from all interested providers and department representatives. The steering committee  
7 shall guide the development of the new payment system including assisting a  
8 consultant to conceptualize, develop, design, implement, and evaluate a new payment  
9 system.

10          2. The department shall contract with a consultant by September 1, 2011, to develop, in  
11 collaboration with the steering committee, the payment system and the resource  
12 allocation model tying funding to support intensity scale assessed needs of clients  
13 aged sixteen and older and to a state-approved assessment that assesses needs of  
14 clients younger than sixteen years of age.

15          3. After the prospective or related payment system rates are developed, the new rates  
16 must be tested on a sampling of clients and providers, the sample to be determined by  
17 the steering committee, allowing sufficient time to capture provider cost, client-realized  
18 need, and service provision data. The consultant shall provide the appropriate  
19 sampling number to sufficiently test the rates, types of services, and needs of clients  
20 with the intent to include as many providers as fiscally feasible.

21          4. The department shall contract with a team of support intensity scale assessors by  
22 September 1, 2011. The team shall begin assessing immediately the identified client  
23 pilot group identified by the consultant contracted in subsection 2.

24          5. Once testing is complete, the data must be analyzed by the consultant and the  
25 consultant shall make any needed rate adjustments, resource allocation modifications,  
26 or process assumptions.

27          6. Beginning in June 2012, the department and the steering committee shall report  
28 development activities and status information to an interim legislative committee.

29          7. Implementation of any system developed under this chapter may not occur before the  
30 implementation of the department's new medicaid management information system.

1       **SECTION 9.** Subdivision aa of subsection 1 of section 50-09-29 the North Dakota Century  
2 Code is created and enacted as follows:

3           aa. Provide an annual percentage increase in the benefit amount that is equal to the  
4           annual percentage increase in the consumer price index for urban consumers,  
5           within the limits of legislative appropriation.

6       **SECTION 10.** A new section to chapter 50-24.1 of the North Dakota Century Code is  
7 created and enacted as follows:

8       **Monthly maintenance needs allowance.**

9       In determining eligibility for medical assistance applicants and recipients, the department of  
10 human services shall establish a monthly maintenance needs allowance for a community  
11 spouse equal to the maximum amount permitted under 42 U.S.C. 1396r-5. The department  
12 shall provide annual increases in the monthly maintenance needs allowance equal to the  
13 annual percentage increase in the consumer price index for urban consumers, provided,  
14 however, that the monthly maintenance needs allowance does not exceed the amount set by  
15 the centers for medicare and medicaid services for the year in which the increase is applied.

16       **SECTION 11. LEGISLATIVE INTENT - DEPARTMENT OF HUMAN SERVICES -**  
17 **MEDICALLY FRAGILE INTENSIVE CARE FACILITY.** It is the intent of the sixty-fourth  
18 legislative assembly that the department of human services develop a plan for a medically  
19 fragile intensive care facility for certain individuals transitioning from the life skills and transition  
20 center during the 2015-16 interim. It is further the intent of the legislative assembly that the plan  
21 consider the resident's and their family's preferences regarding the location of the facility and  
22 that the department include funding for the facility in its 2017-19 biennium budget request.

23       **SECTION 12. PAYMENTS TO THE COUNTY FOR LOCAL EXPENSES OF**  
24 **ADMINISTRATION OF THE MEDICAID PROGRAM.** Within the limits of legislative  
25 appropriation, the department may reimburse counties for part of the local expenses of  
26 administration for determining eligibility for services under chapter 50-24.1, an amount that  
27 represents all or part of an increase in payments from the federal government to the department  
28 for administration of the medicaid program.

29       **SECTION 13. APPROPRIATION.** Special funds derived from federal funds and other  
30 income, are appropriated to the department of human services for the purpose of reimbursing  
31 counties under section 10 of this Act for part of the local expenses of administration of the

1    medicaid program under chapters 50-01.2 and 50-24.1, for the biennium beginning July 1,  
2    2015, and ending June 30, 2017.

3           **SECTION 14. GRANTS - EXEMPTION - REPORTS TO LEGISLATIVE MANAGEMENT.**

4    The grants line item in subdivision 2 of section 1 of this Act includes \$205,000 from the general  
5    fund for a grant to a statewide family-controlled parent-to-parent support organization with at  
6    least fifty percent of its board of directors consisting of members whose primary daily  
7    responsibilities include caring for a child with a mental health disorder, for the biennium  
8    beginning July 1, 2015, and ending June 30, 2017. Funds awarded must be used for providing  
9    services to children with emotional, behavioral, or mental health needs. The organization  
10   receiving a grant under this section shall provide a report to the legislative management during  
11   the 2015-16 interim on the use of grant funds. The requirements of chapter 54-44.4 do not  
12   apply to the selection of a grantee, the grant award, or payments made under this section.

13           **SECTION 15. GRANTS - EXEMPTION - REPORTS TO LEGISLATIVE MANAGEMENT.**

14   The grants line item in subdivision 2 of section 1 of this Act includes \$205,000 from the general  
15   fund for a grant to a statewide family-to-family health information and education organization  
16   which provides parent-to-parent support for families and is located in a county with a population  
17   of less than 6,000 based on the 2010 decennial census, for the biennium beginning July 1,  
18   2015, and ending June 30, 2017. Funds awarded must be used for family-related information  
19   and education services. The organization receiving a grant under this section shall provide a  
20   report to the legislative management during the 2015-16 interim on the use of grant funds. The  
21   requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or  
22   payments made under this section.

23           **SECTION 16. GRANTS FOR MENTAL HEALTH DISORDER PREVENTION SERVICES -**

24   **EXEMPTION.** The grants line item in subdivision 2 of section 1 of this Act includes \$90,000  
25   from the general fund for a grant to an organization providing mental health disorder-related  
26   services for caregivers, and children up to age eight in the southeast human service region, for  
27   the biennium beginning July 1, 2015, and ending June 30, 2017. Funds awarded may be used  
28   to assist caregivers with providing screening, assessment, development education,  
29   relationship-based skills coaching, prevention, short-term therapy treatment, and early  
30   identification services for children up to age eight experiencing behavioral or emotional

1 difficulties. The requirements of chapter 54-44.4 do not apply to the selection of a grantee, the  
2 grant award, or payments made under this section.

3 **SECTION 17. APPROPRIATION - 2013-15 BIENNIUM.** There is appropriated out of special  
4 funds derived from federal funds, not otherwise appropriated, the sum of \$87,000,000, or so  
5 much of the sum as may be necessary, to the department of human services for the purpose of  
6 defraying medical assistance grant costs, for the period beginning with the effective date of this  
7 Act and ending June 30, 2015.

8 **SECTION 18. LEGISLATIVE MANAGEMENT STUDY - DELIVERY SYSTEM FOR**  
9 **CHILDREN WITH SPECIAL HEALTH CARE NEEDS.** During the 2015-16 interim, the  
10 legislative management shall consider studying the state service delivery system for children  
11 with special health care needs and for children with a disability. The study must include  
12 consideration of the special health care needs and disability needs of children. The scope of the  
13 study must include consideration of access; availability, including number of children without  
14 services; and delivery of services, including complexity of service delivery system. The study  
15 must include input from stakeholders, including representatives of law enforcement, pediatric  
16 providers, tribal governments, and state and local agencies and institutions. The legislative  
17 council may contract for consulting services to assist the legislative management in conducting  
18 the study. The legislative management shall report its findings and recommendations, together  
19 with any legislation required to implement the recommendations, to the sixty-fifth legislative  
20 assembly.

21 **SECTION 19. APPROPRIATION - LEGISLATIVE COUNCIL.** There is appropriated out of  
22 any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of  
23 \$50,000, or so much of the sum as may be necessary, to the legislative council for the purpose  
24 of contracting for consulting services to assist the legislative management in conducting a study  
25 of the delivery system for children with special health care needs, for the biennium beginning  
26 July 1, 2015, and ending June 30, 2017.

27 **SECTION 20. EFFECTIVE DATE.** Section ~~9~~10 of this Act becomes effective on January 1,  
28 2016.

29 **SECTION 21. EFFECTIVE DATE.** Sections ~~40~~12 and ~~44~~13 of this Act become effective on  
30 the effective date of the centers for medicare and medicaid services' certification that the

1 department's eligibility system has met the seven conditions and standards for the receipt of  
2 enhanced match.

3 **SECTION 22. EMERGENCY.** Section 17 of this Act is declared to be an emergency  
4 measure.