

FISCAL NOTE
Requested by Legislative Council
02/10/2015

Amendment to: HB 1234

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$389,370		\$1,533,038
Expenditures			\$389,370	\$389,370	\$1,533,053	\$1,533,038
Appropriations			\$389,370	\$389,370	\$1,533,053	\$1,533,038

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB1234 adds the facility's occupancy percentage to the property rate calculation and increases the per bed property limit of a double occupancy room to \$138,000 and the single occupancy to \$211,000.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 increases the per bed property limit of a double occupancy room to \$138,000 and the single occupancy to \$211,000 effective after June 30, 2015. The information for future construction projects was provided by the Long Term Care Association.

Section 3 adds the facility's occupancy percentage to the property rate calculation. A facility with 90% occupancy is entitled to receive 100% of the property rate. Those under 90% will see the 100% rate reduced by 2% for each percentage below 90% however the rate can never be less than 70%. For those above 90% the 100% rate may be increased by 1% for each percentage over 90% up to 95%.

Section 1 changes the room limits after June 30, 2015, however, this is in conflict with the bills effective date for rate years after December 31, 2016. For section 1, calculations were made assuming a rate change would occur after June 30, 2015 thus effecting all 24 month of the 15-17 biennium. The Department estimates expenditures under the Medicaid grants line item for the 15-17 biennium would increase \$778,740 of which, \$389,370 is general fund and \$389,370 are federal funds.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The revenue increase represents the additional amount of federal Medicaid funding the Department will be able to access due to the change in calculating nursing facility property costs. The revenue increase is estimated at \$389,370 for the 15-17 biennium and \$1,533,038 for the 17-19 biennium.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The estimated expenditures under the Medical Assistance grants line item for the 15-17 biennium would increase \$778,740 of which, \$389,370 is general fund and \$389,370 are federal funds. In the 17-19 biennium, estimated expenditures would increase \$3,066,091 of which, \$1,533,053 is general fund and \$1,533,038 are federal funds.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The Department's appropriation will need to be increased for the 15-17 biennium by \$778,740 of which, \$389,370 is general fund and \$389,370 are federal funds. The Department estimates an appropriation increase for the 17-19 biennium of \$3,066,091 of which, \$1,533,053 is general fund and \$1,533,038 are federal funds.

Name: Deb McDermott

Agency: Department of Human Services

Telephone: 701 328-3695

Date Prepared: 02/13/2015