

FISCAL NOTE
Requested by Legislative Council
01/13/2015

Bill/Resolution No.: HB 1291

- 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				\$3,611,757		\$7,391,266
Expenditures			\$3,281,731	\$3,611,757	\$6,731,214	\$7,391,266
Appropriations			\$3,281,731	\$3,611,757	\$6,731,214	\$7,391,266

- 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		\$330,026	\$660,052
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).*

HB1291 requires the Department to seek approval from the Centers for Medicare and Medicaid Services(CMS) to expand medical assistance coverage for pregnant women with income between 147% and 200% of the federal poverty level.

- 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 requires the Department to expand medical assistance coverage for pregnant women with income between 147% and 200% of the federal poverty level. If eligibility level is increased above 185% of the federal poverty level, North Dakota would have to apply for approval under an 1115 waiver, or explore an option through a CHIP targeted low income pregnant women program. As CHIP is currently only funded through September 30, 2015 the availability of funding from this program is uncertain. It is not reasonable to anticipate CMS approval of a 1115 waiver by the January 1, 2016 start date purposed by this bill. All estimates were calculated using a July 1, 2016 anticipated start date.

The Department estimates that 2,706 additional pregnant women would qualify for coverage annually. Due to the Affordable Care Act and mandatory insurance coverage, it was assumed that this population would be covered through other insurance plans and that the state would be the third party payer of coverage. Expanding coverage will also require IT system changes in order to be implemented. The IT cost along with the cost to cover the additional women is estimated to be 6,893,488 of which, \$3,281,731 is General Fund and \$3,611,757 is other funds. We also included costs for the equivalent of 5 additional County eligibility workers to handle the increase in applications expected for this coverage.

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.*

With approval from CMS, the Department will be able to access federal Medicaid funding in 15-17 biennium of which \$3,446,744 is from increased grants and operating expenditures and \$165,013 is from retained dollars for the

addition of 5 County staff. The revenues for the 17-19 biennium are estimated to be \$7,061,240 due to grants and \$330,026 from retained dollars for the addition of 5 County staff.

- 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.*

With an effective date of July 1, 2016, estimated expenditures under the Medicaid grants line item for 12 months of the 15-17 biennium would total \$6,656,516 and the IT costs are 236,972, of which, \$3,281,731 is General Fund and \$3,611,757 is Other Funds. In the 17-19 biennium, estimated expenditures would increase to \$14,122,479 of which, \$6,731,214 is General Fund and \$7,391,266 is Other 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 will need an appropriation increase for the 15-17 biennium of \$6,893,488 of which \$3,281,731 is General Fund and \$3,611,757 is Other Funds. The Department will need an appropriation increase for the 17-19 biennium of \$14,122,479 of which, \$6,731,214 is General Fund and \$7,391,266 is Other Funds.

Name: Debra A. McDermot

Agency: Department of Human Services

Telephone: 70 328-3695

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