

FISCAL NOTE
Requested by Legislative Council
02/13/2015

Amendment to: HB 1359

- 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				\$18,944		\$40,315
Expenditures			\$788,836	\$18,944	\$1,700,745	\$40,315
Appropriations			\$488,836	\$18,944	\$1,700,745	\$40,315

- 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).*

SB1359 requires the department establish procedures for determining rates of basic care facilities that qualify as vendors of an aged, blind, and disabled persons program and for implementing direct and indirect care rate limits and provides for payment of rates for 20 days of leave per occurrence.

- 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.*

Subsection 3 states the limits may not fall below the direct care rate established for the ninety-fifth percentile facility and the indirect care rate established for the ninetieth percentile facility. Subsection 3 also states the direct care rate limit will be established using the highest and lowest rates, multiplying the average by 85%. The Bill further states the indirect care limit will be established using the highest and lowest rates, multiplying the average by 80%. The limits calculated using the percentile facility are higher than the limits calculated using the highest and lowest rates multiplied by a percentage. Therefore, the fiscal estimate is based on the 95th percentile facility for direct care and the 90th percentile facility for indirect care.

Subsection 4 increases the current number of leave days for a basic care resident, who is in a licensed health care facility and is expected to return, to 20 days. Current administrative code allows for 15 leave days.

These changes increase expenditures for the 15-17 biennium by \$807,780 of which \$788,836 are General Fund and \$18,944 are Federal Funds. In the 17-19 biennium, estimated expenditures would be \$1,741,060 of which, \$1,700,745 is General Fund and \$40,315 is 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 increase in Revenue represents the Federal Funds the Department will be able to access due to the increased costs reported for Basic Care as a result of changing the rate setting structure. Increasing revenue for the 15-17 biennium by \$18,944 in Federal Funds. In the 17-19 biennium, estimated revenue would increase \$40,315 in Federal Funds.

- 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 rates effective July 1, 2016, estimated expenditures under the Medicaid grants line item for the 15-17 biennium would increase \$807,780 of which \$788,836 are General Fund and \$18,944 are Federal Funds. In the 17-19 biennium, estimated expenditures would increase \$1,741,060 of which, \$1,700,745 is General Fund and \$40,315 is 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.*

In addition to the General Fund appropriation of \$300,000 included in Section 2 of the Bill the Department will need additional appropriation of \$507,780, of which \$488,836 are General Fund and \$18,944 are Federal Funds for the 15-17 biennium. The Department will need an appropriation increase for the 17-19 biennium of \$1,741,060 of which, \$1,700,745 is General Fund and \$40,315 is Federal Funds.

Name: Debra McDermott

Agency: Department of Human Services

Telephone: 701 328-3695

Date Prepared: 02/26/2015