19.8086.01000

FISCAL NOTE

Requested by Legislative Council
12/21/2018

Bill/Resolution No.: SB 2106

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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				$(4,167,513)		$(6,582,628)
Expenditures			$(1,889,626)	$(4,167,513)	$(1,493,557)	$(6,582,628)
Appropriations			$(1,889,626)	$(4,167,513)	$(1,493,557)	$(6,582,628)

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 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).*

SB 2106 is a complete update to NDCC 50-29, and proposes to operate the Children's Health Insurance Program (CHIP)as a Fee for Service model that is administered by the Department. The transition to DHS administration would be effective January 1, 2020.

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.*

The changes proposed in Section 4 are estimated to save ($6,057,139), of which ($3,703,610) are general fund. The savings are estimated for 18 months and result from use of the Traditional Medicaid fee schedule and from simplifying and aligning administrative functions with the Medicaid program. The administrative savings include the reduction of a 0.5 FTE that will no longer be needed. The State savings will be reduced by the decreasing Children's Health Insurance Program (CHIP) federal match participation rate, which will result in increased general fund spend of $1,813,984, therefore the overall impact for the general fund would result in a net savings of ($1,889,626)

For the 2021 - 2023 biennium the total savings from this change are estimated at ($8,076,185), of which ($2,519,501) are general funds. The State savings will be reduced by the decreasing Children's Health Insurance Program (CHIP) federal match participation rate, which will result in increased general fund spend of $1,025,944, therefore the overall impact for the general fund would result in a net savings of ($1,493,557).

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 services provided under SB 2106 are eligible for federal funds from the Children's Health Insurance Program (CHIP). Savings of ($4,167,513 are expected for the 2019-21 biennium. For the 2021-23 biennium there is an estimated savings of ($6,582,628).

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.*

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For the 2021 - 2023 biennium the total savings from this change are estimated at ($8,076,185), of which ($2,519,501) are general fund. The State savings will be reduced by the decreasing Children's Health Insurance Program (CHIP) federal match participation rate, which will result in increased general fund spend of $1,025,944, therefore the overall impact for the general fund would result in a net savings of ($1,493,557).

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.*

Assuming the cost to continue adjustments included in the executive budget recommendation are adopted for SB 2012, the net reduction in appropriation for the 2019-21 biennium would be ($6,057,139), of which ($1,889,626) are general fund.

For the 2021-23 biennium an anticipated reduction in appropriation of ($8,076,185), of which ($1,493,557) are general fund, would be expected for the changes proposed in SB 2106.

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