

# MEDICAL ASSISTANCE AND HEALTHY STEPS

## MEDICAL ASSISTANCE

The 1999-2001 executive recommendation for the medical assistance program includes a total of \$719.2 million excluding intergovernmental transfer funds. Of this total, \$181.2 million is from the general fund. Compared to the 1999-2001 adjusted appropriation excluding intergovernmental transfer funds, the executive budget recommends an increase of \$56 million; however, the general fund share is reduced in the executive budget by \$13.6 million. The executive budget recommends using \$25 million of health care trust fund moneys to replace general fund support in medical assistance. Without this funding source change, the general fund share would have increased by \$11.4 million.

The federal matching assistance percentage (FMAP) for the medical assistance program is as follows:

<b>Federal Fiscal Year</b>	<b>FMAP</b>
1998	70.43%
1999	69.94%
2000	70.42%
2001	69.99%
2002	69.87% (Estimate)
2003	69.87% (Estimate)

The following inflationary adjustments were provided in the executive budget:

	<b>July 2001 Inflationary Adjustment</b>	<b>July 2002 Inflationary Adjustment</b>
Inpatient hospital	2.20%	2.20%
Outpatient hospital	2.20%	2.20%
Nursing facilities	3.78%	2.80%
(Provides 99/85/75 percentile limitations with 55.1 percent of nursing home patients on Medicaid)		
Dental services	2.20%	2.20%
Drugs	7.00%	7.00%
Physician services	2.20%	2.20%

The following schedule compares the 1999-2001 biennium adjusted appropriation for medical assistance to the 2001-03 executive budget recommendation:

	<b>1999-2001 Adjusted Appropriation</b>	<b>Percentage</b>	<b>2001-03 Executive Budget</b>	<b>Percentage</b>	<b>2001-03 Executive Budget Increase (Decrease)</b>
Inpatient hospital	\$61,573,862	9.28%	\$59,261,437	8.24%	(\$2,312,425)
Outpatient hospital	33,671,184	5.08%	30,805,304	4.28%	(2,865,880)
Home health	4,034,500	0.61%	5,309,601	0.74%	1,275,101
Nursing home care	252,358,444	38.05%	264,593,946	36.79%	12,235,502
Physicians' services	37,420,671	5.64%	38,943,322	5.41%	1,522,651
Drugs (net)	50,354,267	7.59%	79,115,722	11.00%	28,761,455
Durable medical equipment	4,199,096	0.63%	4,368,006	0.61%	168,910
Treatment services for children	5,400,000	0.81%	7,501,595	1.04%	2,101,595
Dental	9,888,492	1.49%	11,274,881	1.57%	1,386,389
Rural health clinics	4,021,989	0.61%	3,833,919	0.53%	(188,070)
Aged and disabled waiver	6,374,484	0.96%	8,519,405	1.18%	2,144,921
Community-based developmental disabilities care	148,922,689	22.46%	156,870,722	21.81%	7,948,033
Other	44,982,422	6.79%	48,838,061	6.80%	3,855,639
Total - Excluding intergovernmental transfer	<u>\$663,202,100</u>	<u>100.00%</u>	<u>\$719,235,921</u>	<u>100.00%</u>	<u>\$56,033,821</u>
Federal share	\$463,837,446	69.94%	\$502,787,775	69.91%	\$38,950,329
State share	194,807,468	29.37%	181,198,566	25.19%	(13,608,902)
Other funds	4,557,186	0.69%	35,249,580	4.90%	30,692,394
Total - Excluding intergovernmental transfer	<u>\$663,202,100</u>	<u>100.00%</u>	<u>\$719,235,921</u>	<u>100.00%</u>	<u>\$56,033,821</u>
Intergovernmental transfer program	\$61,464,675		\$26,440,813		(\$35,023,862)
Total - Including intergovernmental transfer	<u>\$724,666,775</u>		<u>\$745,676,734</u>		<u>\$21,009,959</u>
Federal share	\$507,120,870	69.98%	\$521,282,423	69.91%	\$14,161,553
State share	198,425,859	27.38%	181,198,566	24.30%	(17,227,293)
Other funds	19,120,046	2.64%	43,195,745	5.79%	24,075,699
Total - Including intergovernmental transfer	<u>\$724,666,775</u>	<u>100.00%</u>	<u>\$745,676,734</u>	<u>100.00%</u>	<u>\$21,009,959</u>

## HEALTHY STEPS (CHILDREN'S HEALTH INSURANCE PROGRAM)

The 1999-2001 executive recommendation for the Healthy Steps program includes a total of \$8.9 million, \$1.9 million of which is from the general fund. Compared to the 1999-2001 legislative appropriation, the executive budget is recommending an increase of \$5 million, \$1.1 million of which is from the general fund.

The executive budget recommends continuing eligibility requirements for the program at 140 percent of poverty and serving an average caseload of 2,885 children each month of the 2001-03 biennium. In November 2000, 2,094 children were covered by the program. The executive budget includes funding to provide for annual inflationary increases of 16.4 percent on the children's health insurance premiums.

The schedule below compares the funding recommended in the 2001-03 executive budget to the 1999-2001 biennium appropriation:

	<b>1999-2001 Appropriation</b>	<b>2001-03 Executive Budget</b>	<b>2001-03 Executive Budget Increase (Decrease)</b>
Healthy Steps	<u>\$3,886,838</u>	<u>\$8,917,719</u>	<u>\$5,030,881</u>
Federal share	\$3,069,048	\$7,031,005	\$3,961,957
State share	817,790	1,886,714	1,068,924
Other funds	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$3,886,838</u>	<u>\$8,917,719</u>	<u>\$5,030,881</u>

Federal funds available to North Dakota for the children's health insurance program are listed below:

<b>Federal Fiscal Year Ending</b>	<b>North Dakota Allocation</b>
September 30, 1998	\$5,041,000
September 30, 1999	\$5,017,000
September 30, 2000	\$5,656,000

The federal government allows states two years to spend their federal fund allocation. Through September 30, 2000, North Dakota spent \$1,679,509 of its federal fiscal year 1998 allocation of \$5,041,000. North Dakota is currently spending its fiscal year 1999 allocation.

The federal matching assistance percentage (FMAP) for the children's health insurance program is as follows:

<b>Federal Fiscal Year</b>	<b>FMAP</b>
1998	79.30%
1999	78.96%
2000	79.29%
2001	78.99%
2002	78.91% (Estimate)
2003	78.91% (Estimate)