

**ANALYSIS OF THE HEALTH CARE TRUST FUND FOR THE 2005-07 AND 2007-09 BIENNIUMS
(REFLECTING THE 2007-09 BIENNIUM EXECUTIVE BUDGET RECOMMENDATION)**

	2005-07 Biennium		2007-09 Biennium	
Beginning balance		\$20,134,411		\$1,830,102
Add estimated revenues				
Investment earnings	\$1,086,596		\$109,806	
Loan repayments - Principal and interest	834,095		805,531	
Total estimated revenues		1,920,691		915,337
Total available		\$22,055,102		\$2,745,439
Less estimated expenditures and transfers				
State Department of Health quick-response unit pilot project (2005 SB 2004; 2007 HB 1004)	\$125,000		\$125,000	
Department of Human Services inflationary increases and developmental disabilities services (2005 HB 1012)	3,200,000			
Transfer to the general fund (2005 HB 1445)	16,900,000			
Total estimated expenditures and transfers		20,225,000		125,000
Estimated ending balance		\$1,830,102		\$2,620,439

FUND HISTORY

The health care trust fund was established by the 1999 Legislative Assembly (Senate Bill No. 2168) for providing nursing alternative loans or grants. The 2001 Legislative Assembly in House Bill No. 1196 provided that money in the fund may be transferred to the long-term care facility loan fund for nursing facility renovation projects and used for other programs as authorized by the Legislative Assembly. Money was generated for the health care trust fund as a result of the Department of Human Services making government nursing facility funding pool payments to two government nursing facilities--McVille and Dunseith. Payments were made based on the average amount Medicare rates exceeded Medicaid rates for all nursing care facilities in the state multiplied by the total of all Medicaid resident days of all nursing homes. Federal Medicaid funds were available for these payments and required a state match. Payments were made to the two government nursing facilities and were subsequently returned to the state, less a \$50,000 transaction fee retained by each of the two government nursing facilities. Once returned to the state, the state's matching share was returned to its source, and the federal funds were deposited in the health care trust fund. Money in the fund is invested by the State Investment Board and any investment earnings are retained in the fund. The federal government has eliminated this intergovernmental transfer program. **As a result, North Dakota's final intergovernmental transfer payment was received in July 2004.**