

Department of Human Services

Budget No. 325

Senate Bill Nos. 2012, 2024, 2070, 2186, 2205, 2312, 2326, House Bill Nos. 1014, 1246, 1463

	FTE Positions	General Fund	Other Funds	Total
2007-09 executive budget (bills as introduced)	2,085.68	\$582,160,899	\$1,266,310,102	\$1,848,471,001
2007-09 legislative appropriations	2,210.78	591,962,788¹	1,290,084,630	1,882,047,418
Legislative increase (decrease) to executive budget	125.10	\$9,801,889	\$23,774,528	\$33,576,417
Legislative increase (decrease) to 2005-07 appropriations	163.35	\$107,541,314	\$94,443,797	\$201,985,111

¹This amount includes \$11,887,264 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$580,075,524.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Department of Human Services is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2189.

	Major Items	FTE Positions	General Fund	Other Funds	Total
The legislative action:					
Departmentwide					
Reduced funding recommended in the executive budget relating to retiree health credit contributions			(\$132,310)	(\$77,339)	(\$209,649)
Management					
Reduced funding for salaries and wages in anticipation of savings resulting from vacant positions and employee turnover			(200,000)		(200,000)
Program and Policy					
Reduced funding for salaries and wages in anticipation of savings resulting from vacant positions and employee turnover			(400,000)		(400,000)
Economic Assistance Policy					
Added funding in Senate Bill No. 2186 from federal temporary assistance for needy families (TANF) block grant funds for child care transition assistance				1,491,210	1,491,210

Added funding in Senate Bill No. 2186 from federal TANF block grant funds to establish a statewide system of early childhood care workforce development			500,000	500,000
Added funding in Senate Bill No. 2186 to replace the reduction in child care development fund grants		166,221		166,221
Added funding from federal TANF block grant funds for continuing the alternatives-to-abortion services program			400,000	400,000
Child Support				
Removed operating expenses funding for the Devils Lake Child Support Enforcement Unit due to provisions of Senate Bill No. 2205 providing for state administration of child support enforcement		(215,016)		(215,016)
Added funding in Senate Bill No. 2205 for state administration of child support enforcement	122.60	6,873,169	5,615,123	12,488,292
Medical Services				
Added funding to provide a 4 percent annual inflationary increase for the first year of the biennium and a 5 percent increase for the second year for the department's service providers rather than the 3 percent annual increase recommended by the Governor		2,111,480	4,279,531	6,391,011
Added funding to provide for continuous Medicaid eligibility for children under 19 years of age who are either categorically needy or optionally categorically needy beginning January 2008		1,500,000	2,664,354	4,164,354
Added salaries and wages funding for administration of the children's health insurance program	1.00	18,919	56,127	75,046
Added funding for the children's health insurance program to make policies relating to disregards similar to the Medicaid program		393,005	1,165,922	1,558,927
Added operating expense funding for providing additional outreach relating to the children's health insurance program. The department is to provide this funding to an entity that focuses on statewide community health care initiatives and issues.		114,201	338,799	453,000

Added funding for increasing Medicaid eligibility for children under 19 years of age to 133 percent of poverty and the children's health insurance program net income eligibility to 150 percent of poverty in accordance with provisions of House Bill No. 1463	833,039	701,775	1,534,814
Added contingent funding in House Bill No. 1463 for implementing expansion of the children's health insurance program to 150 percent of poverty if the federal government does not approve increasing Medicaid eligibility for children under 19 years of age to 133 percent of poverty	144,067	2,196,987	2,341,054
Added funding to implement cost-based reimbursement for critical hospitals	1,544,469	2,743,341	4,287,810
Added funding to increase Medicaid payment rates for chiropractic services	31,845	56,564	88,409
Added funding to increase Medicaid payment rates for ambulance services	125,000	222,029	347,029
Added funding in House Bill No. 1246 for increasing funding for children's dental services	160,000	284,198	444,198
Reduced funding to reflect an anticipated reduction in the cost and caseload/utilization of the following medical assistance services from the amounts included in the executive budget:			
• Inpatient hospital	(1,000,000)	(1,776,236)	(2,776,236)
• Drugs	(1,783,368)	(3,167,035)	(4,950,403)
• Healthy Steps	(200,000)	(593,336)	(793,336)
• Durable medical equipment	(166,269)	(295,177)	(461,446)
Added operating expenses funding and Section 7 requiring the department to develop a method for rebasing hospital, physician, dentist, ambulance, and chiropractic services payment rates under the Medicaid program. Any general fund amounts remaining from this \$175,000 appropriation may not be spent for other purposes but must be a part of the department's general fund turnback.	175,000	175,000	350,000
Removed funding added in the executive budget for registering and conducting background checks on certified nurse aides	(75,081)	(225,176)	(300,257)

Added funding in Senate Bill No. 2326 for establishing and implementing a Medicaid buyin program for families of children with disabilities and for the Medicaid waiver to provide in-home services to children with extraordinary medical needs	1.00	1,059,932	1,673,835	2,733,767
Long-Term Care Services				
Added funding to provide a 4 percent annual inflationary increase for the first year of the biennium and a 5 percent increase for the second year for the department's service providers rather than the 3 percent annual increase recommended by the Governor. Of the other funds, \$525,597 is from the health care trust fund for the additional state matching funds relating to nursing homes.		3,720,705	7,442,164	11,162,869
Added funding to continue the same service payments for elderly and disabled (SPED) eligibility criteria as in the 2005-07 biennium. The Governor had recommended changing the criteria to require individuals to need assistance in at least one activity of daily living (ADL) in order to be eligible for the program.		1,537,030	80,896	1,617,926
Added funding to provide that qualified service providers be paid using a fee-for-service method based on 15-minute units of service and that rates, prior to any 2007-09 biennium inflationary increases, for each 15-minute unit of service be: <ul style="list-style-type: none"> • Agency qualified service provider - \$4.50 • Individual qualified service provider - \$3.16 Three agency providers that are currently paid more than the \$4.50 rate will continue to be paid the higher rate.		2,154,808	1,983,921	4,138,729
Reduced funding to reflect an anticipated reduction in the cost and caseload/utilization of nursing home, aged and disabled waiver, basic care, and personal care option services from the amounts included in the executive budget		(6,185,000)	(10,986,015)	(17,171,015)
Reduced funding to reflect another anticipated reduction in the cost and caseload/utilization of basic care services from the amounts included in the executive budget		(216,537)	(145,565)	(362,102)
Reduced funding to reflect an anticipated reduction in the cost and caseload/utilization of developmental disabilities services from the amounts included in the executive budget		(3,575,000)	(6,350,042)	(9,925,042)

Added funding from a Bank of North Dakota loan for additional state matching funds for developmental disabilities services grants, contingent on cost and caseload/utilization being more than anticipated and subject to Budget Section approval		3,500,000	3,500,000
Added federal funds for developmental disabilities services grants associated with the contingent Bank of North Dakota loan		6,216,824	6,216,824
Added funding for the transition of selected Developmental Center residents to community programs	400,000	710,495	1,110,495
Added funding for increasing payment rates for children who are severely medically fragile residing at the Anne Carlsen Center for Children	300,000	532,871	832,871
Added funding for increasing payment rates for facilities serving children with behavioral challenges	200,000	355,247	555,247
Aging Services			
Added funding in Senate Bill No. 2070 for establishing or contracting for an Aging and Disability Resource Center. The other funds are from a federal grant.	40,000	800,000	840,000
Children and Family Services			
Added funding to provide a 4 percent annual inflationary increase for the first year of the biennium and a 5 percent increase for the second year for the department's service providers rather than the 3 percent annual increase recommended by the Governor	368,307	810,533	1,178,840
Reduced funding to reflect an anticipated reduction in the cost and caseload/utilization of subsidized adoption services from the amounts included in the executive budget	(300,000)	(426,392)	(726,392)
Added funding from federal TANF block grant funds to increase reimbursements for county child abuse and neglect assessments by \$100 per assessment		770,800	770,800
Added funding to provide a total of \$500,000 from the general fund for the Children's Advocacy Centers in Bismarck and Fargo	400,000		400,000
Added funding for the Healthy Families program--home visitation program for newborns and their parents	300,000		300,000

Mental Health and Substance Abuse Services

Added funding to provide a 4 percent annual inflationary increase for the first year of the biennium and a 5 percent increase for the second year for the department's service providers rather than the 3 percent annual increase recommended by the Governor	(240)	2,191	1,951
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Added funding for increasing the department's contract for substance abuse treatment services at the Robinson Recovery Center prior to any inflationary or other legislative increases	134,000		134,000
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Disabilities Services

Added funding to provide a 4 percent annual inflationary increase for the first year of the biennium and a 5 percent increase for the second year for the department's service providers rather than the 3 percent annual increase recommended by the Governor	35,192	4,844	40,036
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Added funding to support and maintain assistive technology services for the elderly and disabled provided through the interagency program for assistive technology (IPAT)	500,000		500,000
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Added funding to provide a total of \$1,381,457, of which \$546,040 is from the general fund for the centers for independent living	250,000		250,000
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Subtotal - Program and Policy changes	124.60	\$11,473,878	\$23,810,607	\$35,284,485
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State Hospital

Added funding for increasing security in the secure services unit	1.50	167,482		167,482
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Removed funding for a vocational training position in the secure services unit added in the executive budget	(1.00)	(69,028)	(1,445)	(70,473)
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Reduced funding for capital improvements from \$3,362,757 to \$3,062,757		(300,000)		(300,000)
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Subtotal - State Hospital changes	.50	(\$201,546)	(\$1,445)	(\$202,991)
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Developmental Center

Reduced funding for capital improvement projects from the general fund from \$947,092 to \$300,000		(647,092)		(647,092)
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Reduced funding for extraordinary repairs from \$600,000 to \$547,092	(52,908)		(52,908)
Subtotal - Developmental Center changes	(\$700,000)		(\$700,000)
Human Service Centers			
Northwest			
Added funding to provide a 4 percent annual inflationary increase for the first year of the biennium and a 5 percent increase for the second year for the department's service providers rather than the 3 percent annual increase recommended by the Governor	28,016		28,016
Reduced general fund support for the human service center	(54,640)		(54,640)
Subtotal - Northwest Human Service Center changes	(\$26,624)		(\$26,624)
North Central			
Added funding to provide a 4 percent annual inflationary increase for the first year of the biennium and a 5 percent increase for the second year for the department's service providers rather than the 3 percent annual increase recommended by the Governor	62,661		62,661
Reduced general fund support for the human service center	(111,200)		(111,200)
Subtotal - North Central Human Service Center changes	(\$48,539)		(\$48,539)
Lake Region			
Added funding to provide a 4 percent annual inflationary increase for the first year of the biennium and a 5 percent increase for the second year for the department's service providers rather than the 3 percent annual increase recommended by the Governor	40,912		40,912
Reduced general fund support for the human service center	(67,760)		(67,760)
Subtotal - Lake Region Human Service Center changes	(\$26,848)		(\$26,848)
Northeast			
Added funding to provide a 4 percent annual inflationary increase for the first year of the biennium and a 5 percent increase for the second year for the department's service providers rather than the 3 percent annual increase recommended by the Governor	46,332	5,727	52,059

Reduced general fund support for the human service center	(123,600)		(123,600)
Subtotal - Northeast Human Service Center changes	(\$77,268)	\$5,727	(\$71,541)
Southeast			
Added funding to provide a 4 percent annual inflationary increase for the first year of the biennium and a 5 percent increase for the second year for the department's service providers rather than the 3 percent annual increase recommended by the Governor	84,317		84,317
Reduced general fund support for the human service center	(147,680)		(147,680)
Subtotal - Southeast Human Service Center changes	(\$63,363)		(\$63,363)
South Central			
Added funding to provide a 4 percent annual inflationary increase for the first year of the biennium and a 5 percent increase for the second year for the department's service providers rather than the 3 percent annual increase recommended by the Governor	40,220	14,130	54,350
Reduced general fund support for the human service center	(103,120)		(103,120)
Subtotal - South Central Human Service Center changes	(\$62,900)	\$14,130	(\$48,770)
West Central			
Added funding to provide a 4 percent annual inflationary increase for the first year of the biennium and a 5 percent increase for the second year for the department's service providers rather than the 3 percent annual increase recommended by the Governor	40,277	22,655	62,932
Reduced general fund support for the human service center	(129,840)		(129,840)
Subtotal - West Central Human Service Center changes	(\$89,563)	\$22,655	(\$66,908)
Badlands			
Added funding to provide a 4 percent annual inflationary increase for the first year of the biennium and a 5 percent increase for the second year for the department's service providers rather than the 3 percent annual increase recommended by the Governor	19,132	193	19,325
Reduced general fund support for the human service center	(62,160)		(62,160)

Subtotal - Badlands Human Service Center changes	_____	(\$43,028)	\$193	(\$42,835)
Total	125.10	\$9,801,889	\$23,774,528	\$33,576,417

FTE Changes

The Legislative Assembly added 122.60 FTE positions relating to state administration of child support enforcement, 1 additional FTE position for administration of the children's health insurance program, 1 FTE position for establishing and implementing a Medicaid buyin program for families of children with disabilities and for the Medicaid waiver to provide in-home services to children with extraordinary medical needs, and 1.5 FTE security positions for the secure services unit at the State Hospital. The Legislative Assembly removed 1 FTE vocational training position in the secure services unit at the State Hospital added in the executive budget but did not change the following FTE adjustments recommended in the executive budget:

- Program and Policy subdivision - Transferred 8 FTE positions to the State Department of Health for children's special health services and removed 1 FTE economic assistance policy position not requested by the agency.
- State Hospital secure services unit - Added 19 FTE positions approved by the Emergency Commission, 1 FTE security position, 2 FTE senior resident positions, and 15 mental health care specialists.
- Human service centers - Removed 1.15 FTE infant development positions privatized at Northeast and a .6 FTE infant development position privatized at South Central and added 1 FTE addiction counselor at North Central; 1 FTE human service aide II at Lake Region; 1 FTE SMI case manager and 1 FTE addiction counselor at Northeast; 3 FTE SMI case managers, 2 FTE addiction counselors, and 1 FTE sexual abuse therapist at Southeast; and 1 FTE addiction counselor at West Central.

One-Time Funding

Section 11 of Senate Bill No. 2012 and Senate Bill No. 2024 include \$11,887,264 from the general fund identified by the Legislative Assembly as one-time funding. This amount relates to:

- Medicaid management information system (MMIS) computer project - \$3,643,133.
- State Hospital sex offender treatment addition - \$3,100,000.
- State Hospital capital improvements - \$3,062,757.
- State Hospital extraordinary repairs - \$1,153,500.
- Developmental Center capital improvements - \$300,000.
- Developmental Center extraordinary repairs - \$547,092.
- Developmental Center equipment - \$80,782.

This amount is not to be considered part of the agency's base budget for preparing the 2009-11 executive budget and the Department of Human Services is to report to the Appropriations Committees during the 2009 legislative session on the use of this funding.

Other Sections in Senate Bill No. 2012

Section 4 authorizes the department to transfer appropriation authority between line items within each subdivision and between subdivisions of the department. The department is to report to the Budget Section after June 30, 2008, on any transfers made in excess of \$50,000 and to the Appropriations Committees of the 2009 Legislative Assembly regarding any transfers made.

Section 5 authorizes the department, if cost and caseload/utilization of developmental disabilities services is more than anticipated by the Legislative Assembly and subject to Budget Section approval, to obtain a Bank of North Dakota loan for up to \$3.5 million for providing the state matching share of additional medical assistance grants for developmental disabilities services during the 2007-09 biennium.

Section 6 requires the department to implement a cost-based reimbursement system for inpatient and outpatient hospital services of critical access hospitals.

Section 7 provides that the department, with the assistance of a health care consultant, determine the estimated cost of rebasing Medicaid payment rates for hospital, physician, dentist, ambulance, and chiropractic services to the actual cost of providing these services for use in preparing the department's 2009-11 biennium budget request. The department is to report its findings and recommendations to the Appropriations Committees of the 2009 Legislative Assembly.

Section 8 provides for a Legislative Council study of nursing home rate equalization and nursing home provider taxes or assessments.

Section 9 provides for a Legislative Council study of infant development programs.

Section 10 provides legislative intent that developmental disabilities service providers give priority to using the increased funding being provided for the 2007-09 biennium for increasing employees' salaries.

Section 11 identifies one-time funding included in Senate Bill No. 2012.

Section 12 requires the department to use the \$700,000 from the general fund included in the operating expenses line item of the Program and Policy subdivision for increasing the number of individuals receiving methamphetamine treatment services at the Robinson Recovery Center.

Section 13 identifies \$525,597 of the department's other funds appropriation as being from the health care trust fund.

Section 14 provides legislative intent that the \$453,000 provided for the children's health insurance outreach program be provided to an entity that focuses on statewide community health care initiatives and issues.

Sections 15 through 20 and 23 provide the statutory changes necessary to transfer the children's special health services program from the Department of Human Services to the State Department of Health.

Section 21 changes the requirements of guardianship services for vulnerable adults.

Section 22 relates to nursing home property cost values of assets acquired as a result of a natural disaster.

Related Legislation

Senate Bill No. 2129 establishes fees for child support services.

Senate Bill No. 2132 authorizes the Department of Human Services to recover medical assistance benefits paid on behalf of a recipient from responsible third-party payers.

Senate Bill No. 2136 authorizes the Department of Human Services and the Department of Corrections and Rehabilitation to enter into an interagency agreement allowing the Department of Corrections and Rehabilitation to train, consult, and assist in the provision of security services at the State Hospital.

House Bill No. 1390 requires the department to provide liability coverage for family foster care homes for damage caused by a foster child.

House Bill No. 1463 raises Medicaid income eligibility for children under 19 years of age to 133 percent of poverty and net income eligibility for the children's health insurance program to 150 percent of poverty. Provisions of the bill are subject to approval by the federal government.