

## ANALYSIS OF THE HEALTH CARE TRUST FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
	Actual		Estimated	
Beginning balance		\$2,821,191		\$3,484,946
Add revenues				
Investment earnings	\$136,644		\$40,687	
Loan repayments - Principal and interest	1,131,466		1,011,095	
Total revenues		1,268,110		1,051,782
Total available		\$4,089,301		\$4,536,728
Less expenditures and transfers				
State Department of Health				
Quick response unit pilot project (2007 HB 1004; 2009 SB 2004)	\$5,000 <sup>1</sup>		\$50,000 <sup>1</sup>	
State trauma system evaluation (2007 HB 1290)	73,758 <sup>2</sup>			
Department of Human Services				
Nursing home inflationary increases (medical assistance program) (2007 SB 2012)	525,597			
Nursing facilities (medical assistance program) (2009 HB 1012)			4,124,506	
Remodeling of a nursing facility to assisted living and basic care grant (2009 HB 1327)			200,000	
Total expenditures and transfers		604,355		4,374,506
Ending balance		\$3,484,946		\$162,222

<sup>1</sup>The Legislative Assembly appropriated \$125,000 from the health care trust fund for the State Department of Health quick response unit pilot project for both the 2007-09 and 2009-11 bienniums. The department spent \$5,000 of the \$125,000 appropriation for the 2007-09 biennium, and the department anticipates spending \$50,000 of the \$125,000 appropriation for the 2009-11 biennium.

<sup>2</sup>The 2007 Legislative Assembly appropriated \$75,000 from the health care trust fund to the State Department of Health for an evaluation of the state trauma system. The department completed the assessment in April 2008 for a total cost of \$73,758.

**NOTE:** The estimated June 30, 2011, balance made at the end of the 2009 legislative session was \$25,607. The increase in the estimated balance of \$143,640 is due to the actual beginning balance for the 2009-11 biennium of \$3,484,946 being \$143,640 more than estimated at the close of the 2009 legislative session. The actual beginning balance for the 2009-11 biennium was more than the previous estimate due primarily to actual expenditures for the 2007-09 biennium being less than estimated.

**NOTE:** Section 24 of 2009 House Bill No. 1012 amends North Dakota Century Code Section 50-30-02 to provide that money in the health care trust fund may not be included in draft appropriation acts under Section 54-44.1-06.

### 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 governmental 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 governmental nursing facilities and were subsequently returned to the state, less a \$50,000 transaction fee retained by each of the two governmental 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 payments were received in July 2004.