

DEPARTMENT OF HUMAN SERVICES - SUMMARY OF KEY RECOMMENDATIONS

DEPARTMENTWIDE

- Provides a total general fund appropriation of \$721.5 million, \$127.6 million, or 21.5 percent, more than the \$593.9 million appropriated for the 2007-09 biennium.
- Adds \$10.2 million from the general fund for additional state matching funds required due to changes in the state's **federal medical assistance percentage** (FMAP). The FMAP determines the federal and state share of Medicaid expenditures. North Dakota's FMAP is decreasing from 63.15 percent in federal fiscal year 2009 to 63.01 percent in federal fiscal year 2010. The department anticipates North Dakota's FMAP to remain at 63.01 percent for federal fiscal year 2011.
- Provides \$94.7 million, of which \$37.1 million is from the general fund, for a 7 percent **inflationary increase** for the second year of the 2009-11 biennium for rebased services (hospitals, physicians, chiropractors, and ambulances) and 7 percent annual inflationary increases for other service providers. The 2007 Legislative Assembly approved a 4 percent inflationary increase for the first year of the 2007-09 biennium and a 5 percent inflationary increase for the second year of the biennium.
- Provides funding of \$5,033,569, of which \$3,458,505 is from the general fund, to address **salary equity** issues.
- Reduces salaries and wages by \$1 million from the general fund in anticipation of savings from vacant positions and employee turnover.

MANAGEMENT

- Removes one-time funding of \$3,643,133 from the general fund provided for the 2007-09 biennium for the Medicaid management information system replacement project.

PROGRAM AND POLICY

- Reduces funding for **temporary assistance for needy families (TANF)** costs by \$1.9 million to provide a total of \$23.5 million, of which \$5.5 million is from the general fund, for the 2009-11 biennium. The reduction is based on the number of recipients and average monthly payments during the 2007-09 biennium, both of which are lower than anticipated.
- Provides \$142.3 million for **inpatient hospital services** in the medical assistance program, an increase of \$44.5 million, or 45.3 percent, compared to the projected expenditures for the 2007-09 biennium of \$97.8 million.

- Provides \$63.4 million for **outpatient hospital services** in the medical assistance program, an increase of \$9.6 million, or 17.9 percent, compared to the projected expenditures for the 2007-09 biennium of \$53.8 million.
- Provides \$50.2 million for **prescription drugs** in the medical assistance program, an increase of \$11.2 million, or 28.7 percent, compared to the projected expenditures for the 2007-09 biennium of \$39 million.
- Includes \$19,416,262, of which \$18,624,262 is from the general fund and \$792,000 is from estate collections, for making Medicare Part D prescription drug "**clawback**" **payments** to the federal government for the estimated prescription drug costs paid by Medicare for individuals eligible for both Medicare and Medicaid. The amount provided is an increase of \$266,647 from the 2007-09 biennium appropriation of \$19,149,615 from the general fund.
- Provides \$24.5 million for **premiums** in the medical assistance program, an increase of \$5.1 million, or 26.2 percent, compared to the projected expenditures for the 2007-09 biennium of \$19.4 million.
- Provides \$25.9 million for **psychiatric residential treatment facilities (treatment services for children)** in the medical assistance program, an increase of \$5.7 million, or 27.9 percent, compared to the projected expenditures for the 2007-09 biennium of \$20.2 million.
- Provides \$35.2 million for **Healthy Steps**, the children's health insurance program, an increase of \$15 million, or 74.2 percent, compared to the 2007-09 biennium appropriation of \$20.2 million. The executive budget recommends increasing the Healthy Steps income eligibility level to 200 percent of the federal poverty level. As of October 1, 2008, the Healthy Steps income level is 150 percent of the federal poverty level.
- Provides \$422.2 million for **nursing facility care**, an increase of \$52.1 million, or 14.1 percent, compared to the 2007-09 biennium appropriation of \$370.1 million. The increase includes \$25.2 million for the cost to continue 2007-09 inflationary increases and for other cost, caseload, and utilization adjustments and \$26.9 million for the recommended 7 percent annual inflationary increases.
- Provides \$17.1 million for **basic care**, of which \$7.9 million is from the general fund, an increase of \$3 million, of which \$1.8 million is from the general fund compared to the 2007-09 biennium appropriation.
- Increases funding for **aged and disabled waiver services** by \$4.7 million, from \$4.9 million appropriated for the 2007-09 biennium to \$9.6 million for the 2009-11 biennium. The general fund share is increasing by \$1.7 million, from \$1.9 million in 2007-09 to \$3.6 million for 2009-11.

- Provides \$18.1 million for **service payments for elderly and disabled (SPED)** and **expanded SPED** programs, \$5.4 million more than the \$12.7 million appropriated for the 2007-09 biennium.
- Provides \$23.9 million for the Medicaid **personal care option**, \$4.8 million more than the \$19.1 million appropriated for the 2007-09 biennium. The general fund share of the 2009-11 biennium appropriation is \$8.8 million, \$1.9 million more than the \$6.9 million appropriated for the 2007-09 biennium.
- Provides \$323.1 million for **developmental disabilities services grants**, of which \$118.9 million is from the general fund. Compared to the 2007-09 biennium, the 2009-11 biennium funding is an increase of \$49.7 million, of which \$23.3 million is from the general fund. Of the \$49.7 million increase, \$17.5 million relates to the cost to continue 2007-09 biennium inflationary and wage increases approved by the 2007 Legislative Assembly and other cost and caseload adjustments and \$28.5 million for the recommended **7 percent annual inflationary increases**.
- Reduces funding for the Division of Mental Health and Substance Abuse **community-based sexual offender treatment** program by \$909,731, from \$2,774,562 to \$1,864,831.

STATE HOSPITAL

- Provides \$516,815 from the general fund and six full-time equivalent (FTE) positions for a **global behavioral health initiative** to address the capacity issues at the community level by providing a consistent rate among all regions for behavioral services.
- Provides **one-time funding** of \$3,477,237 from the general fund for extraordinary repairs (\$3,231,017) and equipment over \$5,000 (\$246,220) at the State Hospital.
- Removes one-time funding of \$7,316,257 from the general fund provided for the 2007-09 biennium for a sexual offender treatment addition (\$3,100,000), capital improvements (\$3,062,757), and extraordinary repairs (\$1,153,500).

DEVELOPMENTAL CENTER

- Provides **one-time funding** of \$787,675 from the general fund for extraordinary repairs (\$712,675) and equipment over \$5,000 (\$75,000) at the Developmental Center.
- Removes one-time funding of \$927,874 from the general fund provided for the 2007-09 biennium for capital improvements (\$300,000), extraordinary repairs (\$547,092), and equipment over \$5,000 (\$80,782).

HUMAN SERVICE CENTERS

- Adds \$4,406,255, of which \$3,901,309 is from the general fund, and five FTE positions for a **global behavioral health initiative** to address the capacity issues at the community level by providing a consistent rate among all regions for behavioral services.
- Adds \$444,588, of which \$235,172 is from the general fund, and four FTE positions for providing additional **oversight** and **monitoring** of **developmental disabilities cases** as required by the Centers for Medicare and Medicaid Services.
- Provides \$1,176,844, of which \$834,622 is from the general fund, for **young adult transition residential services** at the Southeast Human Service Center (\$426,844) and the West Central Human Service Center (\$750,000).
- Provides **one-time funding** of \$55,500, of which \$26,966 is from the general fund, for equipment over \$5,000 at the human service centers.