

DEPARTMENT OF HUMAN SERVICES - SUMMARY

DEPARTMENTWIDE

Total funding - The chart below provides a comparison of legislative appropriations for the department for the 2009-11 biennium compared to the 2007-09 biennium.

Biennium	General Fund	Other Funds	Total
2009-11	\$650,645,814	\$1,637,100,137	\$2,287,745,951
2007-09	593,916,230	1,290,890,297	1,884,806,527
Increase (decrease)	\$56,729,584	\$346,209,840	\$402,939,424

FTE positions - The Department of Human Services is authorized a total of 2,216.88 FTE positions for the 2009-11 biennium, a decrease of 20.5 FTE positions compared to the executive budget and a decrease of 6.5 FTE positions compared to the 2007-09 biennium. Changes compared to the 2007-09 biennium include:

- Adding 1 FTE position associated with child care worker background checks.
- Removing 7.5 FTE positions relating to child support enforcement not requested by the department.

Anticipated salary savings - The Legislative Assembly reduced salaries and wages funding by \$3,756,774, of which \$3,317,041 is from the general fund, in anticipation of savings from vacant positions and employee turnover during the 2009-11 biennium. The Legislative Assembly reduced salaries and wages funding by \$1,400,000 more from the general fund more than the executive recommendation which reduced salaries and wages funding by \$2,356,774, of which \$1,917,014 was from the general fund in anticipation of savings from vacant positions and employment turnover. The total reductions relating to anticipated salary savings are:

	General Fund	Other Funds	Total
Departmentwide	\$1,000,000		\$1,000,000
Management	110,879		110,879
Program and policy	130,497		130,497
State Hospital	1,274,839	\$439,733	1,714,572
Developmental Center	201,159		201,159
Human service centers	599,667		599,667
Total reductions	\$3,317,041	\$439,733	\$3,756,774

Funding flexibility - The Legislative Assembly authorized the department to transfer appropriation authority between line items within each subdivision of the department and between subdivisions of the department for the 2009-11 biennium. The department is to report to the Budget Section after June 30, 2010, on any transfers made in excess of \$50,000 and to the Appropriations Committees of the 2011 Legislative Assembly regarding any transfers made.

FMAP - The federal medical assistance percentage (FMAP) determines the state and federal share of Medicaid, foster care, and other program costs within the department. The schedule below presents recent and projected FMAPs for North Dakota. The Legislative Assembly:

- Did not change the executive budget recommendations which provided \$10.2 million of additional general fund support as a result of North Dakota's FMAP reductions projected for the 2009-11 biennium.
- Provided a funding source change of \$66.5 million from the general fund to federal funds due to the enhanced FMAP included in the federal American Recovery and Reinvestment Act of 2009.
- Provided a funding source change of \$9.5 million to the general fund from federal funds due to an estimated decrease in the state's FMAP for the last seven months of the biennium.

Federal Fiscal Year	North Dakota's FMAP	North Dakota's Enhanced FMAP
2006	65.85%	N/A
2007	64.72%	N/A
2008	63.75%	N/A
2009	63.15%	69.95%
2010	63.01%	69.95%
2011	60.69% (estimate)	69.95% (first quarter)

Inflationary increases - The Legislative Assembly provided a total of \$77.3 million, of which \$30.4 million is from the general fund, to provide a 6 percent inflationary increase in the second year of the biennium for rebased services (hospitals, physicians, chiropractors, and ambulances) and dentists and a 6 percent per year inflationary increase for providers of other services. The executive budget recommended providing a 7 percent inflationary increase in the second year of the biennium for rebased services and a 7 percent per year inflationary increase to providers of other services. The following is a summary of funding for inflationary increases:

	2009-11 Executive Budget	2009-11 Legislative Appropriations	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget
General fund	\$37.1 million	\$30.4 million	(\$6.7 million)
Other funds	57.6 million	46.9 million	(10.7 million)
Total	\$94.7 million	\$77.3 million	(\$17.4 million)

PROGRAM AND POLICY

TANF - Funding for temporary assistance for needy families (TANF) benefits is provided at \$23,477,922, of which \$5,531,958 is from the general fund, \$9,495,659 is from retained funds and child support collections, and \$8,450,305 is from federal funds, the same as the executive budget, and \$1,907,617 less than the 2007-09 legislative appropriation of \$25,385,539. The funding level is anticipated to provide services for an average monthly caseload of 2,851 and to provide an average monthly payment of \$343 per case for the 2009-11 biennium.

Indian county allocation - North Dakota Century Code Section 50-01.2-03.2(3) provides for grant payments to Indian counties for their economic assistance program administrative costs. Current law provides that any county with more than 20 percent of the caseload for economic assistance programs consisting of people who reside on federally recognized Indian reservation land is eligible for a grant. Grants are equal to 100 percent of the administrative costs that are in excess of the statewide average of administrative costs expressed in mills. The subsection was amended by the 2009 Legislative Assembly in House Bill No. 1540 to provide that effective July 1, 2010, any county with 10 percent or more of the county's supplemental nutrition assistance program caseload on federally recognized Indian reservation land is eligible for a grant. Grants are equal to a county's actual direct costs and indirect costs for locally administered economic assistance programs multiplied by the percentage of a county's average total supplemental nutrition assistance program caseload for the previous state fiscal year which reside on federally recognized Indian reservation land not to exceed 90 percent. The Legislative Assembly provided \$3,924,148 for these grants, of which \$1,959,541 is from the general fund and \$1,964,607 is from "retained funds," \$549,938 more than the executive budget and \$1,004,417 more than the 2007-09 biennium appropriation. All changes to the funding were made to the general fund. The legislative increase relates to the new formula as provided in House Bill No. 1540.

Basic care assistance - The schedule below provides a comparison of funding for basic care assistance. The Legislative Assembly made a number of adjustments to the funding for basic care assistance, including:

- Decreased funding to provide 6 percent annual inflationary increases for the biennium for basic care assistance providers rather than the 7 percent annual inflationary increases recommended in the executive budget.
- Increased the personal needs allowance for individuals in basic care facilities from \$60 per month as provided for in the executive budget to \$85 per month.
- Added funding to provide a salary and benefit supplemental payment for individuals employed by basic care and nursing care facilities, except for administrators and contract nursing.

	2007-09 Biennium	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget	2009-11 Legislative Increase (Decrease) to 2007-09
Total basic care assistance	\$14,083,121	\$17,070,865	\$18,113,925	\$1,043,060	\$4,030,804
General fund	\$6,097,305	\$7,859,036	\$8,219,552	\$360,516	\$2,122,247
Estate collections		\$96,000	\$96,000		\$96,000
"Retained funds"	\$2,284,362	\$2,284,362	\$2,284,362		
Federal funds	\$5,701,454	\$6,831,467	\$7,514,011	\$682,544	\$1,812,557

Medical assistance - The schedule below provides a comparison of funding for medical assistance, excluding funding relating to nursing facility care and other long-term care services, developmental disabilities grants, and the Healthy Steps program. The Legislative Assembly made a number of adjustments to the funding for medical assistance grants, including:

- Decreased funding to provide a 6 percent inflationary increase for the second year of the biennium for rebased services rather than the 7 percent inflationary increase for the second year of the biennium recommended in the executive budget.
- Decreased funding to provide 6 percent annual inflationary increases for the biennium for all other providers rather than the 7 percent annual inflationary increases recommended in the executive budget.
- Adjusted funding for rebasing hospitals, physicians, chiropractors, ambulances, and dentists.
- Reduced funding to reflect a decrease in projected caseload/utilization rates.

Added funding for a Bank of North Dakota line of credit if caseload/utilization rates are greater than anticipated.

	2007-09 Biennium	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget	2009-11 Legislative Increase (Decrease) to 2007-09
Total medical assistance	\$394,784,291	\$482,133,759	\$491,112,048	\$8,978,289	\$96,327,757
General fund	\$112,382,988	\$138,162,168	\$119,011,442	(\$19,150,726)	\$6,628,454
Federal funds	\$260,271,693	\$315,282,790	\$338,799,024	\$23,516,234	\$78,527,331
Community health trust fund	\$213,904	\$790,015	\$790,015		\$576,111
Estate collections	\$3,060,000	\$2,673,800	\$2,673,800		(\$386,200)
"Retained funds"	\$11,121,250	\$17,375,336	\$17,371,688	(\$3,648)	\$6,250,438
Contingent Bank of North Dakota loan proceeds			\$4,616,429	\$4,616,429	\$4,616,429
Other funds	\$7,734,456	\$7,849,650	\$7,849,650		\$115,194

Rebased services - The schedule below compares funding for the services for which rebasing payment rates were rebased:

	2009-11 Executive Budget			2009-11 Legislative Appropriation			2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Hospitals ¹	\$8,140,450	\$13,872,664	\$22,013,114	\$8,140,450	\$13,872,664	\$22,013,114			
Physicians ²	4,899,850	8,350,150	13,250,000	14,699,550	25,050,450	39,750,000	\$9,799,700	\$16,700,300	\$26,500,000
Chiropractors ³	153,836	262,164	416,000	115,377	196,623	312,000	(38,459)	(65,541)	(104,000)
Ambulances ⁴	743,710	1,267,404	2,011,114	743,710	1,267,404	2,011,114			
Total	\$13,937,846	\$23,752,382	\$37,690,228	\$23,699,087	\$40,387,141	\$64,086,228	\$9,761,241	\$16,634,759	\$26,396,000

¹The Legislative Assembly did not change the executive recommendation to provide funding for rebasing hospital payment rates to 100 percent of cost.

²The Legislative Assembly increased funding for rebasing physician payment rates by \$26.5 million, of which \$9,799,700 is from the general fund, for rebasing rates to 75 percent of the amount needed to rebase to 100 percent of cost. The executive budget included funding for rebasing rates to 25 percent of the amount needed to rebase to 100 percent of cost.

³The Legislative Assembly decreased funding for rebasing chiropractor payment rates by \$104,000, of which \$38,459 is from the general fund, for rebasing rates to 75 percent of the cost report. The executive budget included funding for rebasing rates to 100 percent of cost.

⁴The Legislative Assembly did not change the executive recommendation to provide funding for rebasing ambulance rates to Medicare rates.

Medicare Part D "clawback" payments - The Legislative Assembly appropriated \$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 same amount recommended in the executive budget. The amount provided is an increase of \$266,647 from the 2007-09 biennium appropriation of \$19,149,615, of which \$18,849,615 was from the general fund and \$300,000 was from estate collections.

Healthy Steps - The schedule below provides a comparison of funding for Healthy Steps (children's health insurance program). The Legislative Assembly made a number of adjustments to the funding for Healthy Steps, including:

- Increased eligibility for the program from 150 percent to 160 percent of the federal poverty level instead of an increase to 200 percent of the federal poverty level as recommended in the executive budget.
- Removed funding for 1.5 FTE positions added in the executive budget.
- Adjusted funding to reflect utilization reprojections (an estimated decrease in caseload of 1,626 children) and a revised premium amount (final 2009-11 premium of \$228.71 per month compared to an estimated premium of \$243.93 provided for in the executive budget).
- Added funding for additional program outreach.

	2007-09 Biennium	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget	2009-11 Legislative Increase (Decrease) to 2007-09
Total Healthy Steps	\$20,204,746	\$35,248,129	\$21,632,536	(\$13,615,593)	\$1,427,790
General fund	\$4,669,885	\$9,122,897	\$5,598,799	(\$3,524,098)	\$928,914
Federal funds	\$15,534,861	\$26,125,232	\$16,033,737	(\$10,091,495)	\$498,876

Developmental disabilities grants - The schedule below provides a comparison of funding for developmental disabilities (DD) grants. The Legislative Assembly made a number of adjustments to the funding for DD grants, including:

- Decreased funding to provide 6 percent annual inflationary increases for the biennium for DD grants rather than the 7 percent annual inflationary increases recommended in the executive budget.
- Reduced funding to reflect a decrease in projected caseload/utilization rates.
- Added funding for a Bank of North Dakota line of credit if caseload/utilization rates are greater than anticipated.
- Added funding to provide a salary and benefit supplemental payment for individuals employed by DD providers, except for administrators.

	2007-09 Biennium	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget	2009-11 Legislative Increase (Decrease) to 2007-09
Total DD grants	\$274,423,470	\$323,056,043	\$341,542,546	\$18,486,503	\$67,119,076
General fund	\$95,952,600	\$118,885,733	\$110,730,341	(\$8,155,392)	\$14,777,741
Contingent Bank of North Dakota loan proceeds	\$3,500,000		\$1,190,654	\$1,190,654	(\$2,309,346)
Federal funds	\$174,970,870	\$204,170,310	\$229,621,551	\$25,451,241	\$54,650,681

Nursing facilities - The schedule below provides a comparison of the funding provided for nursing facility payments under the medical assistance program. The Legislative Assembly made a number of adjustments to the funding for nursing facilities, including:

- Decreased funding to provide 6 percent annual inflationary increases for the biennium for nursing facilities rather than the 7 percent annual inflationary increases recommended in the executive budget.
- Reduced funding to reflect a decrease in projected caseload/utilization rates.
- Added funding for a Bank of North Dakota line of credit if caseload/utilization rates are greater than anticipated.
- Added funding to provide a salary and benefit supplemental payment for individuals employed by nursing facilities, except for administrators and contract nursing.
- Added funding to increase nursing facility bed limits in the formula for nursing home payments.

	2007-09 Biennium	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget	2009-11 Legislative Increase (Decrease) to 2007-09
Total nursing facilities	\$370,080,827	\$422,244,637	\$425,861,278	\$3,616,641	\$55,780,451
General fund	\$132,817,907	\$153,236,194	\$132,415,339	(\$20,820,855)	(\$402,568)
Health care trust fund	\$525,597	\$3,000,000	\$4,124,506	\$1,124,506	\$3,598,909
Contingent Bank of North Dakota loan proceeds			\$2,801,758	\$2,801,758	\$2,801,758
Federal funds	\$236,737,323	\$266,008,443	\$286,519,675	\$20,511,232	\$49,782,352

SPED and expanded SPED - The schedule below provides a comparison of funding for service payments for elderly and disabled (SPED) and expanded SPED. The Legislative Assembly decreased funding to decrease the inflationary rate for SPED and expanded SPED from 7 percent for each year of the biennium as recommended in the executive budget to 6 percent for each year of the biennium. The Legislative Assembly approved the executive recommendation to revise the SPED fee schedule based on the actual cost-of-living adjustment through January 2008 and an estimated cost-of-living adjustment for January 2009 to allow individuals with higher income levels to receive SPED services without paying a fee. The Legislative Assembly added funding to provide a \$1 per hour salary increase for qualified service providers.

	2007-09 Biennium	2007-09 Executive Budget	2009-11 Legislative Appropriation	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget	2009-11 Legislative Increase (Decrease) to 2007-09
Total SPED and expanded SPED	\$12,708,265	\$18,057,693	\$18,221,905	\$164,212	\$5,513,640
General fund	\$12,111,009	\$17,190,678	\$17,347,138	\$156,460	\$5,236,129
County funds	\$597,256	\$867,015	\$874,767	\$7,752	\$277,511

Dementia care services - The Legislative Assembly in House Bill No. 1043 directed the Department of Human Services to contract for a dementia care services program in each area of the state served by a regional human service center to provide personalized care consultation services, training, and education relating to dementia. The Legislative Assembly appropriated \$1.2 million from the general fund for the program.

STATE HOSPITAL

Global behavioral health initiative - The Legislative Assembly removed funding of \$516,815 from the general fund and 6 FTE positions included in the executive budget for a global behavioral health initiative to address capacity issues and provide a consistent rate among all regions for behavioral services.

Capital improvements - The Legislative Assembly appropriated \$2,731,017 from the general fund for extraordinary repairs, \$500,000 less than recommended in the executive budget.

DEVELOPMENTAL CENTER

Capital improvements - The Legislative Assembly appropriated \$712,675 from the general fund for extraordinary repairs, the same amount as provided in the executive recommendation.

HUMAN SERVICE CENTERS

Global behavioral health initiative - The Legislative Assembly removed funding of \$4,406,255, of which \$3,901,309 is from the general fund, and 5 FTE positions included in the executive budget for a global behavioral health initiative to address capacity issues and provide a consistent rate among all regions for behavioral services.

Human Service Center	FTE	General Fund	Other Funds	Total
North Central		\$1,358,307	\$100,000	\$1,458,307
Northeast		280,663	81,200	361,863
Southeast	4.00	1,190,124	183,746	1,373,870
South Central	1.00	127,669		127,669
West Central		279,546		279,546
Badlands		665,000	140,000	805,000
Total reduction	5.00	\$3,901,309	\$504,946	\$4,406,255

DD cases - The Legislative Assembly removed funding of \$444,588, of which \$235,172 is from the general fund, and 4 FTE positions included in the executive budget for providing additional oversight and monitoring of DD cases as required by the Centers for Medicare and Medicaid Services as follows:

Human Service Center	FTE	General Fund	Other Funds	Total
North Central	1.00	\$58,793	\$52,354	\$111,147
Northeast	1.00	58,793	52,354	111,147
Southeast	1.00	58,793	52,354	111,147
West Central	1.00	58,793	52,354	111,147
Total reduction	4.00	\$235,172	\$209,416	\$444,588

Young adult transition residential services - The Legislative Assembly removed funding of \$1,176,844, of which \$834,622 is from the general fund, included in the executive budget for young adult transition residential services at the Southeast Human Service Center (\$426,844) and the West Central Human Service Center (\$750,000). The Legislative Assembly in House Bill No. 1044 provided that the department develop, within its approved funding level, a program for services to transition-aged youth of risk.