

**Department of Human Services
Budget 325
Senate Bill Nos. 2012, 2048, 2177, 2289; House Bill Nos. 1046, 1410**

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriation (original)	2,211.08	\$1,332,202,833 ¹	\$2,245,768,917	\$3,577,971,750
2013-15 legislative appropriation	<u>2,201.08</u>	<u>1,171,116,129</u>	<u>1,865,336,465²</u>	<u>3,036,452,594</u>
2015-17 appropriation increase (decrease) to 2013-15 appropriation	10.00	\$161,086,704	\$380,432,452	\$541,519,156
2015-17 general fund budget allotment (4.05 percent) ³	<u>0.00</u>	<u>(\$53,954,215)</u>	<u>\$0</u>	<u>(\$53,954,215)</u>
Adjusted 2015-17 appropriation after budget allotment	2,211.08	\$1,278,248,618	\$2,245,768,917	\$3,524,017,535

¹The original legislative appropriation amount includes \$18,172,167 of one-time funding from the general fund. Excluding this amount, the agency's original ongoing general fund appropriation is \$1,314,030,666.

²This amount includes a 2013-15 biennium deficiency appropriation of \$87 million of federal funds approved by the 64th Legislative Assembly for additional Medicaid Expansion costs. The agency's original other funds appropriation was \$1,778,336,465.

³The department's total general fund budget allotment is \$53,954,215, which includes reducing department general fund costs by \$47,654,215, and increasing department revenues by \$6.3 million. In addition, because a number of department programs require state matching funds for federal funding, the department anticipates a reduction of \$61,285,649 of federal funding as a result of general fund budget reductions.

NOTE: The 2015-17 biennium legislative appropriation amounts do not include \$2,768,570 from the general fund and \$271,046 from other funds for the department's share of the \$4,490,000 market equity funding pool appropriated to the Office of Management and Budget for targeted market equity adjustments for employees in certain agencies.

Item Description

General fund budget allotment - In February 2016 the Governor ordered a 4.05 percent general fund budget allotment for state agencies.

Status/Result

The budget allotment reduced general fund appropriations for the Department of Human Services (DHS) by \$53,954,215. The schedule below includes information regarding DHS reductions as part of the 2015-17 biennium 4.05 percent general fund budget allotment and the adjustment to federal funds:

Department of Human Services Budget Allotment	General Fund	Other Funds	Total Funds
Reduce July 1, 2016, employee salary increase (limited to a maximum of 2 percent)	\$940,000	\$786,939	\$1,726,939
Postpone demolition project at Life Skills and Transition Center	650,070		650,070

Delay installation of State Hospital card access system	870,540		870,540
Reduce travel departmentwide	197,147	274,456	471,603
Adjust various human resource policies	275,000	194,614	469,614
Adjust vacant position savings (in addition to the \$4.6 million reduction from the 2015-17 budget appropriation)	350,000	289,765	639,765
Do not replace computers and printers for remainder of biennium	100,000	59,236	159,236
Departmentwide operating cost reduction	147,422	142,116	289,538
Do not fill business analyst position	67,724	50,260	117,984
Reduce costs to support eligibility system	1,000,000	1,435,667	2,435,667
Estimated mainframe operations cost savings	1,200,000	1,616,637	2,816,637
Limit expenditures for the substance abuse services voucher program (2015 Senate Bill No. 2048)	375,000		375,000
Limit funding for behavioral health planning (Senate Bill No. 2048)	75,000		75,000
Adjust the increase to Interagency Program for Assistive Technology for the second year (2015 Senate Bill No. 2289)	80,000		80,000
Do not fill 25 new Medicaid autism waiver slots	734,006	734,006	1,468,012
Do not fill 10 new autism voucher slots	250,001		250,001
Remove additional funding for second year of the biennium for vulnerable adult protective services	310,792		310,792
Do not fill 35 new slots for extended services - Seriously mentally ill	388,492		388,492

Do not refill new slots for prevocational skills - Traumatic brain injury, and reduce hours per month to 4 hours	105,000		105,000
Do not provide increased (new) funding to Robinson Recovery Center	237,500		237,500
Do not fill new extended services slots - Traumatic brain injury	180,783		180,783
Postpone 10-bed crisis residential and transitional living in Minot region	685,895	218,088	903,983
Postpone mobile on-call crisis services in Bismarck region	250,000		250,000
Do not implement subsection 3 of Section 1 of 2015 House Bill No. 1359; and as noted in the bill, end the provision of subsections 4 and 5, because adequate appropriations are not available	720,133	61,589	781,722
Adjust contract payments by half the monthly amount for expanded traumatic brain injury services (2015 House Bill No. 1046)	346,875		346,875
Adjust the contract amount for expanded traumatic brain injury services (House Bill No. 1046)	100,000		100,000
Adjust gambling addiction contract	40,000		40,000
Adjust inflationary increases - Traditional Medicaid providers	3,206,587	3,332,487	6,539,074
Adjust inflationary increases - Developmental disability providers	4,047,111	4,067,165	8,114,276
Adjust inflationary increases - Long-term care providers	846,536	496,595	1,343,131
Adjust inflationary increases - Nursing home providers (January 1, 2017)	1,197,156	1,197,158	2,394,314
Adjust inflationary increases - Foster care grant providers	1,013,182	433,895	1,447,077

Adjust inflationary increases - Other providers	396,439	29,454	425,893
Adjust inflationary increases - Human service center contracts	576,119		576,119
Delay rebasing of nursing home limits (January 1, 2017)	792,976	792,977	1,585,953
Adjust Medicaid professional fee schedule to 100 percent of Medicare. The current fee schedule is approximately 147 percent of Medicare. This impacts physicians and other providers and practitioners who are paid a percentage of the professional fee schedule. In addition, the fee schedule used by Sanford Health Plan for the Medicaid Expansion population will be changed to more closely align to the Medicaid fee schedule, rather than the Sanford Health Plan commercial fee schedule.	13,576,658	41,919,798	55,496,456
Adjust rate increase for Medicaid ambulance services	312,500	312,500	625,000
Adjust rate increase for Medicaid physical, occupational, and speech therapy	468,630	1,012,240	1,480,870
Adjust operating margin from nursing home rates (January 1, 2017)	1,250,000	1,250,000	2,500,000
Adjust incentive payment from nursing home rates (January 1, 2017)	350,000	350,000	700,000
Adjust rate paid for homemaker services for home- and community-based services	400,000	38,221	438,221
Adjust operating margin from basic care rates (January 1, 2017)	110,742	46,786	157,528

The Centers for Medicare and Medicaid Services issued a final rule requiring changes for how states reimburse Medicaid pharmacy costs on January 21, 2016. The deadline to implement is April 1, 2017; however, the department plans to implement this provision earlier to realize additional savings.	91,000	91,000	182,000
Adjust funding for Governor's Prevention and Advisory Council	80,000		80,000
Adjust funding for Governor's Committee on Aging	14,000		14,000
Adjust funding for Committee on Employment of People with Disabilities (2013 Senate Bill No. 2271)	27,594	12,000	39,594
Adjust funding for child care quality contract	1,700,000		1,700,000
Adjust funding for child care inclusion specialists contract	200,000		200,000
Adjust funding for child care inclusion grants	100,000		100,000
Freeze enrollment for subsidized guardianship	220,000		220,000
Adjust eligibility for child care assistance program (2013 House Bill No. 1422) and increase cost sharing	5,031,605		5,031,605
Adjust funding for Annie's House at Bottineau Winter Park contract	135,000		135,000
Adjust funding for dementia care services contract	150,000		150,000
Freeze family subsidy program enrollment and expenditures	200,000		200,000
Adjust funding for Parents Listen, Educate, Ask, Discuss	100,000		100,000
Adjust funding for phone recovery support contract	100,000		100,000
Adjust funding for Healthy Families program contract	150,000		150,000
Adjust funding for High Five Youth Camp in Dickinson	93,000		93,000

Adjust funding for second year of autism training	40,000	40,000	80,000
Budget allotment subtotal before revenue increases	\$47,654,215	\$61,285,649	\$108,939,864
Increased revenue - Increase in federal Medicaid reimbursement for eligibility determination costs from 50 percent to 75 percent (Section 17 of 2015 Senate Bill No. 2012). Funding will be retained by the department and not passed on to counties.	5,300,000		5,300,000
Increased revenue - Anticipating a revised policy from federal government in 2016 to provide 100 percent of tribal and Indian health services funding	1,000,000		1,000,000
Total	\$53,954,215	\$61,285,649	\$115,239,864

FTE changes - The Legislative Assembly authorized 10 new FTE positions, for a total of 2,211.08 FTE positions during the 2015-17 biennium. The following FTE position changes were made by the Legislative Assembly:

- Added 1 autism administrative staff officer FTE position.
- Added 11 FTE positions to expand the Tompkins program by 15 beds at the State Hospital.
- Removed 1 FTE position for the State Hospital.
- Transferred 1 central receiving FTE position to the Department of Corrections and Rehabilitation.

Targeted market equity pool - In Section 4 of 2015 Senate Bill No. 2015, the Legislative Assembly provided \$3.75 million from the general fund and \$740,000 from other funds for a targeted market equity pool in the Office of Management and Budget. The Office of Management and Budget must prepare a statewide plan that gives priority to employees whose salary is in the first or second quartile of their assigned salary range and to employees whose salary is below the average classified state employee salary level. One-half of the funding is available for market equity adjustments in July 2015 and the remaining amount is available in July 2016. The market equity adjustments must be provided after any general compensation increase authorized by the 64th Legislative Assembly. Employees of the Adjutant General, Veterans' Home, State Department of Health, DHS, and the Protection and Advocacy Project are eligible for market equity adjustments. Employees whose

The Department of Human Services expanded the Tompkins program at the State Hospital in December 2015. All positions have been filled. The department provided an additional 16-bed unit. The department converted a temporary position into an autism administrative staff officer FTE position on July 1, 2015. The central receiving FTE position was transferred to the Department of Corrections and Rehabilitation on July 1, 2015.

The Department of Human Services anticipates receiving a total of \$3,039,616 from the targeted market equity pool, of which \$2,768,570 is from the general fund, for the 2015-17 biennium. The departmentwide turnover rate for fiscal year 2015 was 17.37 percent.

documented performance levels do not meet standards are not eligible for the market equity increases. The appropriation authority must be transferred from the targeted market equity salary pool line item to the eligible agencies for approved market equity salary adjustments. The Office of Management and Budget is required to report to the Legislative Management regarding its statewide plan and any appropriation authority transferred from the pool.

State agency energy impact funding pool - Section 5 of Senate Bill No. 2015 appropriates \$2,400,000 from the general fund and \$5,565,000 from other funds for a state agency energy development impact funding pool in the Office of Management and Budget. The funding is considered a one-time funding item. The section allows a state agency to submit an application to the Office of Management and Budget to receive a transfer of funds from the pool for employee housing rental assistance and for temporary salary increases for employees affected by energy development. The section provides guidelines regarding the documentation required to be submitted by an agency as part of its application for a transfer of funds from the pool. The Office of Management and Budget is to review any submitted applications and provide a recommendation to the Emergency Commission for final approval or rejection. The Office of Management and Budget must report to the Legislative Management regarding the funding distributions, and state agencies must report to the Legislative Management on their plans to discontinue energy impact adjustments.

One-time funding - In 2015 Senate Bill Nos. 2012, 2177, and 2289, the Legislative Assembly identified \$65,042,269 of one-time funding, of which \$18,172,167 is from the general fund, and \$46,870,102 is from special funds. The following table summarizes one-time items for the 2015-17 biennium:

Description	Total
Developmental disabilities equipment ¹	\$10,000
Heating plant repairs and upgrades - State Hospital	1,156,000
Heating plant repairs and upgrades - Life Skills and Transition Center	75,000
Window replacement - Life Skills and Transition Center	44,000
Equipment over \$5,000 - State Hospital	275,000
Equipment over \$5,000 - Life Skills and Transition Center	200,000
Extraordinary repairs - State Hospital	1,000,000
Extraordinary repairs - Life Skills and Transition Center	1,250,000
Eligibility systems computer modernization project (SB 2177) ²	60,872,269
Assistive technology services (SB 2289)	160,000
Total	\$65,042,269

¹The Legislative Assembly appropriated funding of \$10,000 from special funds.
²The Legislative Assembly appropriated \$14,012,167 from the general fund and \$46,860,102 from special funds.

Distributions from the pool have been made for the period beginning July 1, 2015, and ending June 30, 2016. The Department of Human Services received a transfer from the energy development impact funding pool of \$989,653 for the period, of which \$821,754 is from the general fund and \$167,899 is from other funds. Through April 2016 no additional distributions have been made from the funding pool. The department provided energy impact funds to employees located in areas of the state impacted by energy development, including Minot, Dickinson, and Williston. Each employee received between \$200 and \$400 per month for energy impact during the first year of the biennium.

The following is a summary of the status of DHS one-time funding:

Developmental disabilities equipment	The department anticipates using the funds to purchase two otoacoustic emissions machines for testing the hearing of children under age 3. The department anticipates purchasing equipment by the end of the 2015-17 biennium.
Heating plant repairs and upgrades; and extraordinary repairs - State Hospital	The department anticipates using all the funds for completing capital projects at the State Hospital, including an emergency project totaling \$1,020,000.
Heating plant repairs and upgrades; and extraordinary repairs - Life Skills and Transition Center	The department reduced extraordinary repairs by \$650,070 relating to the demolition of two buildings as part of the 2015-17 general fund budget allotment. The department anticipates using the remaining funds for completing capital projects at the Life Skills and Transition Center.
Window replacement - Life Skills and Transition Center	The department has spent a total of \$47,044 for window replacement at the Life Skills and Transition Center.
Equipment over \$5,000 - State Hospital	The department has committed a total of \$60,000 for equipment purchases. The department continues to monitor equipment needs and anticipates spending remaining funds by the end of the 2015-17 biennium.

Equipment over \$5,000 - Life Skills and Transition Center	The department has spent \$33,000 for equipment purchases at the Life Skills and Transition Center. The department continues to monitor equipment needs and anticipates spending remaining funds by the end of the 2015-17 biennium.
Eligibility systems computer modernization project (SB 2177)	The implementation of the Medicaid eligibility determination system for individuals under the federal Affordable Care Act became operational on February 8, 2016. The department anticipates implementation of other eligibility determination systems by the third quarter of calendar year 2017, which will include eligibility determination for Medicaid aged, blind, and disabled clients, supplemental nutrition assistance program, temporary assistance for needy families, child care assistance program, and low-income home energy assistance program. The department reduced costs to support the eligibility system by \$1,000,000 as part of the 2015-17 general fund budget allotment. The reduction reduced federal matching dollars by \$1,435,667. The department has spent a total of \$40,620,727 through March 2016.
Assistive technology services (SB 2289)	The department reduced assistive technology services by \$80,000 as part of the 2015-17 general fund budget allotment.

Federal medical assistance percentage - The Legislative Assembly anticipated the following federal medical assistance percentages (FMAP) in developing the department's 2015-17 biennium budget:

Federal Fiscal Year	North Dakota's FMAP	North Dakota's Enhanced FMAP
2011	60.35% (fourth quarter)	69.95% (first quarter) 66.95% (second quarter) 64.95% (third quarter)
2012	55.40% (actual)	N/A
2013	52.27% (actual)	N/A
2014	50.00% (estimate)	N/A
2015	50.00% (estimate)	N/A
2016	50.00% (estimate)	N/A
2017	50.00% (estimate)	N/A

The FMAP determines the state and federal share of Medicaid, foster care, and other program costs within the department. The Legislative Assembly provided \$3,584,150 of additional general fund support during the 2015-17 biennium for costs to continue as a result of a reduction of North Dakota's FMAP from 52.27 to 50 percent for 2 months during the 2013-15 biennium.

Actual FMAPs are:

Federal Fiscal Year	North Dakota's FMAP	North Dakota's Enhanced FMAP
2011	60.35% (fourth quarter)	69.95% (first quarter) 66.95% (second quarter) 64.95% (third quarter)
2012	55.40% (actual)	N/A
2013	52.27% (actual)	N/A
2014	50.00% (actual)	N/A
2015	50.00% (actual)	N/A
2016	50.00% (actual)	N/A
2017	50.00% (actual)	N/A

Medical services - The schedule below provides a comparison of funding for medical services for the 2015-17 biennium compared to the 2015-17 biennium base level. The Legislative Assembly in 2015 made a number of adjustments to the funding for medical services including:

- Added funding of \$1.25 million to rebase the ambulance rate increase to a percentage of the Workforce Safety and Insurance fee schedule and provided the same percentage to each category of the schedule.
- Adjusted funding by \$2,961,739 for physical, occupational, and speech therapy service provider rate increases to a 50 percent fee schedule.
- Added funding of \$2,183,214 for Medicare drug clawback payments to reflect a premium rate increase.

	General Fund	Other Funds	Total
Medical services			
2015-17 base level	\$278,488,229	\$534,645,505	\$813,133,734
2015-17 appropriation increase (decrease) to 2015-17 base level	34,022,158	403,513,610	437,535,768
2015-17 biennium appropriation	\$312,510,387	\$938,159,115	\$1,250,669,502
2015-17 general fund budget allotment (4.05 percent) ¹	(\$18,744,214)	\$0	(\$18,744,214)
Adjusted 2015-17 appropriation after budget allotment	\$293,766,173	\$938,159,115	\$1,231,925,288

¹The department anticipates a reduction of \$46,764,421 of federal funds as a result of the general fund budget allotment. In addition, the 2015-17 general fund budget allotment includes reductions relating to the Autism Services Division because the administrative function of the Autism Services Division was transferred to the Medical Services Division during the biennium.

The Department of Human Services has spent a total of \$424,977,186, of which \$106,497,659 is from the general fund, for medical services through March 2016. The department anticipates spending a total of \$1,292,066,012, of which \$312,218,491 is from the general fund, for medical services for the 2015-17 biennium. Medical services expenditures include Medicaid Expansion and Medicare clawback payments - See those sections below. The Department of Human Services has consolidated administrative functions of the Autism Services Division with the Medical Services Division. The schedule below includes items DHS removed as part of the 2015-17 biennium 4.05 percent general fund budget allotment:

Medical Services	General Fund	Other Funds	Total Funds
Traditional Medicaid second year provider inflationary increases of 3 percent	\$3,206,587	\$3,332,487	\$6,539,074
Adjust Medicaid professional fee schedule to 100 percent of Medicare	\$13,576,658	\$41,919,798	\$55,496,456
Rate increase for Medicaid ambulance services	\$312,500	\$312,500	\$625,000
Rate increase for Medicaid physical, occupational, and speech therapy	\$468,630	\$1,012,240	\$1,480,870

Medicaid Expansion - State share percentage change - The Legislative Assembly provided \$8,187,466 from the general fund for a reduction in federal matching for Medicaid Expansion from 100 to 95 percent beginning in January 2017. The schedule below presents the reduction in federal matching for Medicaid Expansion:

Federal Fiscal Year	Percentage of Medicaid Expansion Paid by Federal Government
2016	100%
2017	95%
2018	94%
2019	93%
After 2019	90%

"Clawback" payments - The 2015 Legislative Assembly appropriated \$32,541,513, of which \$31,197,513 is from the general fund and \$1,344,000 is from estate collections for Medicare Part D "clawback" payments.

Healthy Steps - The schedule below provides a comparison of funding for Healthy Steps for the 2015-17 biennium compared to the 2015-17 biennium base level.

	General Fund	Other Funds	Total
Healthy Steps			
2015-17 base level	\$11,400,407	\$21,293,663	\$32,694,070
2015-17 appropriation increase (decrease) to 2015-17 base level	(10,363,199)	(1,855,947)	(12,219,146)
2015-17 biennium appropriation ¹	\$1,037,208	\$19,437,716	\$20,474,924

¹Funding provided for the 2015-17 biennium includes a reduction of \$6,129,014 from the general fund to reflect a federal matching percentage change from 65 to 88 percent.

The Department of Human Services has spent a total of \$215,806,405, of which \$5,383,525 is from the general fund, for Medicaid Expansion through March 2016. The department anticipates spending a total of \$610,684,852, of which \$20,096,753 is from the general fund, for Medicaid Expansion for the 2015-17 biennium. As of March 31, 2016, there were 19,389 individuals enrolled in Medicaid Expansion. Pursuant to 2013 House Bill No. 1362, provisions to authorize DHS to expand medical assistance coverage as authorized by the federal Patient Protection and Affordable Care Act will become ineffective after July 31, 2017. The interim Health Care Reform Review Committee is currently considering options regarding the Medicaid Expansion program, including allowing the program to sunset, removing the sunset clause and continuing the current program, or removing the sunset clause and continuing the program with amendments, including options to keep a revised private policy or transition to a DHS-administered plan.

The Department of Human Services has spent a total of \$9,615,929, of which \$9,190,097 is from the general fund, for Medicare Part D clawback payments through March 2016. The department anticipates spending a total of \$32,095,687, of which \$30,773,856 is from the general fund, for Medicare Part D clawback payments for the 2015-17 biennium. The federal Centers for Medicare and Medicaid Services anticipates an annual percentage increase of 11.75 percent for state costs for the Medicare Part D drug benefits for calendar year 2017.

The Department of Human Services has spent a total of \$5,283,352, of which \$933,104 is from the general fund, for Healthy Steps through March 2016. The department anticipates spending a total of \$15,531,887, of which \$2,162,929 is from the general fund, for Healthy Steps for the 2015-17 biennium. The state reached the FMAP minimum for the children's health insurance program (CHIP) of 65 percent on October 1, 2013, and continued until September 30, 2015. Provisions in the federal Affordable Care Act allowed the state to be eligible for an additional 23 percent federal match increase, therefore, the FMAP for CHIP is 88 percent through September 30, 2016. As of December 2015 DHS reported 2,523 premiums were paid for the children enrolled in CHIP.

Long-term care - The schedule below provides a comparison of funding for long-term care for the 2015-17 biennium compared to the 2015-17 biennium base level. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- Adjusted funding by \$539,838 for the monthly maintenance needs allowance for a community spouse of a medical assistance recipient to \$2,550 effective January 1, 2016.
- Added funding of \$876,479 for basic care provider payment changes relating to House Bill No. 1359.
- Added funding of \$278,813 for nursing home property limits due to changes resulting from 2015 House Bill No. 1234.

	General Fund	Other Funds	Total
Long-term care			
2015-17 base level	\$315,166,746	\$292,168,385	\$607,335,131
2015-17 appropriation increase (decrease) to 2015-17 base level	14,283,580	12,483,540	26,767,120
2015-17 biennium appropriation	\$329,450,326	\$304,651,925	\$634,102,251
2015-17 general fund budget allotment (4.05 percent) ¹	(\$6,651,550)	\$0	(\$6,651,550)
Adjusted 2015-17 appropriation after budget allotment	\$322,798,776	\$304,651,925	\$627,450,701

¹The department anticipates a reduction of \$4,967,332 of federal funds as a result of the general fund budget allotment. In addition, the 2015-17 general fund budget allotment includes reductions relating to autism services because the autism waivers and autism vouchers programs were transferred from the Autism Services Division to the Long-Term Care Division during the biennium

Developmental disabilities - The schedule below provides a comparison of funding for developmental disabilities for the 2015-17 biennium compared to the 2015-17 biennium base level.

	General Fund	Other Funds	Total
Developmental disabilities			
2015-17 base level	\$252,152,363	\$261,949,323	\$514,101,686
2015-17 appropriation increase (decrease) to 2015-17 base level	27,933,929	26,949,973	54,883,902
2015-17 biennium appropriation	\$280,086,292	\$288,899,296	\$568,985,588
2015-17 general fund budget allotment (4.05 percent) ¹	(\$4,298,390)	\$0	(\$4,298,390)
Adjusted 2015-17 appropriation after budget allotment	\$275,787,902	\$288,899,296	\$564,687,198

¹The department anticipates a reduction of \$4,095,315 of federal funds as a result of the general fund budget allotment.

The Department of Human Services has spent a total of \$192,085,786, of which \$100,625,208 is from the general fund, for long-term care through March 2016. The department anticipates spending a total of \$614,914,890, of which \$320,189,491 is from the general fund, for long-term care for the 2015-17 biennium. The department has combined the autism waiver and autism voucher programs into the Long-Term Care Division. The schedule below includes items DHS removed as part of the 2015-17 biennium 4.05 percent general fund budget allotment:

Long-Term Care	General Fund	Other Funds	Total Funds
Remove implementation of subsection 3 of Section 1 of House Bill No. 1359 relating to basic care payment rates	\$720,133	\$61,589	\$781,722
Long-term care second year provider inflationary increases of 3 percent	\$846,536	\$496,595	\$1,343,131
Nursing home second year provider inflationary increases of 3 percent beginning January 1, 2017	\$1,197,156	\$1,197,158	\$2,394,314
Delay rebasing of nursing home limits until January 1, 2017	\$792,976	\$792,977	\$1,585,953
Reduce operating margin from nursing home rates beginning January 1, 2017	\$1,250,000	\$1,250,000	\$2,500,000
Reduce incentive payment from nursing home rates beginning January 1, 2017	\$350,000	\$350,000	\$700,000
Adjust rate paid for homemaker services for home- and community-based services	\$400,000	\$38,221	\$438,221
Reduce operating margin from basic care rates beginning January 1, 2017	\$110,742	\$46,786	\$157,528

The Department of Human Services has spent a total of \$188,251,868, of which \$93,671,465 is from the general fund, for developmental disabilities through March 2016. The department anticipates spending a total of \$570,332,734, of which \$278,988,059 is from the general fund, for developmental disabilities for the 2015-17 biennium. The schedule below includes items DHS removed as part of the 2015-17 biennium 4.05 percent general fund budget allotment:

Developmental Disabilities	General Fund	Other Funds	Total Funds
Developmental disability second year provider inflationary increases of 3 percent	\$4,047,111	\$4,067,165	\$8,114,276
Adjusted funding from the Committee on Employment of People with Disabilities pursuant to 2013 Senate Bill No. 2271	\$27,594	\$12,000	\$39,594

Children and Family Services - The schedule below provides a comparison of funding for Children and Family Services for the 2015-17 biennium compared to the 2015-17 biennium base level.

	General Fund	Other Funds	Total
Children and Family Services			
2015-17 base level	\$41,839,139	\$108,187,938	\$150,027,077
2015-17 appropriation increase (decrease) to 2015-17 base level	30,889,680	(1,484,989)	29,404,691
2015-17 biennium appropriation	\$72,728,819	\$106,702,949	\$179,431,768
2015-17 general fund budget allotment (4.05 percent) ¹	(\$3,688,769)	\$0	(\$3,688,769)
Adjusted 2015-17 appropriation after budget allotment	\$69,040,050	\$106,702,949	\$175,742,999

¹The department anticipates a reduction of \$538,153 of federal funds as a result of the general fund budget allotment.

Mental Health and Substance Abuse Services Division - The schedule below provides a comparison of funding for the Mental Health and Substance Abuse Services Division for the 2015-17 biennium compared to the 2015-17 biennium base level.

	General Fund	Other Funds	Total
Mental Health and Substance Abuse Services Division			
2015-17 base level	\$8,614,031	\$15,371,181	\$23,985,212
2015-17 appropriation increase (decrease) to 2015-17 base level	573,539	(4,389,992)	(3,816,453)
2015-17 biennium appropriation	\$9,187,570	\$10,981,189	\$20,168,759
2015-17 general fund budget allotment (4.05 percent) ¹	(\$1,919,832)	\$0	(\$1,919,832)
Adjusted 2015-17 appropriation after budget allotment	\$7,267,738	\$10,981,189	\$18,248,927

¹The department anticipates a reduction of \$55,650 of federal funds as a result of the general fund budget allotment.

The Department of Human Services has spent a total of \$57,578,968, of which \$16,395,027 is from the general fund, for Children and Family Services through March 2016. The department anticipates spending a total of \$174,942,136, of which \$70,120,825 is from the general fund, for Children and Family Services for the 2015-17 biennium. The schedule below includes items DHS removed as part of the 2015-17 biennium 4.05 percent general fund budget allotment:

Children and Family Services	General Fund	Other Funds	Total Funds
Adjusted funding for child care quality contracts	\$1,700,000		\$1,700,000
Adjusted funding for child care inclusion specialists contract	\$200,000		\$200,000
Adjusted funding for child care inclusion grants	\$100,000		\$100,000

The Mental Health and Substance Abuse Services Division has been renamed the Behavioral Health Services Division. The Department of Human Services has spent a total of \$7,238,498, of which \$2,342,096 is from the general fund, for the Behavioral Health Services Division through March 2016. The department anticipates spending a total of \$20,382,742, of which \$7,241,325 is from the general fund, for the Behavioral Health Services Division for the 2015-17 biennium. The schedule below includes items DHS removed as part of the 2015-17 biennium 4.05 percent general fund budget allotment:

Behavioral Health Services Division	General Fund	Other Funds	Total Funds
Limit expenditures for the substance abuse services voucher program (2015 Senate Bill No. 2048)	\$375,000		\$375,000
Limit funding for behavioral health planning (Senate Bill No. 2048)	\$75,000		\$75,000
Do not fill 35 new slots for extended services - Seriously mentally ill	\$388,492		\$388,492
Do not refill new slots for prevocational skills - Traumatic brain injury, and reduce hours per month to 4 hours	\$105,000		\$105,000
Do not provide increased (new) funding to Robinson Recovery Center	\$237,500		\$237,500
Adjust contract payments by half the monthly amount for expanded traumatic brain injury services (House Bill No. 1046)	\$117,188		\$117,188

Adjust the contract amount for expanded traumatic brain injury services (House Bill No. 1046)	\$100,000	\$100,000
Adjust gambling addiction contract	\$40,000	\$40,000
Adjust inflationary increases - Other providers	\$22,199	\$22,199
Adjust funding for Governor's Prevention and Advisory Council	\$80,000	\$80,000
Adjust funding for Parents Listen, Educate, Ask, Discuss	\$100,000	\$100,000

Developmental Disabilities Council - The schedule below provides a comparison of funding for the Developmental Disabilities Council for the 2015-17 biennium compared to the 2015-17 biennium base level.

	General Fund	Other Funds	Total
Developmental Disabilities Council			
2015-17 base level	\$0	\$921,841	\$921,841
2015-17 appropriation increase (decrease) to 2015-17 base level	0	(3,847)	(3,847)
2015-17 biennium appropriation	\$0	\$917,994	\$917,994

The Department of Human Services has spent a total of \$223,070 of federal funds for the Developmental Disabilities Council through March 2016. The department anticipates spending a total of \$916,699 of federal funds for the Developmental Disabilities Council for the 2015-17 biennium.

Autism services - The schedule below provides a comparison of grant funding for autism services for the 2015-17 biennium compared to the 2015-17 biennium base level. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- **Autism waivers** - Funding for autism waivers is provided at \$5,795,847, of which \$2,897,924 is from the general fund, an increase in total of \$2,916,593 compared to the 2013-15 biennium appropriation of \$2,897,254. Funding included \$1,500,000 for 25 additional autism waiver slots and \$704,640 to increase the age limit for autism waivers through 9 years old and to add 12 additional autism waiver slots. Total autism waiver slots are 84.
- **Autism vouchers** - Funding for autism vouchers is provided at \$1,325,009 from the general fund, an increase in total of \$785,823 compared to the 2013-15 biennium appropriation of \$539,186. Funding included \$250,001 for 10 additional autism voucher slots. Total autism voucher slots are 53.

	General Fund	Other Funds	Total
Autism services			
2015-17 base level	\$2,303,910	\$1,772,146	\$4,076,056
2015-17 appropriation increase (decrease) to 2015-17 base level	2,395,931	1,476,510	3,872,441
2015-17 biennium appropriation	\$4,699,841	\$3,248,656	\$7,948,497

The Department of Human Services has eliminated the Autism Services Division and transferred the administrative functions to the Medical Services Division and the autism waiver and autism voucher programs to the Long-Term Care Division. The department removed funding of \$734,006 for 25 new Medicaid autism waiver slots as part of the 2015-17 biennium 4.05 percent general fund budget allotment. The adjustment reduced available federal funds by \$734,006. The department removed funding of \$250,001 for 10 new autism voucher slots as part of the 2015-17 biennium 4.05 percent general fund budget allotment. The department has spent a total of \$793,874, of which \$396,936 is from the general fund, for autism waivers through March 2016. The department anticipates spending a total of \$3,728,083, of which \$1,864,042 is from the general fund, for autism waivers for the 2015-17 biennium. The department has spent a total of \$71,460 from the general fund, for autism vouchers through March 2016. The department anticipates spending a total of \$1,075,008 from the general fund, for autism vouchers for the 2015-17 biennium. Due to new guidance from the federal Centers for Medicare and Medicaid Services, some of the autism services that were previously considered as federal Early and Periodic Screening, Diagnostic, and Treatment benefits for children will now need to be provided under a state plan regardless of whether the state has a state waiver.

Vocational rehabilitation services - The schedule below provides a comparison of funding for vocational rehabilitation services for the 2015-17 biennium compared to the 2015-17 biennium base level. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- **Traumatic brain injury slots** - Funding of \$180,783 from the general fund for traumatic brain injury slots is added to provide 35 additional traumatic brain injury slots for extended services.

	General Fund	Other Funds	Total
Vocational rehabilitation services			
2015-17 base level	\$5,616,333	\$20,145,139	\$25,761,472
2015-17 appropriation increase (decrease) to 2015-17 base level	535,205	1,183	536,388
2015-17 biennium appropriation	\$6,151,538	\$20,146,322	\$26,297,860
2015-17 general fund budget allotment (4.05 percent) ¹	(\$448,785)	\$0	(\$448,785)
Adjusted 2015-17 appropriation after budget allotment	\$5,702,753	\$20,146,322	\$25,849,075

¹The department anticipates a reduction of \$96,482 of federal funds as a result of the general fund budget allotment.

Child support program - The schedule below provides a comparison of total funding for the child support program for the 2015-17 biennium compared to the 2015-17 biennium base level.

	General Fund	Other Funds	Total
Child support program			
2015-17 base level	\$7,792,713	\$19,609,348	\$27,402,061
2015-17 appropriation increase (decrease) to 2015-17 base level	566,848	1,153,630	1,720,478
2015-17 biennium appropriation	\$8,359,561	\$20,762,978	\$29,122,539
2015-17 general fund budget allotment (4.05 percent) ¹	(\$58,755)	\$0	(\$58,755)
Adjusted 2015-17 appropriation after budget allotment	\$8,300,806	\$20,762,978	\$29,063,784

¹The department anticipates a reduction of \$129,292 of federal funds as a result of the general fund budget allotment.

The Department of Human Services has spent a total of \$7,021,901, of which \$2,403,144 is from the general fund, for vocational rehabilitation services through March 2016. The department anticipates spending a total of \$25,506,361, of which \$5,641,571 is from the general fund, for vocational rehabilitation services for the 2015-17 biennium. Anticipated spending for the 2015-17 biennium includes adjustments relating to additional targeted market equity funds pursuant to Section 4 of Senate Bill No. 2015. The department removed funding of \$180,783 from the general fund for traumatic brain injury slots as part of the 2015-17 biennium 4.05 percent general fund budget allotment.

The Department of Human Services has spent a total of \$9,761,709, of which \$2,951,469 is from the general fund, for child support programs through March 2016. The department anticipates spending a total of \$28,787,648, of which \$8,241,957 is from the general fund, for child support programs for the 2015-17 biennium. Anticipated spending for the 2015-17 biennium includes adjustments relating to additional targeted market equity funds pursuant to Section 4 of Senate Bill No. 2015 and additional funding from an energy impact funding pool pursuant to Section 5 of Senate Bill No. 2015.

Medicaid management information system replacement project - Exemption - Section 4 of Senate Bill No. 2012 provides for a continuation of previous legislative appropriations for the Medicaid management information system replacement project into the 2015-17 biennium.

Eligibility systems project - The 2015 Legislative Assembly, in Senate Bill No. 2177, appropriated \$14,012,167 from the general fund and \$46,860,102 of federal funds for an eligibility system computer project.

Conveyance of land authorized - Section 6 of Senate Bill No. 2012 allows DHS to convey real property associated with the Life Skills and Transition Center, which includes conveyance of the Prairie View building.

Leisure, recreational, and educational programs - Exemption - Section 7 of Senate Bill No. 2012 provides an exemption to the requirements of North Dakota Century Code Section 54-44.4 for providing grants of \$150,000 for services to provide leisure, recreational, and educational programs for individuals with intellectual or developmental disabilities in the northeast and southeast human service regions, and to limit the department's oversight only to receiving information relating to annual attendance numbers and expenditure of the appropriated funds for these services.

Behavioral health services quarterly report - Section 11 of Senate Bill No. 2012 requires DHS to publish a quarterly report of all behavioral health services provided by or supported by DHS. The report is to include each type of behavioral health service, the number of clients for each type of service, and the amount of state and federal funds budgeted and spent for each service.

The Department of Human Services implemented the Medicaid management information system in October 2015. A total of \$103,231,732, of which \$11,743,621 is from the general fund, was spent on the Medicaid management information system project. For the 2015-17 biennium a total of \$5,011,063 has been spent for postproduction support through March 2016.

The Department of Human Services implemented the first phase of the Medicaid eligibility determination project for individuals under the federal Affordable Care Act on February 8, 2016. The department anticipates implementation of other eligibility determination by the third quarter of calendar year 2017, which will include eligibility determination for Medicaid aged, blind, and disabled clients, supplemental nutrition assistance program, temporary assistance for needy families, child care assistance program, and low-income home energy assistance program. The department reduced costs to support eligibility systems by \$1 million as part of the 2015-17 biennium 4.05 percent general fund budget allotment reduction. The reduction reduced federal matching dollars by \$1,435,667.

The Department of Human Services and Grafton community task force are currently developing proposals for alternative uses of underutilized space at the Life Skills and Transition Center.

The Department of Human Services has entered into contracts to provide services at each location during the 2015-17 biennium.

The Department of Human Services anticipates including, beginning with the March 2016 report, two additional sections in the Quarterly Budget Insight report for each type of behavioral health service, the number of clients for each type of service, and the amount of state and federal funds budgeted and spent for each service.

Autism spectrum disorder program pilot project - Section 13 of Senate Bill No. 2012 amends Section 50-06-32.1, relating to the autism spectrum disorder voucher program pilot project, to continue the program.

Developmental disabilities system reimbursement project - Section 14 of Senate Bill No. 2012 amends Section 50-06-37, relating to the developmental disabilities system reimbursement project, to identify age groups, which includes providing a resource allocation model of tying funding to support intensity scale assessed needs of clients age 16 and older, and to add a state-approved assessment of the needs of clients younger than age 16.

Developmental disabilities case management - Legislative intent - Section 15 of Senate Bill No. 2012 provides legislative intent that DHS provide case management services for individuals with a developmental disability within the ratio provided pursuant to North Dakota Administrative Code, and to allow DHS to hire temporary staff or propose a change to North Dakota Administrative Code to meet the ratio requirement if case management services for individuals with a developmental disability exceed the ratio requirement.

Robinson Recovery Center funding - Section 16 of Senate Bill No. 2012 allows DHS to reprocur the contract for methamphetamine treatment services if the current contractor is unable to provide the full capacity of services anticipated under the current contract.

Payments to the county for local expenses of administration of the Medicaid program - Section 17 of Senate Bill No. 2012 allows DHS to reimburse counties for part of the local expenses of administration for determining eligibility for services under Chapter 50-24.1. Section 18 of the bill appropriates federal funds to DHS for reimbursing counties for part of the local expenses of administration of the Medicaid program under Chapters 50-01.2 and 50-24.1.

The Department of Human Services provides an autism spectrum disorder program pilot project pursuant to Section 50-06-32.1 to families with income below 200 percent of the federal poverty level, with a child between the ages of 3 and 18 that has an autism spectrum disorder diagnosis. The department received 55 voucher applications since July 1, 2015. Of the 55 voucher applicants, 43 families have met the income criteria and 41 families are actively being served. Due to new guidance from the federal Centers for Medicare and Medicaid Services, some of the autism services that were previously considered as Early and Periodic Screening, Diagnostic, and Treatment benefits for children will now need to be provided under a state plan regardless of whether the state has a state waiver.

The Department of Human Services reduced second year developmental disabilities service provider inflationary increases of 3 percent by \$4,047,111 from the general fund as part of the 2015-17 biennium 4.05 percent general fund budget allotment, which reduced federal matching dollars by \$4,067,165. The department resubmitted another waiver amendment to the Centers for Medicare and Medicaid Services because of the budget allotment reduction changes. The department anticipates, because of resubmitting the waiver amendment to the Centers for Medicare and Medicaid Services, it will delay implementation of the new system until January 2017.

The Department of Human Services is currently monitoring case ratios for case management services for individuals with a developmental disability. The department anticipates recruiting temporary staff if the case management services for individuals with a developmental disability exceed the ratio requirement.

The Department of Human Services reduced funding for the Robinson Recovery Center for methamphetamine treatment services by \$237,500 as part of the 2015-17 biennium 4.05 percent general fund budget allotment. The department issued a request for proposal for methamphetamine treatment services for the 2015-17 biennium. The department did not receive any bids; therefore, DHS entered into a contract with ShareHouse, Inc. to pay based on a per-client, per-bed-day rate.

The federal Medicaid reimbursement increase for eligibility determination costs from 50 to 75 percent will be retained by DHS and not distributed to counties to assist DHS in meeting the 2015-17 biennium 4.05 percent general fund budget allotment. The department anticipates the change will provide \$5.3 million of additional revenue to DHS.

Statewide family controlled parent-to-parent support organization - Grants - Exemption - Section 19 of Senate Bill No. 2012 provides \$75,000 to DHS for a grant to a statewide family controlled parent-to-parent support organization with at least 50 percent of its board of directors consisting of members whose primary daily responsibilities include caring for a child with a mental health disorder.

Statewide parent-to-parent support - Grants - Exemption - Section 20 of Senate Bill No. 2012 provides \$75,000 to DHS for a grant to a statewide family-to-family health information and education organization which provides parent-to-parent support for families and is located in a county with a population of less than 6,000 based on the 2010 decennial census.

Appropriation - 2013-15 biennium - Section 21 of Senate Bill No. 2012 provides a deficiency appropriation of \$87 million of federal funds for defraying medical assistance grant costs.

Mental health hotline services - Legislative Management study - Section 22 of Senate Bill No. 2012 provides the Legislative Management consider studying the various telephone contact numbers supported by state appropriations to access information regarding services and programs available and determine if multiple numbers are necessary to respond appropriately to the residents of the state.

Adult protective services program - Section 23 of Senate Bill No. 2012 requires DHS to provide a report to the Legislative Management regarding the adult protective services program, including the effectiveness of the program, information on services and outcomes, and funding by human service region and in total.

Autism services - Legislative Management study - Section 24 of Senate Bill No. 2012 provides the Legislative Management consider a study of services for children with autism, which must include a review of services currently provided by DHS, the Superintendent of Public Instruction, and other state and local agencies, and an evaluation of the effectiveness of the continuum of care, transition between programs, and outcomes.

The Department of Human Services provided a grant of \$75,000 to Family Voices of North Dakota, Inc. for the 2015-17 biennium.

The Department of Human Services provided a grant of \$75,000 to the North Dakota Federation of Families for Children's Mental Health for the 2015-17 biennium.

The 63rd Legislative Assembly appropriated \$157.5 million of federal funds for Medicaid Expansion for the 2013-15 biennium. The 64th Legislative Assembly added an additional \$87 million to the 2013-15 biennium appropriation to provide a total of \$244.5 million for the 2013-15 biennium. Total actual Medicaid Expansion costs were \$285,715,482, of which \$3,064,768 is from the general fund, for the 2013-15 biennium. The department anticipates spending a total of \$610,684,852, of which \$20,096,753 is from the general fund, for Medicaid Expansion costs for the 2015-17 biennium.

The Legislative Management did not select the study of mental health hotline services during the 2015-16 interim.

The Department of Human Services removed funding of \$310,792 for the second year of the biennium for vulnerable adult protective services as part of the 2015-17 biennium 4.05 percent general fund budget allotment. The department presented a report to the interim Human Services Committee on March 8-9, 2016, regarding the vulnerable adult protective services program indicating 973 vulnerable adult protective services cases were reported in 2015.

The Legislative Management did not select to study services for children with autism during the 2015-16 interim, but did include a review of services relating to the autism spectrum disorder as part of the 2015-16 interim Human Services Committee study of behavioral health needs.

Life Skills and Transition Center - Legislative Management study - Section 25 of Senate Bill No. 2012 provides the Legislative Management consider a study of the use of the structures and property of the Life Skills and Transition Center to determine the best and most efficient use of the properties. If conducted, the study must review the potential to transfer clients from the Life Skills and Transition Center to underutilized facilities on the State Hospital campus or to a community-based setting. The study must also review potential alternative uses of structures on the Life Skills and Transition Center campus.

Behavioral health services - Legislative Management report - Section 26 of Senate Bill No. 2012 requires DHS to present its quarterly behavioral health services reports to the Legislative Management during the 2015-16 interim.

Senate Bill No. 2048 - Behavioral health services - Legislative Management study - Senate Bill No. 2048 added a new section to Chapter 15.1-13 relating to teacher licensure requirements and a new section to Chapter 15.1-07 relating to mental health training provided by school districts. The bill provided a general fund appropriation of \$150,000 to DHS to facilitate behavioral health services authorized by the Legislative Assembly, and provide a general fund appropriation of \$750,000 to DHS to establish and administer a voucher system to address underserved areas and gaps in the state's substance abuse treatment system and to assist in the payment of addiction treatment services provided by private licensed substance abuse treatment programs. The bill also provided for the Legislative Management, during the 2015-16 interim, to consider conducting a study of mental health resources for youth and adults and a study of behavioral health needs for youth and adults.

Senate Bill No. 2289 - Assistive technology services - Senate Bill No. 2289 provided a general fund appropriation of \$160,000 to DHS for assistive technology services.

House Bill No. 1046 - Traumatic brain injury - House Bill No. 1046 provided an appropriation to DHS of \$375,000 from the general fund for providing life skills services, including an evidence-based return-to-work model, for individuals with a traumatic brain injury.

The Legislative Management did not select the study of the use of structures and property at the Life Skills and Transition Center during the 2015-16 interim.

The Department of Human Services anticipates including two additional sections to the Quarterly Budget Insight report to include each type of behavioral health service, the number of clients for each type of service, and the amount of state and federal funds budgeted and spent for each service. The department anticipates the additional information will be included in the March 2016 Quarterly Budget Insight report.

The Department of Human Services removed funding of \$375,000 of the \$750,000 for the substance abuse services voucher program as part of the 2015-17 biennium 4.05 percent general fund budget allotment. In addition, DHS removed \$75,000 of the \$150,000 for behavioral health planning as part of the general fund budget allotment.

The Department of Human Services removed \$80,000 of the \$160,000 for assistive technology services as part of the 2015-17 biennium 4.05 percent general fund budget allotment. The department amended its contract with the North Dakota Interagency Program for Assistive Technology to reflect the reduction.

The Department of Human Services reduced funding by \$346,875 of the \$375,000 provided for expanded traumatic brain injury services as part of the 2015-17 biennium 4.05 percent general fund budget allotment.