

FISCAL NOTE
Requested by Legislative Council
01/19/2011

Bill/Resolution No.: SB 2264

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$2,771,099		\$4,911,919
Expenditures			\$1,240,916	\$2,771,099	\$2,229,574	\$4,911,919
Appropriations			\$1,240,916	\$2,771,099	\$2,229,574	\$4,911,919

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill increases the net income eligibility limit from 160% of the federal poverty level to a net income eligibility limit of 200% of the federal poverty level. It is estimated that this change will make an additional 937 kids eligible for CHIP benefits.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The eligibility increase contained in Section 1 of the Bill would make an additional 937 kids eligible for CHIP benefits.

CHIP is subject to an annual federal allotment. Based on the FFY 2011 North Dakota CHIP allotment, the increase to 200% of the federal poverty level would cause ND CHIP expenditures to exceed the annual allotment. However, there are provisions in the Children's Health Insurance Reauthorization Act that allows states to apply for an increased allotment. If the income eligibility level for CHIP is increased, the Department will make application to the Centers for Medicare and Medicaid Services (CMS) for an increased allotment. Until the application is approved by CMS, the Department cannot certify that federal allotment would be available for the entire increased expenditure.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The revenue increase in each biennium is the additional federal funds the state will receive if CMS approves a federal allotment increase due to the eligibility change.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

It is estimated an additional 937 children will receive services due to the change in the eligibility limits. The monthly premium is estimated at \$274.03 per child for the 2011-13 biennium and is estimated at \$312.53 per child for the 2013-15 biennium. This change would result in increased premium costs of \$3,894,514 for the 2011-13 biennium and \$7,028,202 for the 2013-15 biennium. The general fund need would be \$1,204,573 for the 2011-13 biennium and \$2,194,205 for the 2013-15 biennium.

In addition, 1.0 FTE would be needed to handle the increased workload. The cost of the FTE would be \$117,501 for the 2011-13 biennium and \$113,291 for the 2013-15 biennium. The general fund portion of the FTE cost would be \$36,343 and \$35,369 for the 2011-13 and 2013-15 biennia respectively.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The Department will need an appropriation increase of \$4,012,015 of which \$1,240,916 is general fund and \$2,771,099 is federal funds for the 2011-13 biennium.

The Department will need an appropriation increase of \$7,141,493 of which \$2,229,574 is general fund and \$4,911,919 is federal funds for the 2013-15 biennium.

Name:	Debra A. McDermott	Agency:	Dept. of Human Services
Phone Number:	328-3695	Date Prepared:	01/21/2011