

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 1, line 2, after "services" insert "; to create and enact a new section to chapter 50-06 of the North Dakota Century Code, relating to substance use disorder treatment voucher system grants; to amend and reenact sections 50-06-42 and 50-24.1-37 of the North Dakota Century Code, relating to the substance use disorder voucher program and the Medicaid expansion program; to repeal section 50-24.1-18.1 of the North Dakota Century Code, relating to consumer-directed health maintenance services"

Page 1, line 2, replace "and" with "to provide a statement of legislative intent;"

Page 1, line 2, after "report" insert "; to provide for a study; to provide for a transfer; to provide for the conveyance of land; to provide an application; to provide an effective date; to provide an expiration date; and to declare an emergency"

Page 1, replace lines 12 through 19 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$20,222,500	(\$890,281)	\$19,332,219
Operating expenses	134,438,862	77,342,233	211,781,095
Capital assets	<u>50,000</u>	<u>25,000</u>	<u>75,000</u>
Total all funds	\$154,711,362	\$76,476,952	\$231,188,314
Less estimated income	<u>90,021,088</u>	<u>49,907,855</u>	<u>139,928,943</u>
Total general fund	\$64,690,274	\$26,569,097	\$91,259,371"

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 7 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$68,994,873	\$50,364,134	\$119,359,007
Operating expenses	150,961,583	15,702,927	166,664,510
Capital assets	10,000	0	10,000
Grants	452,041,904	9,311,450	461,353,354
Grants - medical assistance	<u>2,742,157,720</u>	<u>273,030,980</u>	<u>3,015,188,700</u>
Total all funds	\$3,414,166,080	\$348,409,491	\$3,762,575,571
Less estimated income	<u>2,232,568,138</u>	<u>235,823,355</u>	<u>2,468,391,493</u>
Total general fund	\$1,181,597,942	\$112,586,136	\$1,294,184,078"

Page 2, replace lines 10 through 16 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Human service centers	\$204,701,143	(\$37,774,523)	\$166,926,620
Institutions	<u>137,476,480</u>	<u>(6,858,717)</u>	<u>130,617,763</u>
Total all funds	\$342,177,623	(\$44,633,240)	\$297,544,383
Less estimated income	<u>127,314,955</u>	<u>(13,370,943)</u>	<u>113,944,012</u>
Total general fund	\$214,862,668	(\$31,262,297)	\$183,600,371"

Page 2, replace lines 19 through 24 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
County social services	\$173,700,000	\$16,451,515	\$190,151,515
Total all funds	\$173,700,000	\$16,451,515	\$190,151,515
Less estimated income	<u>173,700,000</u>	<u>15,139,791</u>	<u>188,839,791</u>
Total general fund	\$0	\$1,311,724	\$1,311,724"

Page 2, remove lines 27 through 30

Page 3, replace lines 1 and 2 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$1,461,150,884	\$109,204,660	\$1,570,355,544
Grant total special funds	<u>2,623,604,181</u>	<u>287,500,058</u>	<u>2,911,104,239</u>
Grant total all funds	\$4,084,755,065	\$396,704,718	\$4,481,459,783
Full-time equivalent positions	2,230.23	1.60	2,231.83"

Page 3, line 3, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY"

Page 3, line 4, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 3, replace line 6 with:

"Technology projects	\$13,785,658	\$67,641,747"
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Page 3, replace lines 11 through 14 with:

"State hospital study	200,000	300,000
Medicaid system consultant	0	300,000
Nursing facility payment methodology	<u>0</u>	<u>7,200,000</u>
Total all funds	\$22,068,926	\$75,441,747
Less estimated income	<u>20,556,323</u>	<u>51,607,531</u>
Total general fund	\$1,512,603	\$23,834,216

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The department of human services shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 3. APPROPRIATION - 2019-21 BIENNIUM - DEPARTMENT OF HUMAN SERVICES - FIRE PROTECTION AGREEMENTS - EXEMPTION. There is appropriated out of any moneys in the department of human services operating fund in the state treasury, not otherwise appropriated, the sum of \$333,333, or so much of the sum as may be necessary, to the department of human services for the purpose of providing a grant to a political subdivision for the state share of costs relating to the purchase of a fire truck, for the period beginning with the effective date of this Act and ending June 30, 2021. The funding appropriated in this section is a one-time funding item. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section. The department of human services shall discontinue any agreement with a political subdivision for fire protection services and may not enter any future agreement with a political subdivision for fire protection services."

Page 4, after line 2, insert:

"SECTION 6. FULL-TIME EQUIVALENT POSITION - AGING SERVICES.

Section 1 of this Act includes one full-time equivalent position for the administration of services resulting from a federal department of justice lawsuit settlement. This position is authorized only for the biennium beginning July 1, 2021, and ending June 30, 2023, and may not be included in the department's base budget for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 4, line 4, replace "\$173,700,000" with "\$187,385,888"

Page 4, remove lines 7 through 10

Page 4, line 12, replace "\$32,400,000" with "\$24,000,000"

Page 4, line 16, after "fund" insert "and \$1,150,538 from federal funds"

Page 4, after line 16, insert:

"SECTION 10. CAPITAL PAYMENTS. During the biennium beginning July 1, 2021, and ending June 30, 2023, the department of human services is authorized to expend funds for the payment of special assessments at the state hospital and life skills and transition center.

SECTION 11. STATE HOSPITAL - CAPITAL PROJECTS - EMERGENCY COMMISSION APPROVAL. During the biennium beginning July 1, 2021, and ending June 30, 2023, the department of human services is authorized to proceed with the demolition of the chapel and employee building and associated tunnels at the state hospital. Pursuant to section 4 of this Act, the director of the office of management and budget may transfer appropriation authority between line items within subdivisions 1, 2, and 3 of section 1 of this Act. The department may transfer funds for the demolition of the identified buildings and associated tunnels and for emergency capital projects. Notwithstanding section 54-27-12, the department of human services may spend up to \$5,000,000 for emergency projects under this section and may seek emergency commission approval to spend more than \$5,000,000 under this section.

SECTION 12. EXPENDITURES MAY NOT EXCEED APPROPRIATION - MEDICAL ASSISTANCE EXPANSION PROGRAM - APPLICATION.

1. Subdivision 2 of section 1 of this Act includes the sum of \$703,317,464, of which \$80,934,488 is from the general fund, for the medical assistance expansion program for the biennium beginning July 1, 2021, and ending June 30, 2023. The expenditures for individuals eligible for the medical assistance expansion program may not exceed this amount. For purposes of this section:
 - a. Expenditures do not include those made for individuals identified as medically frail and who receive services through the traditional Medicaid program administered by the department of human services for which there is a separate appropriation of \$10,184,568 included in subdivision 2 of section 1 of this Act.
 - b. Expenditures do not include prescription drugs for the medical assistance expansion program population which is administered by the department of human services through its fee-for-service Medicaid

program for which there is a separate appropriation of \$29,460,720 included in subdivision 2 of section 1 of this Act.

- c. Expenditures do not include coverage for individuals ages nineteen and twenty for the medical assistance expansion program population which is administered by the department of human services through its fee-for-service Medicaid program for which there is a separate appropriation of \$12,705,466 included in subdivision 2 of section 1 of this Act.
2. The department of human services may exceed appropriations for increases in medical assistance expansion program caseload and for the addition of coverage consistent with the traditional Medicaid 1915i state plan.
3. The managed care organization under contract with the department to manage the medical assistance expansion program shall reimburse providers within the same provider type and specialty at consistent levels and with consistent methodology and may not provide incentive, quality, or supplemental payments to providers, unless part of a value-based program approved by the department. The managed care organization may consider urban and rural providers as different provider types. Critical access hospitals may not be paid less than one hundred percent of Medicare allowable costs.
4. The managed care organization and the department of human services shall ensure payments to Indian or Tribal 638 health care providers, federally qualified health centers, and rural health clinics meet the federally required minimum levels of reimbursement.
5. The department of human services shall ensure providers within the same provider type and specialty are reimbursed at consistent levels and with consistent methodology and shall ensure the capitation rates under risk contracts are actuarially sound and are adequate to meet managed care organization contractual requirements regarding availability of services, assurance of adequate capacity and services, and coordination and continuity of care.
6. The department of human services and the Medicaid expansion managed care organization shall ensure the appropriate contract amendment is adopted for coverage through December 31, 2021. The contract amendment shall stay within the appropriation and the requirements of chapter 54-44.4 do not apply.

SECTION 13. EXPENDITURES MAY NOT EXCEED APPROPRIATION - NURSING HOME RATES. Subdivision 2 of section 1 of this Act includes the sum of \$621,362,568, of which \$288,313,216 is from the general fund, for nursing home payments for the biennium beginning July 1, 2021, and ending June 30, 2023. The expenditures for nursing homes may not exceed this amount.

SECTION 14. A new section to chapter 50-06 of the North Dakota Century Code is created and enacted as follows:

Substance use disorder treatment voucher system grants.

1. A licensed substance abuse treatment program, excluding regional human service centers and hospital or medical clinic-based programs for medical management of withdrawal, may apply for a competitive substance use disorder treatment voucher system grant. A licensed substance abuse treatment program is eligible for a one-time grant award. To receive a grant, a licensed substance abuse treatment program shall:
 - a. Submit an application in the form and manner prescribed by the department;
 - b. Enter a grant agreement with the department;
 - c. Use grant funds for a licensed substance abuse treatment program with fewer than seventeen beds in an underserved area, as determined by the department, in the state's substance abuse treatment system;
 - d. Use the grant funds to support the provision of substance use disorder treatment in underserved areas of the state's substance abuse treatment system;
 - e. Provide and disclose information needed to comply with the department's data collection requirements; and
 - f. Operate in compliance with grant requirements.
2. The department, within legislative appropriations, may distribute up to three grants under this section to licensed substance abuse treatment programs.
3. The department may recapture grant funds distributed to a licensed program found by the department to be out of compliance with the requirements established by the grant program, including ending or reducing the operation of the substance use disorder treatment services in the underserved area.
4. The department may not collect property, equipment, or supplies purchased with grant funds from the licensed substance abuse treatment program after successful completion of the terms of the grant.
5. The grant term must be for five years.

SECTION 15. AMENDMENT. Section 50-06-42 of the North Dakota Century Code is amended and reenacted as follows:

50-06-42. Substance use disorder treatment voucher system.

1. The department shall establish and administer, within the limits of legislative appropriations, 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 licensed substance abuse treatment programs, excluding regional human service centers, and hospital- or medical clinic-based programs for medical management of withdrawal. Services eligible for the voucher program

include only those levels of care recognized by the American society of addiction medicine, with particular emphasis given to underserved areas and programs. The department shall ensure that a licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers collects and reports process and outcome measures. The department shall develop requirements and provide training and technical assistance to a licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers. A licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers shall provide evidence-based services.

2. The department shall allocate funding appropriated for the substance use disorder treatment voucher as follows:
 - a. No more than thirty percent of the appropriated amount may be allocated for residential substance use disorder services administered by licensed substance abuse treatment programs with more than sixteen beds.
 - b. The remaining appropriation must be allocated for nonresidential outpatient and ancillary substance use disorder services administered by licensed substance abuse treatment programs.

SECTION 16. AMENDMENT. Section 50-24.1-37 of the North Dakota Century Code is amended and reenacted as follows:

50-24.1-37. Medicaid expansion - Legislative management report. (Effective through July 31, 2024~~2023~~ - Contingent repeal - [See note](#))

1. The department of human services shall expand medical assistance coverage as authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-152] to individuals under sixty-five years of age with income below one hundred thirty-eight percent of the federal poverty line published by the federal office of management and budget applicable to the household size.
2. The department shall inform new enrollees in the medical assistance expansion program that benefits may be reduced or eliminated if federal participation decreases or is eliminated.
3. Except for pharmacy services, the department shall implement the expansion by bidding through private carriers or utilizing the health insurance exchange.
4. The contract between the department and the private carrier must provide the department with full access to provider reimbursement rates. The department shall consider provider reimbursement rate information in selecting a private carrier under this section. Before August first of each even-numbered year, the department shall submit a report to the legislative management regarding provider reimbursement rates under the medical assistance expansion program. This report may provide cumulative data and trend data but may not disclose identifiable provider reimbursement rates.

5. Provider reimbursement rate information received by the department under this section is confidential, except the department may use the reimbursement rate information to prepare the report to the legislative management as required under this section.

SECTION 17. AMENDMENT. Section 50-24.1-37 of the North Dakota Century Code is amended and reenacted as follows:

50-24.1-37. Medicaid expansion - Legislative management report. (Effective through July 31, 2023 - Contingent repeal - [See note](#))

1. The department of human services shall expand medical assistance coverage as authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-152] to individuals under sixty-five years of age with income below one hundred thirty-eight percent of the federal poverty line published by the federal office of management and budget applicable to the household size.
2. The department shall inform new enrollees in the medical assistance expansion program that benefits may be reduced or eliminated if federal participation decreases or is eliminated.
3. Except for pharmacy services and coverages for individuals ages nineteen and twenty, the department shall implement the expansion by bidding through private carriers or utilizing the health insurance exchange.
4. The contract between the department and the private carrier must provide the department with full access to provider reimbursement rates. The department shall consider provider reimbursement rate information in selecting a private carrier under this section. Before August first of each even-numbered year, the department shall submit a report to the legislative management regarding provider reimbursement rates under the medical assistance expansion program. ~~This report may provide cumulative data and trend data but may not disclose identifiable provider reimbursement rates.~~
5. ~~Provider reimbursement rate information received by the department under this section is confidential, except the department may use the reimbursement rate information to prepare the report to the legislative management as required under this section.~~

SECTION 18. REPEAL. Section 50-24.1-18.1 of the North Dakota Century Code is repealed.

SECTION 19. CONVEYANCE OF LAND AUTHORIZED - LIFE SKILLS AND TRANSITION CENTER. The state of North Dakota, by and through the department of human services, may convey real property associated with the life skills and transition center in Grafton to the Grafton parks and recreation department. The department of human services may convey a portion of two parcels of land commonly referred to as "the bowl" on the terms and conditions determined appropriate by the department and the attorney general. Sections 54-01-05.2 and 54-01-05.5 do not apply to this conveyance.

SECTION 20. LEASE OF LAND - STATE HOSPITAL. The department of human services and national guard may enter an agreement to lease up to twenty acres of real property associated with the state hospital for the national guard to construct a new training and storage facility.

SECTION 21. PROVIDER PROCESS AND OUTCOME MEASURES. Providers that receive funding from the department of human services shall submit process and outcome measures, as required by the department, to the department of human services for programs and services supported by state funding during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 22. IN-HOME SUPPORT SERVICES - DEVELOPMENTAL DISABILITIES WAIVER. The department of human services shall add in-home support services to the appendix K application submitted by the department to the centers for Medicare and Medicaid services for the developmental disability services waiver for the COVID-19 emergency. Funding for in-home support services under the appendix K application may not exceed \$250,000 during the COVID-19 emergency.

SECTION 23. QUALIFIED RESIDENTIAL TREATMENT PROVIDERS. The department of human services shall adopt rules, on or before October 1, 2021, establishing a new ratesetting process and requirements for foster care maintenance rates for qualified residential treatment providers based on the appropriation approved by the sixty-seventh legislative assembly.

SECTION 24. COMMUNITY BEHAVIORAL HEALTH PROGRAM. Pursuant to section 4 of this Act, the director of the office of management and budget may transfer appropriation authority between line items within subdivisions 1, 2, and 3 of section 1 of this Act for the biennium beginning July 1, 2021, and ending June 30, 2023, as requested by the department of human services. The department may transfer funds for the continuation of the community behavioral health program pursuant to subsection 2 of section 54-23.3-10.

SECTION 25. EXEMPTION. The amount appropriated for the Medicaid management information system technology stack upgrade in chapter 37 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the completion of the Medicaid management information system technology stack upgrade during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 26. EXEMPTION. The amount appropriated for the modification of the department of human services' eligibility systems in chapter 578 of the 2011 Special Session Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2013-15 biennium, then the 2015-17 biennium, then the 2017-19 biennium, and then the 2019-21 biennium are available for the completion of the modification of the eligibility systems project during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 27. EXEMPTION. The amount appropriated for the development of the child care licensing and data system in chapter 11 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2019-21 biennium are available for the completion of the child care licensing and data system during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 28. EXEMPTION. The amount appropriated for the development of the health information network in chapter 11 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2019-21 biennium are available for the completion of the health information network during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 29. EXEMPTION. The sum of \$200,000 from the general fund appropriated for the department's operating expenses for the school behavioral health program in chapter 37 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the completion of the school behavioral health pilot projects during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 30. EXEMPTION. The sum of \$150,000 from the general fund appropriated for the department's operating expenses for behavioral health recovery home grants in chapter 37 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be used for behavioral health recovery home grants during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 31. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITY RATES. The appropriation in section 1 of this Act includes adjustments to reimbursement rates for developmental disability service providers. It is the intent of the sixty-seventh legislative assembly that the department of human services seek a deficiency appropriation from the sixty-eighth legislative assembly if funding provided for developmental disability provider payments is not sufficient to pay actual expenses.

SECTION 32. STATE HOSPITAL TREATMENT CAMPUS - REPORT TO LEGISLATIVE MANAGEMENT. During the 2021-22 interim, the department of human services, with the assistance of the state hospital's governing body, stakeholders, members of the legislative assembly, and consultants, shall conduct a study and prepare a report. The report must provide a cost-benefit analysis and available options and address the feasibility and desirability of closing the state hospital, renovating the state hospital, or building a new treatment campus to meet the health care needs of the state. Before October 1, 2022, the department of human services shall provide a report to the legislative management regarding the results of the study. Subdivision 3 of section 1 of this Act includes the sum of \$300,000 for the purpose of contracting with a consultant to assist in the report and recommendation.

SECTION 33. BEHAVIORAL HEALTH SERVICES - REPORT TO LEGISLATIVE MANAGEMENT. During the 2021-22 interim, the department of human services shall study the feasibility and desirability of implementing behavioral health services for the medical assistance expansion program through an administrative services organization. Subdivision 2 of section 1 of this Act includes the sum of \$300,000 for the purpose of contracting with a consultant to assist in the study and to develop a plan to implement behavioral health services for the medical assistance expansion program through an administrative services organization. The department of human services shall provide reports to the legislative management regarding the status and results of the study.

SECTION 34. EFFECTIVE DATE. Section 17 of this Act becomes effective January 1, 2022.

SECTION 35. EXPIRATION DATE. Section 14 of this Act is effective through July 1, 2027, and after that date is ineffective.

SECTION 36. EMERGENCY. Section 3 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of House Action

	Base Budget	House Changes	House Version
DHS - Management			
Total all funds	\$154,711,362	\$76,476,952	\$231,188,314
Less estimated income	90,021,088	49,907,855	139,928,943
General fund	\$64,690,274	\$26,569,097	\$91,259,371
FTE	107.95	(10.10)	97.85
DHS - Program/Policy			
Total all funds	\$3,414,166,080	\$348,409,491	\$3,762,575,571
Less estimated income	2,232,568,138	235,823,355	2,468,391,493
General fund	\$1,181,597,942	\$112,586,136	\$1,294,184,078
FTE	383.25	265.42	648.67
DHS - County Social Services Financing			
Total all funds	\$173,700,000	\$16,451,515	\$190,151,515
Less estimated income	173,700,000	15,139,791	188,839,791
General fund	\$0	\$1,311,724	\$1,311,724
FTE	140.00	3.00	143.00
DHS - Field Services			
Total all funds	\$342,177,623	(\$44,633,240)	\$297,544,383
Less estimated income	127,314,955	(13,370,943)	113,944,012
General fund	\$214,862,668	(\$31,262,297)	\$183,600,371
FTE	1,599.03	(256.72)	1,342.31
Bill total			
Total all funds	\$4,084,755,065	\$396,704,718	\$4,481,459,783
Less estimated income	2,623,604,181	287,500,058	2,911,104,239
General fund	\$1,461,150,884	\$109,204,660	\$1,570,355,544
FTE	2,230.23	1.60	2,231.83

House Bill No. 1012 - DHS - Management - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$20,222,500	(\$890,281)	\$19,332,219
Operating expenses	134,438,862	77,342,233	211,781,095
Capital assets	50,000	25,000	75,000
Total all funds	\$154,711,362	\$76,476,952	\$231,188,314
Less estimated income	90,021,088	49,907,855	139,928,943
General fund	\$64,690,274	\$26,569,097	\$91,259,371
FTE	107.95	(10.10)	97.85

Department 326 - DHS - Management - Detail of House Changes

	Adjusts Funding for Management¹	Total House Changes
Salaries and wages	(\$890,281)	(\$890,281)
Operating expenses	77,342,233	77,342,233
Capital assets	25,000	25,000
Total all funds	\$76,476,952	\$76,476,952
Less estimated income	49,907,855	49,907,855
General fund	\$26,569,097	\$26,569,097
FTE	(10.10)	(10.10)

¹ Funding for management is adjusted as follows:

	FTE Positions	General Fund	Other Funds	Total
2021-23 Ongoing Funding Changes				
Adjusts funding for 2019-21 biennium line item transfers and other budget adjustments	(18.10)	(\$838,781)	(\$3,553,654)	(\$4,392,435)
Adjusts funding for base payroll changes		(508,525)	732,079	223,554
Adds funding for salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250		370,808	77,346	448,154
Adds funding for health insurance premium increases from \$1,427 to \$1,429 per month		3,903	830	4,733
Reduces funding for overall agency operations		(8,405,193)		(8,405,193)
Administration				
Adds funding for continued program changes		341,831	841,290	1,183,121
Adjusts funding for the agency savings plan	8.00	431,068	440,358	871,426
Information Technology Services				
Adds funding for increased data processing costs and other program changes		14,822,924	4,401,791	19,224,715
Adjusts funding for the agency savings plan		(4,396,355)	(3,012,157)	(7,408,512)
Adds funding for technology services and repairs		4,010,886		4,010,886
Adds funding for an early childhood data system		500,000		500,000
Adds funding for Microsoft Office 365 expenses		200,315	50,079	250,394
Reprioritizes other funds from other agency budget areas for information technology costs			2,324,362	2,324,362
	(10.10)	\$6,532,881	\$2,302,324	\$8,835,205
One-Time Funding Items				
Adds funding for the first phase of upgrading the Medicaid Management Information System (MMIS)		\$4,326,686	\$30,673,314	\$35,000,000
Adds funding for the child welfare technology project		15,000,000	15,000,000	30,000,000
Adds funding for data automation services		98,186	98,186	196,372

Adds funding for the MMIS tech stack project		600,000	1,800,000	2,400,000
Adds funding for quality measures services		11,344	34,031	45,375
Total one-time funding changes	0.00	\$20,036,216	\$47,605,531	\$67,641,747
Total changes to base level funding	(10.10)	\$26,569,097	\$49,907,855	\$76,476,952

House Bill No. 1012 - DHS - Program/Policy - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$68,994,873	\$50,364,134	\$119,359,007
Operating expenses	150,961,583	15,702,927	166,664,510
Capital assets	10,000		10,000
Grants	452,041,904	9,311,450	461,353,354
Grants - Medical assistance	2,742,157,720	273,030,980	3,015,188,700
Total all funds	\$3,414,166,080	\$348,409,491	\$3,762,575,571
Less estimated income	2,232,568,138	235,823,355	2,468,391,493
General fund	\$1,181,597,942	\$112,586,136	\$1,294,184,078
FTE	383.25	265.42	648.67

Department 328 - DHS - Program/Policy - Detail of House Changes

	Adjusts Funding for Program and Policy ¹	Total House Changes
Salaries and wages	\$50,364,134	\$50,364,134
Operating expenses	15,702,927	15,702,927
Capital assets		
Grants	9,311,450	9,311,450
Grants - Medical assistance	273,030,980	273,030,980
Total all funds	\$348,409,491	\$348,409,491
Less estimated income	235,823,355	235,823,355
General fund	\$112,586,136	\$112,586,136
FTE	265.42	265.42

¹ The following adjustments are made to program and policy:

2021-23 Ongoing Funding Changes	FTE Positions	General Fund	Other Funds	Total
Adjusts funding for 2019-21 biennium line item transfers and budget adjustments	257.22	\$22,005,318	\$23,196,444	\$45,201,762
Adjusts funding for base payroll changes		2,029,128	624,013	2,653,141
Adds funding for salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250		1,501,257	1,359,427	2,860,684
Adds funding for health insurance premium increases from \$1,427 to \$1,429 per month		17,084	14,732	31,816
Adds funding for 1 percent annual provider inflation increases		13,478,022	14,417,097	27,895,119
Adjusts funding based on anticipated changes to the state's federal medical assistance percentage to 52.40 percent for federal fiscal		(45,779,364)	45,779,364	0

year 2021 and 53.50 percent for federal fiscal year 2022

Economic Assistance

Adjusts funding for continued program changes	(210,585)	3,276,939	3,066,354
Adjusts funding for anticipated cost and caseload changes	2,952,453	8,382,789	11,335,242

Child Support

Adjusts funding for continued program changes	36,397	(91,785)	(55,388)
Adjusts funding for agency savings plan	(103,906)	(357,788)	(461,694)

Medical Services

Adjusts funding for continued program changes	2,493,060	5,504,976	7,998,036
Adjusts funding for agency savings plan excluding changes to Medicaid Expansion administration and rates	(999,112)	5,250,858	4,251,746
Adjusts funding for anticipated cost and caseload changes	55,976,251	100,813,594	156,789,845
Reprioritizes other funds for the dental access program for information technology costs		(40,000)	(40,000)
Adjusts the source of funding from the tobacco prevention and control trust fund (\$6 million) and community health trust fund (\$8.4 million) to the general fund	14,400,000	(14,400,000)	0
Reduces funding to underfund Medicaid grants	(9,580,913)	(9,955,925)	(19,536,838)
Adds funding for vaccines for Medicaid recipients	1,581,000	1,819,000	3,400,000
Adds funding for services to be provided due to a Department of Justice lawsuit settlement	66,465	199,395	265,860
Transfers 19- and 20-year old individuals in Medicaid Expansion to fee for service	0.50 (2,413,379)	(2,745,227)	(5,158,606)
Adjusts estimated Medicaid utilization rates for inpatient and outpatient hospital	(176,553)	(202,213)	(378,766)
Restores funding related to per member per month payments	769,869	882,371	1,652,240

Long-Term Care

Adjusts funding for agency savings plan	(7,871,872)	(960,285)	(8,832,157)
Restores funding removed for the basic care program	5,300,000		5,300,000
Adjusts funding for anticipated cost and caseload changes	40,219,972	37,478,740	77,698,712
Reprioritizes other funds for the basic care program for information technology costs		(2,284,362)	(2,284,362)
Adjusts the source of funding from the health care trust fund to the general fund	1,000,000	(1,000,000)	0

Adjusts funding for estimated utilization rates		(9,395,558)	(9,429,807)	(18,825,365)
Provides \$1,000,000 of funds from the health care trust fund and \$1,150,538 of federal funding authority for nursing home operating margins			2,150,538	2,150,538
Adds funding for services to be provided due to a Department of Justice lawsuit settlement		2,197,552	2,309,196	4,506,748

Developmental Disabilities Council

Adjusts funding for continued program changes			124,949	124,949
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Aging Services

Adjusts funding for continued program changes		126,302	2,384,246	2,510,548
Adjusts funding for the agency savings plan		(248,240)	(163,425)	(411,665)
Adds 1 FTE position and funding for services to be provided due to a Department of Justice lawsuit settlement	1.00	300,000	150,000	450,000
Adds funding for Senior Community Services Employment Program demonstration grant			889,285	889,285

Children and Family Services

Adjusts funding for continued program changes		3,172,228	(394,323)	2,777,905
Adjusts funding for agency savings plan		(12,191,335)	(7,728,080)	(19,919,415)
Restores a portion of funding removed due to 1915i realignment of funding		73,750		73,750
Adjusts funding for anticipated cost and caseload changes		(6,187,819)	6,025,058	(162,761)
Transfers early childhood program funding and FTE positions from DPI as provided in House Bill No. 1416	3.00	300,000	400,000	700,000
Adds funding for an early childhood grant program as provided in House Bill No. 1466	3.70	5,458,910		5,458,910

Behavioral Health Division

Adjusts funding for continued program changes		156,645	(1,957,536)	(1,800,891)
Adjusts funding for agency savings plan		(832,173)		(832,173)
Restores a portion of funding removed due to 1915i realignment of funding		372,611		372,611
Adjusts funding for anticipated cost and caseload changes		5,427,067		5,427,067
Adds funding for the substance use disorder voucher program to provide total funding of \$15.3 million		7,000,000		7,000,000

Vocational Rehabilitation

Adjusts funding for continued program changes		(416,293)	(381,081)	(797,374)
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Adjusts funding for agency savings plan	(1,803,954)	(91,000)	(1,894,954)
Restores funding removed for Centers for Independent Living and a ski park grant	1,803,954	91,000	1,894,954

Developmental Disabilities

Adjusts funding for continued program changes	(11,821)	163,017	151,196
Adjusts funding for agency savings plan	(2,252,289)	(1,926,850)	(4,179,139)
Adjusts funding for anticipated cost and caseload changes	19,323,007	22,244,014	41,567,021
Adds funding for small agency accreditation costs	25,000		25,000
Total ongoing funding changes	265.42	\$109,088,136	\$231,821,355

One-Time Funding Items

Adds funding for changes associated with the implementation of a new nursing payment methodology		\$3,348,000	\$3,852,000	\$7,200,000
Adds funding for a study to implement behavioral health services for the medical assistance expansion program through an administrative services organization		150,000	150,000	300,000
Total one-time funding items	0.00	\$3,498,000	\$4,002,000	\$7,500,000

Total changes to base level funding	265.42	\$112,586,136	\$235,823,355	\$348,409,491
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House Bill No. 1012 - DHS - County Social Services Financing - House Action

	Base Budget	House Changes	House Version
County social services	\$173,700,000	\$16,451,515	\$190,151,515
Total all funds	\$173,700,000	\$16,451,515	\$190,151,515
Less estimated income	173,700,000	15,139,791	188,839,791
General fund	\$0	\$1,311,724	\$1,311,724
FTE	140.00	3.00	143.00

Department 333 - DHS - County Social Services Financing - Detail of House Changes

	Adjusts Funding for County Social Services ¹	Total House Changes
County social services	\$16,451,515	\$16,451,515
Total all funds	\$16,451,515	\$16,451,515
Less estimated income	15,139,791	15,139,791
General fund	\$1,311,724	\$1,311,724
FTE	3.00	3.00

¹ Funding is adjusted for county social services as follows:

2021-23 Ongoing Funding Changes	FTE Positions	General Fund	Other Funds	Total
Adds funding for base payroll changes			\$1,653,466	\$1,653,466
Adds funding for salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250		\$412,248	291,785	704,033
Adds funding for health insurance premium increases from \$1,427 to \$1,429 per month		3,287	2,737	6,024
Adjusts funding for continued program changes		896,189	(372,192)	523,997
Adds 3 FTE home- and community-based services staff	3.00		498,673	498,673
Adds funding to provide salary increases to zone employees consistent with state employee salary increases			3,975,941	3,975,941
Adds funding for zone operations			9,089,381	9,089,381
Total ongoing funding changes	3.00	\$1,311,724	\$15,139,791	\$16,451,515

House Bill No. 1012 - DHS - Field Services - House Action

	Base Budget	House Changes	House Version
Human service centers	\$204,701,143	(\$37,774,523)	\$166,926,620
Institutions	137,476,480	(6,858,717)	130,617,763
Total all funds	\$342,177,623	(\$44,633,240)	\$297,544,383
Less estimated income	127,314,955	(13,370,943)	113,944,012
General fund	\$214,862,668	(\$31,262,297)	\$183,600,371
FTE	1,599.03	(256.72)	1,342.31

Department 349 - DHS - Field Services - Detail of House Changes

	Adjusts Funding for Field Services¹	Total House Changes
Human service centers	(\$37,774,523)	(\$37,774,523)
Institutions	(6,858,717)	(6,858,717)
Total all funds	(\$44,633,240)	(\$44,633,240)
Less estimated income	(13,370,943)	(13,370,943)
General fund	(\$31,262,297)	(\$31,262,297)
FTE	(256.72)	(256.72)

¹ Funding for field services is adjusted as follows:

2021-23 Ongoing Funding Changes	FTE Positions	General Fund	Other Funds	Total
Adjusts funding for 2019-21 biennium line item transfers and budget adjustments	(239.12)	(\$21,166,537)	(\$19,642,790)	(\$40,809,327)
Adjusts funding for base payroll changes		(7,659,868)	12,248,626	4,588,758
Adds funding for salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250		5,572,943	489,043	6,061,986

Adds funding for health insurance premium increases from \$1,427 to \$1,429 per month		59,867	5,710	65,577
Adds funding for 1 percent annual inflationary adjustments for providers		405,815		405,815
Human Service Centers				
Adjusts funding for continued program changes		3,116,890	(2,911,912)	204,978
Adjusts funding for anticipated cost and caseload changes		2,624,029		2,624,029
Adds funding for a civil sex offender treatment contract		917,004		917,004
Adjusts funding for agency savings plan		(6,414,994)		(6,414,994)
Restores a portion of funding removed for 1915i plan realignment		1,362,299		1,362,299
Institutions				
Adjusts funding for continued program changes		(4,250,920)	3,154,778	(1,096,142)
Adjusts funding for agency savings plan	(31.60)	(8,004,617)	(7,059,498)	(15,064,115)
Restores the 25 beds at the State Hospital removed in the agency savings plan to provide a total of 100 staffed beds	14.00	1,775,792	345,100	2,120,892
Adds funding for psychiatry transition costs at the Life Skills and Transition Center		100,000		100,000
Total ongoing funding changes	(256.72)	(\$31,562,297)	(\$13,370,943)	(\$44,933,240)
One-Time Funding				
Adds funding for consultant costs for a State Hospital complex study		\$300,000		\$300,000
Total one-time funding changes	0.00	\$300,000	\$0	\$300,000
Total changes to base level funding	(256.72)	(\$31,262,297)	(\$13,370,943)	(\$44,633,240)

House Bill No. 1012 - Other Changes - House Action

This amendment also:

- Provides a 2019-21 biennium deficiency appropriation from the DHS operating fund for a grant to a political subdivision for costs to purchase a fire truck.
- Identifies 1 FTE position in the Aging Services Division for administration of services relating to a federal Department of Justice lawsuit settlement as being authorized for only the 2021-23 biennium.
- Adjusts sections to identify the amount of funding provided from the human service finance fund, community health trust fund, and health care trust fund.
- Removes a section relating to funding provided from the tobacco prevention and control trust fund.
- Authorizes capital projects and payments at the State Hospital and Life Skills and Transition Center.
- Specifies the use of funding for the substance use disorder voucher program.
- Provides Medicaid Expansion expenditures may not exceed appropriations for the program.
- Provides expenditures for nursing facility payments may not exceed appropriations for the payments.
- Extends the sunset clause on the Medicaid Expansion program, transfers 19- and 20-year old program recipients to a fee-for-service arrangement, and removes privacy requirements regarding provider reimbursement rates.
- Repeals Section 50-24.1-18.1 which relates to consumer-directed health maintenance services.
- Authorizes the conveyance of land at the Life Skills and Transition Center and authorizes the lease of land at

the State Hospital.

- Requires providers receiving funding from DHS to submit process and outcome measures.
- Requires DHS to include in-home support services in the Appendix K application the department submits to the Centers for Medicare and Medicaid Services.
- Requires DHS to adopt rules to establish a new ratesetting process and requirements for foster care maintenance rates for qualified residential treatment providers.
- Authorizes DHS to transfer funds between line items to provide additional funding for the community behavioral health program.
- Provides exemptions to allow DHS to continue prior biennium appropriations into the 2021-23 biennium for various projects.
- Provides legislative intent that DHS seek a deficiency appropriation if funding for developmental disability rates is not sufficient to cover program expenses.
- Provides for DHS to conduct a study of the State Hospital complex.
- Provides for DHS to conduct a study of implementing behavioral health services for the Medicaid Expansion program through an administrative services organization.