

Testimony
Budget Section
Thursday March 3, 2016
North Dakota Department of Health

Good afternoon Chairman Lee and members of the Budget Section. I am Arvy Smith, the Deputy State Health Officer at the North Dakota Department of Health (NDDoH). I am here today to provide information on the spending reductions due to the budget allotments and the anticipated effect of the reductions on department programs and services.

Following is a brief summary of the NDDoH budget for the 2015-17 biennium prior to the carryover and first year equity funding:

General Fund	\$ 51,521,680
Federal Funds	123,502,877
Special Funds	<u>20,668,087</u>

Total	\$195,692,644
FTE 365	

4.05% General Fund Allotment \$2,086,528

Universal Vaccine

A significant portion of the NDDoH reduction, \$1.6 million, will come from the discontinuation of the universal vaccine policy with local public health units (LPHU). Our budget currently includes a \$2.9 million general fund appropriation to buy vaccines for children vaccinated at LPHUs that could be paid for by health insurance. The new policy will become effective July 1, 2016 to allow LPHUs time to adjust their procedures. We project we will spend \$1.3 million of the amount appropriated by June 30, 2016 and the remaining \$1.6 million will be general fund savings.

The law that originally established the universal vaccine program for LPHUs was proposed by legislators in the 2011 legislative session. At that time not all LPHUs had the capability to bill insurance (systems or provider agreements) and not all insurance policies included vaccinations. Since substantially all children are either covered by health insurance or are uninsured or Medicaid eligible, which qualifies

them for federal provided vaccine, no child should miss out on vaccinations as a result of this change.

Childhood immunization remains as one of the highest priorities of public health. Four of the 28 LPHUs had previously elected not to participate in the universal vaccine program. We are not seeing lower vaccination rates in these areas of the state.

Other Reductions

- Salary rollup from short term vacant positions across the department
- General fund reduction by accessing federal grants or fees collected to pay for certain eligible expenses
- Reductions to operating expenses, including out of state travel
- Reductions to grants where we anticipate rollup from year one grant contracts and are closely monitoring future spending. One example is where we are aware that a grantee/contractor has a vacancy in an employee funded by the grant/contract. In addition, we are not anticipating filling all of the health professional loan repayment slots prior to June 30, 2016 and by law, payment is not made until twelve months after approval so slots approved after June 30 wouldn't be paid until the following biennium.

This concludes my presentation. I would be happy to answer any questions you may have.