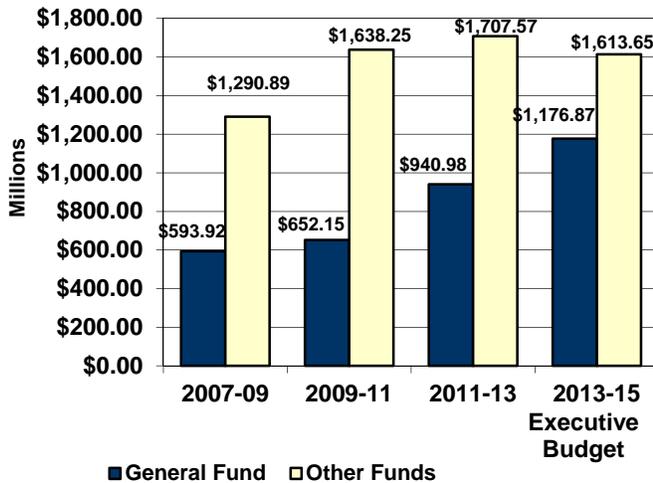


**Department 325 - Department of Human Services  
 House Bill No. 1012**

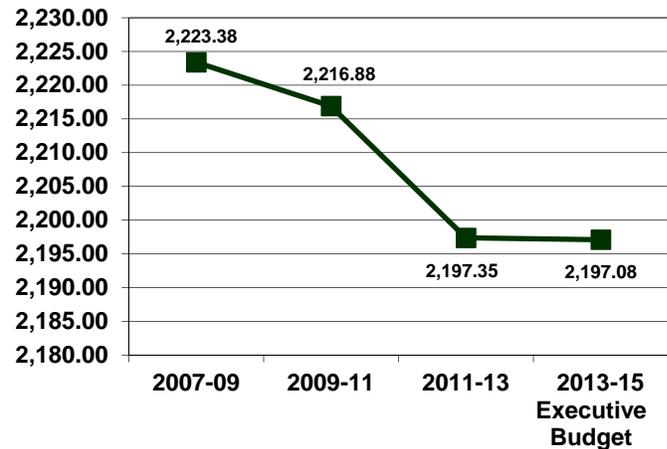
	FTE Positions	General Fund	Other Funds	Total
2013-15 Executive Budget	2,197.08	\$1,176,869,527	\$1,613,649,730	\$2,790,519,257
2011-13 Legislative Appropriations	2,197.35	940,976,017	1,707,572,238	2,648,548,255 <sup>1</sup>
Increase (Decrease)	(0.27)	\$235,893,510	(\$93,922,508)	\$141,971,002

<sup>1</sup>The 2011-13 appropriation amounts do not include \$19,879,775, of which \$965,771 is from the general fund, of carryover from the 2009-11 biennium and an allocation of \$93,519 from the general fund from the Office of Management and Budget for student internships.

**Agency Funding**



**FTE Positions**



**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2013-15 Executive Budget	\$1,167,242,898	\$9,626,629	\$1,176,869,527
2011-13 Legislative Appropriations	927,187,922	13,788,095	940,976,017
Increase (Decrease)	\$240,054,976	(\$4,161,466)	\$235,893,510

**First House Action**

Attached is a summary of first house changes.

**Executive Budget Highlights  
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
<b>Departmentwide</b>			
1. Reflects the additional state matching funds required due to changes in the state's federal medical assistance percentage (FMAP). The FMAP determines the federal and state share of Medicaid, foster care, and other program expenditures. North Dakota's FMAP is decreasing from 55.12 percent in federal fiscal year 2013 to 50 percent in federal fiscal year 2014. The department anticipates North Dakota's FMAP to remain at 50 percent for federal fiscal year 2015. These changes are also reflected in selected program amounts below.	\$93,347,906	(\$93,364,313)	(\$16,407)
2. Provides a 4 percent per year inflationary increase for human service providers. The Legislative Assembly in 2011 approved a 3 percent per year inflationary increase for all providers excluding physicians.	\$40,870,206	\$40,416,214	\$81,286,420

3. Reduces funding for salaries and wages by \$4,283,030 from the general fund in anticipation of savings resulting from employee turnover and position vacancies. <b>The House removed the deputy director FTE position and related funding of \$310,563, of which \$248,357 is from the general fund.</b>	(\$4,283,030)		(\$4,283,030)
4. Provides funding for state employee salary increases, of which \$14,574,179 relates to performance increases and \$9,784,705 is for market equity adjustments. <b>The House added \$323,229 to correct the executive compensation package and reduced funding by \$10,992,040 relating to performance and market equity salary increases.</b>	\$16,807,630	\$7,551,254	\$24,358,884
<b>Management</b>			
1. Adds <b>one-time funding</b> for salary enhancements for staff in Williston, Minot, and Dickinson. <b>The House removed this funding.</b>	\$3,253,008	\$514,992	\$3,768,000
2. Removes <b>one-time funding</b> provided in the 2011-13 biennium for the Information Technology Services Division	(\$11,171,765)	(\$55,446,690)	(\$66,618,455)
3. Adjusts funding for program and cost changes for the Information Technology Services Division (detailed changes not identified)	\$2,998,397	\$3,271,607	\$6,270,004
4. Adds <b>one-time funding</b> for replacement of the field services electronic health records system. <b>The House removed this funding.</b>	\$5,000,000		\$5,000,000
5. Adds <b>one-time funding</b> for analyzing the feasibility of removing the remaining department systems that run on the mainframe to a new application or a new operating environment	\$148,907	\$661,093	\$810,000
<b>Program and Policy</b>			
1. Provides \$5,597,322 from the general fund for <b>Indian county payments</b>	\$606,961		\$606,961
2. Reduces funding for <b>temporary assistance for needy families</b> (TANF) costs to \$14,505,536, of which \$445,001 is from the general fund and \$8,979,599 is from retained funds. The funding level is anticipated to provide services for an average monthly caseload of 1,799 and to provide an average payment of \$336 per case.	(\$5,086,957)	\$2,853,243	(\$2,233,714)
3. Provides \$20,898,665, of which \$252,686 is from the general fund, \$6,917,975 is from retained funds, and the remainder from federal funds, for <b>child care grants</b> . The change reflects an increase of \$23,117 in retained funds and an increase of \$320,696 in federal funds.		\$343,813	\$343,813
4. Decreases federal funding for supplemental nutrition assistance program (SNAP) or <b>food stamp benefits</b> to provide a total of \$201,289,482		(\$40,653,014)	(\$40,653,014)
5. Increases funding for the <b>low-income home energy assistance program</b> (LIHEAP) to provide a total of \$41,393,130		\$1,956,853	\$1,956,853
6. Provides \$603,272,940, of which \$244,944,194 is from the general fund, for <b>medical assistance grants</b> in the medical services program compared to \$563,586,902 provided for the 2011-13 biennium, of which \$197,027,430 was from the general fund. Major components of the additional funding are listed below:			
Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2011-13 biennium. <b>The House decreased funding for medical assistance by \$2,209,000, of which \$909,500 is from the general fund, to reduce projected caseload/utilization rates. The House also removed \$4,536,598, of which \$2,268,289 is from the general fund, to reduce by 50 percent, funding for anticipated previously eligible individuals who might now apply for Medicaid coverage.</b>	\$1,946,720	\$3,934,355	\$5,881,075

Adds additional general fund support as a result of FMAP changes	\$29,381,242	(\$29,381,242)	
Executive budget changes, including funding for 4 percent per year inflationary adjustments for human services providers, individuals currently eligible for Medicaid but not receiving services, QSP mileage reimbursement, increasing the personal care allowance from \$50 to \$65 for psychiatric treatment facilities and SSI clients, continuing payments to critical access hospitals, and rebasing payment to rural health clinics to Medicare rates	\$16,588,802	\$17,216,161	\$33,804,963
7. Increases funding for <b>Healthy Steps</b> (children's health insurance program) to provide a total of \$33.3 million, of which \$11.6 million is from the general fund, to provide health insurance coverage for an average of 4,456 children at a monthly premium of \$311.79. The executive budget recommends maintaining eligibility requirements for the program at 160 percent of the federal poverty level based on net income.	\$3,110,516	\$2,709,152	\$5,819,668
8. Includes \$29,487,399, of which \$28,352,679 is from the general fund and \$1,134,720 is from estate collections, for making Medicare Part D prescription drug " <b>clawback</b> " payments to the federal government for the estimated prescription drug costs paid by Medicare for individuals eligible for both Medicare and Medicaid. The amount provided is an increase of \$3,179,920 from the 2011-13 biennium appropriation of \$26,307,479, of which \$25,152,575 was from the general fund. <b>The House added \$248,265 from the general fund for additional clawback payments for Medicare Part D.</b>	\$3,200,104	(\$20,184)	\$3,179,920
9. Provides \$501,294,823, of which \$249,740,962 is from the general fund, for <b>nursing facility care</b> under the long-term care program compared to \$459,836,020, of which \$202,407,983 was from the general fund, provided for the 2011-13 biennium. Major components of the additional funding are listed below:			
Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2011-13 biennium. <b>The House decreased funding for long-term care by \$7 million, of which \$3.5 million is from the general fund to reduce projected caseload/utilization rates.</b>	\$6,446,175	\$6,337,787	\$12,783,962
Adds general fund support as a result of FMAP changes	\$26,568,735	(\$26,568,735)	
Executive budget changes, including funding for 4 percent per year inflationary adjustments for human services providers, increasing the personal care allowance from \$50 to \$65, and a provider 50 cents per hour wage passthrough	\$14,318,069	\$14,356,772	\$28,674,841
10. Provides \$36,280,327, of which \$22,927,750 is from the general fund, for <b>basic care services</b> compared to \$25,972,395, of which \$14,812,502 was from the general fund, for the 2011-13 biennium. Major components of the additional funding are listed below:			
Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2011-13 biennium	\$3,537,858	\$1,792,790	\$5,330,648
Adds general fund support as a result of FMAP changes	\$1,064,982	(\$1,064,982)	
Executive budget changes, including funding for 4 percent per year inflationary adjustments for human services providers, increasing the personal care allowance from \$85 to \$100 and a provider 50 cents per hour wage passthrough. <b>The House decreased funding for basic care by \$193,725 from the general fund, to maintain the personal needs allowance at \$85 per month.</b>	\$3,512,408	\$1,464,876	\$4,997,284
11. Increases funding for service payments for elderly and disabled (SPED) and <b>expanded SPED</b> to \$15,860,106, of which \$15,133,442 is from the general fund, compared to the 2011-13			

biennium appropriation of \$14,725,212, of which \$14,036,062 was from the general fund. Major changes include:

Reduces funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2011-13 biennium. <b>The House decreased funding for Expanded SPED by \$145,000 from the general fund to reduce projected caseload/utilization rates.</b>	(\$1,976,563)	(\$110,732)	(\$2,087,295)
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Executive budget changes, including funding for 4 percent per year inflationary adjustments for human services providers, expansion of home delivered meals, expansion of personal care services, a provider 50 cents per hour wage passthrough, and a QSP mileage reimbursement	\$3,073,943	\$148,246	\$3,222,189
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12. Increases funding for the **home and community-based care waiver** to \$12,933,078, of which \$6,444,623 is from the general fund, compared to the 2011-13 biennium appropriation of \$9,538,386, of which \$4,216,157 was from the general fund. Major changes include:

Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2011-13 biennium. <b>The House decreased funding for the home and community-based care waiver by \$1 million, of which \$500,000 is from the general fund, to reduce projected caseload/utilization rates.</b>	\$802,102	\$1,009,848	\$1,811,950
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Adds general fund support as a result of FMAP changes	\$636,730	(\$636,730)	
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Executive budget changes, including 4 percent per year inflationary adjustments for human services providers	\$789,634	\$793,108	\$1,582,742
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13. Increases funding for **targeted case management** to \$1,735,896, of which \$864,773 is from the general fund, compared to the 2011-13 biennium appropriation of \$1,564,749, of which \$690,422 was from the general fund. Major changes include:

Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2011-13 biennium	\$32,711	\$38,801	\$71,512
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Adds general fund support as a result of FMAP changes	\$91,941	(\$91,941)	
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Executive budget changes, including 4 percent per year inflationary adjustments for human services providers	\$49,699	\$49,936	\$99,635
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14. Decreases funding for the **personal care option** to \$27,867,758, of which \$13,884,052 is from the general fund, compared to the 2011-13 biennium appropriation of \$29,149,905, of which \$12,886,305 was from the general fund. Major changes include:

Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2011-13 biennium	(\$1,888,596)	(\$2,375,416)	(\$4,264,012)
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Adds general fund support as a result of FMAP changes	\$1,398,728	(\$1,398,728)	
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Executive budget changes, including funding for 4 percent per year inflationary adjustments for human services providers	\$1,487,615	\$1,494,250	\$2,981,865
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15. Provides \$502,420,761, of which \$247,016,261 is from the general fund, for **developmental disabilities services** under the long-term care program compared to the 2011-13 biennium appropriation of \$396,996,033, of which \$174,231,307 was from the general fund. Major changes include:

Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2011-13 biennium. <b>The House decreased funding for developmental disabilities services by \$2,300,000, of which \$1,150,000 is from the general fund, to reduce caseload/utilization rates.</b>	\$27,217,103	\$36,252,885	\$63,469,988
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Adds general fund support as a result of FMAP changes	\$24,750,876	(\$24,767,283)	(\$16,407)
Executive budget changes, including funding for 4 percent per year inflationary adjustments for human services providers, increasing the personal care allowance from \$85 to \$100 and a provider 50 cents per hour wage passthrough. <b>The House decreased funding for intermediate care facilities by \$170,280, of which \$85,125 is from the general fund, to maintain the personal needs allowance at \$85 per month.</b>	\$20,816,975	\$21,154,172	\$41,971,147
16. Provides \$71,720,531, of which \$11,764,958 is from the general fund, for <b>foster care services</b> compared to the 2011-13 biennium appropriation of \$66,650,710, of which \$11,922,010 was from the general fund. Major changes include:			
Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2011-13 biennium	(\$1,175,577)	\$2,191,101	\$1,015,524
Adds general fund support as a result of FMAP changes	\$1,168,800	(\$1,168,800)	
Executive budget changes, including 4 percent per year inflationary adjustments for human services providers	\$806,897	\$3,247,400	\$4,054,297
17. Provides \$24,348,509, of which \$11,156,878 is from the general fund, for subsidized adoption compared to the 2011-13 biennium appropriation of \$20,208,724, of which \$9,159,965 was from the general fund	\$1,996,913	\$2,142,872	\$4,139,785
18. Increases funding for peer support services. <b>The House removed this funding.</b>	\$300,000		\$300,000
19. Increases funding for guardianship services provided by the Aging Services Division. <b>The House removed this funding.</b>	\$1,000,000		\$1,000,000
20. Increases funding for payments to Centers for Independent Living for a total of \$2,544,539	\$800,000		\$800,000
21. Increases funding to senior services providers for congregate meals	\$800,000		\$800,000
22. Provides funding for facilitators in each quadrant of the state to act as a resource to patients with a traumatic brain injury	\$320,000		\$320,000
23. Provides funding for 2-1-1 services	\$150,000		\$150,000
24. Increases funding for Healthy Families to \$750,000	\$250,000		\$250,000
<b>State Hospital</b>			
1. Reflects the additional state matching funds required due to changes in the state's FMAP	\$198,045	(\$198,045)	
2. Adjusts funding for program, cost, and caseload/utilization changes	\$1,026,281	(\$1,565,110)	(\$538,829)
3. Provides ongoing funding for extraordinary repairs. <b>The House decreased this funding by \$75,000 to remove funding for water temperature controls for shower rooms in the LaHaug building.</b>	\$910,454		\$910,454
4. Provides ongoing funding for equipment over \$5,000	\$251,413		\$251,413
5. Provides <b>one-time funding</b> for street reconstruction project	\$864,714		\$864,714
6. Removes <b>one-time funding</b> provided in the 2011-13 biennium for capital projects (The amount shown does not reflect carryover funding from the 2009-11 biennium of \$62,601.)	(\$1,800,000)		(\$1,800,000)
7. Removes funding provided in the 2011-13 biennium for extraordinary repairs (\$703,650) and equipment over \$5,000 (\$30,000)	(\$733,650)		(\$733,650)
<b>Developmental Center</b>			
1. Reflects the additional state matching funds required due to changes in the state's FMAP	\$2,795,330	(\$2,795,330)	
2. Adjusts funding for program, cost, and caseload/utilization changes	(\$2,094,772)	\$2,094,772	

3. Provides ongoing funding for extraordinary repairs	\$601,495		\$601,495
4. Provides ongoing funding for equipment over \$5,000	\$152,000		\$152,000
5. Provides <b>one-time funding</b> for demolition of the Refectory (\$240,000) and Pleasant View buildings (\$120,000). <b>The House reduced this funding by \$140,000 to provide \$220,000 for demolition of both buildings.</b>	\$360,000		\$360,000
6. Removes funding provided in the 2011-13 biennium for extraordinary repairs	(\$579,469)		(\$579,469)

**Human Service Centers**

1. Reflects the additional state matching funds required due to changes in the state's FMAP	\$2,635,928	(\$2,635,928)	
2. Adjusts funding for program, cost, and caseload/utilization changes. <b>The House removed funding of \$40,000 at each human service center, for a total of \$320,000 from the general fund, for the transition to independence program.</b>	\$2,704,558	(\$2,446,224)	\$258,334
3. Removes funding provided in the 2011-13 biennium for extraordinary repairs and equipment over \$5,000	(\$81,928)	(\$4,628)	(\$86,556)
4. Provides ongoing funding for extraordinary repairs	\$34,345		\$34,345
5. Provides ongoing funding for equipment over \$5,000	\$37,000		\$37,000
6. Provides for inflationary increases of 4 percent for each year of the 2013-15 biennium	\$1,616,296	\$89,496	\$1,705,792
7. Provides funding to contract with a vendor for an 8-bed transitional living facility (Lake Region Human Service Center)	\$401,414	\$328,326	\$729,740
8. Provides funding for temporary staff in several program areas (Southeast Human Service Center)	\$399,753	\$5,144	\$404,897
9. Provides funding to contract with a vendor for a 16-bed transitional living facility to support individuals with serious mental illness and chronic addiction (Southeast Human Service Center). <b>The House removed this funding.</b>	\$975,000	\$325,000	\$1,300,000
10. Provides funding for additional FTE positions for providing developmental disabilities case management services (Southeast Human Service Center) (The department is to provide the FTE positions from within the department's authorized FTE level.)	\$137,341	\$103,611	\$240,952
11. Provides funding to support 1 FTE position for the partnership program and to convert 3 temporary employees to FTE positions for the mental illness case management services (Southeast Human Service Center) (The department is to provide the FTE positions from within the department's authorized FTE level.)	\$222,649		\$222,649
12. Provides funding to increase short-term crisis residential bed capacity (West Central Human Service Center). <b>The House removed this funding.</b>	\$324,156		\$324,156
13. Provides funding to increase long-term crisis residential bed capacity (West Central Human Service Center)	\$407,041	\$361,759	\$769,700
14. Provides funding to expand contracts for medical detox services (Badlands Human Service Center)	\$30,000		\$30,000

**Other Sections in Bill**

**Appropriation** - Section 3 appropriates any federal funds from the Affordable Care Act available to the Department of Human Services for implementing the provisions for the Medicaid expansion for the 2013-15 biennium. **The House removed this section.**

**Transfers** - Section 4 provides that the Department of Human Services may transfer appropriation authority between line items within each subdivision and between subdivisions for the 2013-15 biennium. The department is to report to the Budget Section after June 30, 2014, on any transfers made in excess of \$50,000 and to the Appropriations Committees of the 63<sup>rd</sup> Legislative Assembly any transfers made.

**Medicaid management information system replacement project** - Section 5 provides for the continuation of the legislative appropriation for the Medicaid management information system replacement project in the 2013-15 biennium.

**Medicaid upper payment limits** - Section 6 provides that any appropriated increase for human service providers paid with Medicaid funding may only be provided to the extent the increase does not exceed the upper payment limit for that specific Medicaid service.

**Rural health clinics** - Section 7 provides that the Department of Human Services is to rebase rural health clinics to Medicare rates. Future increases are to be based on approved inflationary increases.

**Expanded SPED eligibility** - Section 8 amends North Dakota Century Code Section 50-24.7-01(6) relating to definitions for Expanded SPED.

**Facility construction** - The House added a section to require all intermediate care facility providers to submit all facility construction or remodeling proposals to the Department of Human Services prior to entering a contract for the project.

**Personal needs allowance adjustments** - The House added a section requiring the Department of Human Services to determine an adjustment for each category of personal needs allowances at the end of each biennium.

**Grant to assisted living center** - The House added a section and one-time funding of \$425,000 from the health care trust fund for a grant to an assisted living center that accepts low-income tenants for an expansion project.

**County social service grant** - The House added a section and one-time funding of \$150,000 from the general fund for a grant to a jurisdiction that is most affected by an Indian reservation but does not receive reimbursement payments pursuant to Section 50-01.2-03.2.

**Grant for adaptive skiing** - The House added a section and one-time funding of \$200,000 from the general fund for a grant to an organization that provides an adaptive skiing program.

**Legislative Management study** - The House added a section providing that the Legislative Management consider a study of the Developmental Center in Grafton.

**Legislative intent** - The House added a section of legislative intent requiring the Department of Human Services to demolish the Refectory and Pleasant View buildings at the Developmental Center at a cost of \$220,000. If the funding is insufficient to cover the cost of demolition, the department is to request Emergency Commission approval for additional funding from the state contingencies appropriation.

### **Continuing Appropriations**

**Child support collection and disbursement** - Section 14-09-25 - Allows the department to receive child support payments and provide the funds to the custodial parent or appropriate governmental entity for those custodial parents receiving governmental assistance.

**Child support improvement account** - Section 50-09-15.1 - Allows the department to receive federal child support incentive funds and spend the funds in accordance with its business plan to improve the child support collection process

**Child support cooperative agreements** - Section 50-09-33 - Allows the department to accept federal funds and other income generated by the department under a cooperative agreement with an Indian tribe for child support enforcement services for hiring staff and payment of other expenses as necessary for carrying out the department's duties under the agreement

### **Significant Audit Findings**

The operational audit for the Department of Human Services conducted by the State Auditor's office during the 2011-12 interim identified the following significant audit findings:

- Control/fraud risk assessment not completed
- Inadequate controls surrounding revenue collections at various human service centers and the State Hospital
- Lack of internal controls at the State Hospital's commissary
- Financial reporting errors for the state's comprehensive annual financial report
- Lack of child care assistance controls

### **Major Related Legislation**

**House Bill No. 1023** - Provides a 2011-13 deficiency appropriation of \$20.9 million from the general fund to the department for medical assistance grants relating to the reduction in the state's FMAP

**House Bill No. 1034** - Provides for a Legislative Management study on health care reform. The department would be required to provide status reports on the state of health insurance and health-related public assistance.

**House Bill No. 1035** - Extends the date for the moratoriums on expansion of basic care bed capacity and long-term care bed capacity from July 1, 2013, to July 1, 2015

**House Bill No. 1170** - Provides nursing and basic care facilities with an expedited rate setting process for costs associated with the Patient Protection and Affordable Care Act of 2010 as it relates to providing health insurance policies to the facilities' employees

**House Bill No. 1209** - Precludes the Department of Human Services from limiting compensation for upper management personnel of a basic care facility

**House Bill No. 1233** - Provides for the state to assume the financial responsibility for family preservation services, foster care, subsidized adoption programs, and service payments to the elderly and disabled

**House Bill No. 1358** - Provides an appropriation of \$10 million from the strategic investment and improvements fund to the Department of Human Services for a grant program for critical access hospitals in oil-producing counties and in counties contiguous to an oil-producing county, for the 2013-15 biennium

**House Bill No. 1360** - Authorizes the Department of Human Services to provide funding for the expansion of the Programs of All-Inclusive Care for the Elderly

**House Bill No. 1362** - Appropriates to the Department of Human Services any amount of federal funds relating to implementing the provisions for the expansion of the medical assistance program from the Patient Protection and Affordable Care Act of 2010

**House Bill No. 1422** - Provides a \$2.1 million general fund appropriation to the Department of Human Services for a child care stabilization initiative

**Senate Bill No. 2068** - Allows the department to convert residential child care facility bed capacity to psychiatric residential treatment facility bed capacity

**Senate Bill No. 2069** - Changes the name of the developmental center in Grafton to the Life Skills and Transition Center

**Senate Bill No. 2109** - Relates to eligibility determination for the children's health insurance program

**Senate Bill No. 2193** - Provides a \$400,000 general fund appropriation and one FTE position to the Department of Human Services for a state autism coordinator who would be responsible for implementing a resource and service center for individuals with autism spectrum disorder, for the 2013-15 biennium. The bill also provides a \$500,000 general fund appropriation to the department for implementing a statewide autism spectrum disorder training effort, for the 2013-15 biennium.

**Senate Bill No. 2205** - Provides a \$233,979 general fund appropriation to the Department of Human Services for a grant to an organization for administering statewide 2-1-1 services, for the 2013-15 biennium

**Senate Bill No. 2241** - Provides a \$600,000 general fund appropriation to the Department of Human Services for providing competitive grants for substance abuse prevention, for the 2013-15 biennium

**Senate Bill No. 2244** - Provides a \$300,000 general fund appropriation to the Department of Human Services for contracting for early childhood services specialists to provide technical assistance to early childhood services providers, for the 2013-15 biennium. The bill also provides a \$200,000 general fund appropriation to the department for providing grants to licensed early childhood services providers that provide care for children with disabilities or developmental delays, for the 2013-15 biennium.

**Senate Bill No. 2303** - Requires the Department of Human Services to expand Medicaid coverage for pregnant women to the maximum allowed under federal law and requires Medicaid equivalent coverage to be provided to pregnant women who do not have private insurance and who exceed the maximum allowed under federal law

**Senate Bill No. 2323** - Requires mandatory reporting of abuse or neglect of a vulnerable adult

**Senate Bill No. 2356** - Provides a \$300,000 general fund appropriation to the Department of Human Services for providing grants to children's advocacy centers, for the 2013-15 biennium

ATTACH:1

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1012 - Funding Summary**

	<b>Executive Budget</b>	<b>House Changes</b>	<b>House Version</b>
<b>DHS - Management</b>			
Salaries and wages	\$51,102,214	(\$16,808,311)	\$34,293,903
Operating expenses	72,743,825	(5,545,840)	67,197,985
Capital assets	<u>216,160</u>	<u>(204,160)</u>	<u>12,000</u>
Total all funds	\$124,062,199	(\$22,558,311)	\$101,503,888
Less estimated income	<u>61,473,447</u>	<u>(4,539,635)</u>	<u>56,933,812</u>
General fund	<u>\$62,588,752</u>	<u>(\$18,018,676)</u>	<u>\$44,570,076</u>
FTE	148.10	(1.00)	147.10
<b>DHS - Program/Policy</b>			
Salaries and wages	\$48,842,118		\$48,842,118
Operating expenses	106,543,180	(1,997,151)	104,546,029
Grants	453,774,130	100,000	453,874,130
Grants - Medical assistance	<u>1,755,124,680</u>	<u>(16,929,603)</u>	<u>1,738,195,077</u>
Total all funds	\$2,364,284,108	(\$18,826,754)	\$2,345,457,354
Less estimated income	<u>1,429,648,423</u>	<u>(8,245,034)</u>	<u>1,421,403,389</u>
General fund	<u>\$934,635,685</u>	<u>(\$10,581,720)</u>	<u>\$924,053,965</u>
FTE	342.50	0.00	342.50
<b>DHS - State Hospital</b>			
State Hospital	<u>\$73,489,636</u>	<u>(\$425,000)</u>	<u>\$73,064,636</u>
Total all funds	\$73,489,636	(\$425,000)	\$73,064,636
Less estimated income	<u>19,254,163</u>	<u>0</u>	<u>19,254,163</u>
General fund	<u>\$54,235,473</u>	<u>(\$425,000)</u>	<u>\$53,810,473</u>
FTE	457.45	0.00	457.45
<b>DHS - Developmental Center</b>			
Developmental Center	<u>\$53,050,470</u>	<u>(\$290,000)</u>	<u>\$52,760,470</u>
Total all funds	\$53,050,470	(\$290,000)	\$52,760,470
Less estimated income	<u>28,064,218</u>	<u>0</u>	<u>28,064,218</u>
General fund	<u>\$24,986,252</u>	<u>(\$290,000)</u>	<u>\$24,696,252</u>
FTE	392.55	0.00	392.55
<b>DHS - Statewide HSC</b>			
Statewide human service centers	<u>\$6,069,755</u>	<u>(\$1,000,000)</u>	<u>\$5,069,755</u>
Total all funds	\$6,069,755	(\$1,000,000)	\$5,069,755
Less estimated income	<u>1,075,139</u>	<u>(400,000)</u>	<u>675,139</u>
General fund	<u>\$4,994,616</u>	<u>(\$600,000)</u>	<u>\$4,394,616</u>
FTE	13.00	0.00	13.00
<b>DHS - Northwest HSC</b>			
Northwest Human Service Center	<u>\$8,958,191</u>	<u>(\$40,000)</u>	<u>\$8,918,191</u>
Total all funds	\$8,958,191	(\$40,000)	\$8,918,191
Less estimated income	<u>3,564,800</u>	<u>0</u>	<u>3,564,800</u>
General fund	<u>\$5,393,391</u>	<u>(\$40,000)</u>	<u>\$5,353,391</u>
FTE	43.75	0.00	43.75
<b>DHS - North Central HSC</b>			
North Central Human Service Center	<u>\$21,989,171</u>	<u>(\$40,000)</u>	<u>\$21,949,171</u>

Total all funds	\$21,989,171	(\$40,000)	\$21,949,171
Less estimated income	9,185,305	0	9,185,305
General fund	\$12,803,866	(\$40,000)	\$12,763,866
FTE	120.78	0.00	120.78
DHS - Lake Region HSC			
Lake Region Human Service Center	\$12,736,133	(\$40,000)	\$12,696,133
Total all funds	\$12,736,133	(\$40,000)	\$12,696,133
Less estimated income	5,162,347	0	5,162,347
General fund	\$7,573,786	(\$40,000)	\$7,533,786
FTE	61.00	0.00	61.00
DHS - Northeast HSC			
Northeast Human Service Center	\$27,882,775	(\$40,000)	\$27,842,775
Total all funds	\$27,882,775	(\$40,000)	\$27,842,775
Less estimated income	14,138,342	0	14,138,342
General fund	\$13,744,433	(\$40,000)	\$13,704,433
FTE	138.50	0.00	138.50
DHS - Southeast HSC			
Southeast Human Service Center	\$39,030,472	(\$1,340,000)	\$37,690,472
Total all funds	\$39,030,472	(\$1,340,000)	\$37,690,472
Less estimated income	15,682,226	(325,000)	15,357,226
General fund	\$23,348,246	(\$1,015,000)	\$22,333,246
FTE	185.15	0.00	185.15
DHS - South Central HSC			
South Central Human Service Center	\$16,793,883	(\$40,000)	\$16,753,883
Total all funds	\$16,793,883	(\$40,000)	\$16,753,883
Less estimated income	7,813,290	0	7,813,290
General fund	\$8,980,593	(\$40,000)	\$8,940,593
FTE	83.50	0.00	83.50
DHS - West Central HSC			
West Central Human Service Center	\$29,826,746	(\$364,156)	\$29,462,590
Total all funds	\$29,826,746	(\$364,156)	\$29,462,590
Less estimated income	13,268,982	0	13,268,982
General fund	\$16,557,764	(\$364,156)	\$16,193,608
FTE	136.10	0.00	136.10
DHS - Badlands HSC			
Badlands Human Service Center	\$12,345,718	(\$40,000)	\$12,305,718
Total all funds	\$12,345,718	(\$40,000)	\$12,305,718
Less estimated income	5,319,048	0	5,319,048
General fund	\$7,026,670	(\$40,000)	\$6,986,670
FTE	74.70	0.00	74.70
Bill Total			
Total all funds	\$2,790,519,257	(\$45,044,221)	\$2,745,475,036

Less estimated income	<u>1,613,649,730</u>	<u>(13,509,669)</u>	<u>1,600,140,061</u>
General fund	\$1,176,869,527	(\$31,534,552)	\$1,145,334,975
FTE	2197.08	(1.00)	2196.08

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

	<b>Executive Budget</b>	<b>House Changes<sup>1</sup></b>	<b>House Version</b>
Salaries and wages	\$51,102,214	(\$16,808,311)	\$34,293,903
Operating expenses	72,743,825	(5,545,840)	67,197,985
Capital assets	216,160	(204,160)	12,000
Total all funds	<u>\$124,062,199</u>	<u>(\$22,558,311)</u>	<u>\$101,503,888</u>
Less estimated income	<u>61,473,447</u>	<u>(4,539,635)</u>	<u>56,933,812</u>
General fund	\$62,588,752	(\$18,018,676)	\$44,570,076
FTE	148.10	(1.00)	147.10

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	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
<b>Management - House changes:</b>				
<b>Administration - Support</b>				
Corrects executive compensation package		223,028	\$100,201	\$323,229
Adjusts state employee compensation and benefits package		(\$8,990,339)	(\$4,062,638)	(\$13,052,977)
Removes deputy director position	(1.00)	(\$248,357)	(\$62,206)	(\$310,563)
Removes funding for allowances to employees in areas affected by oil development		(3,253,008)	(514,992)	(\$3,768,000)
Decreases funding for operating		(750,000)		(\$750,000)
<b>Information Technology Services</b>				
Removes funding for field services electronic health records system replacement		(5,000,000)		(\$5,000,000)
Changes line item for funding in capital assets that should be in operating				\$0
<b>Total House changes - Management</b>	<u>(1.00)</u>	<u>(\$18,018,676)</u>	<u>(\$4,539,635)</u>	<u>(\$22,558,311)</u>

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

	<b>Executive Budget</b>	<b>House Changes<sup>1</sup></b>	<b>House Version</b>
Salaries and wages	\$48,842,118		\$48,842,118
Operating expenses	106,543,180	(1,997,151)	104,546,029
Grants	453,774,130	100,000	453,874,130
Grants - Medical assistance	1,755,124,680	(16,929,603)	1,738,195,077
Total all funds	<u>\$2,364,284,108</u>	<u>(\$18,826,754)</u>	<u>\$2,345,457,354</u>
Less estimated income	<u>1,429,648,423</u>	<u>(8,245,034)</u>	<u>1,421,403,389</u>
General fund	\$934,635,685	(\$10,581,720)	\$924,053,965
FTE	342.50	0.00	342.50

	<u>FTE</u>	<u>General Fund</u>	<u>Estimated Income</u>	<u>Total</u>
<b>Program and Policy - House changes:</b>				
<b>Economic Assistance Policy Program</b>				
No changes				
<b>Child Support Program</b>				
No changes				
<b>Medical Services Program</b>				
Reduces by 50 percent, funding provided in executive budget recommendation for previously eligible individuals who might now apply for Medicaid coverage		(2,268,289)	(2,268,309)	(4,536,598)
Removes funding for professional medical expert reviews of medical records and prior authorizations		(42,000)	(42,000)	(84,000)
Removes funding for program integrity services		(158,000)	(158,000)	(316,000)
Removes funding for a contract with a vendor to conduct prescreening of potential providers		(120,000)	(120,000)	(240,000)
Removes funding for oversight for qualified service provider mileage differential		(78,040)	(21,960)	(100,000)
Reduces overall caseload projections for medical services as follows:		(909,500)	(1,299,500)	(2,209,000)
CHIP - \$1,300,000				
Premium - \$315,000				
Durable medical equipment - \$30,000				
Private duty nurses - \$64,000				
Transportation - \$500,000				
Adds funding for clawback payments for Medicare Part D		\$248,265		\$248,265
<b>Long-Term Care Program</b>				
Removes funding for personal needs allowances for basic care (\$193,725) and ICFID (\$170,280)		(278,850)	(85,155)	(364,005)
Reduces long-term care caseload projections as follows:		(4,145,000)	(4,000,000)	(8,145,000)
Nursing homes - \$7,000,000				
HCBS waiver - \$1,000,000				
Expanded SPED - \$145,000				
Reduces developmental disabilities caseload projections		(1,150,000)	(1,150,000)	(2,300,000)
Adds funding for an adaptive skiing grant		200,000		200,000
Changes funding source from general fund to health care trust fund for the 48 month bed layaway program.		(546,786)	546,786	0
Provides funding from the health care trust fund for a grant for an expansion of an assisted living facility that accepts low-income tenants			425,000	425,000
<b>Aging Services Program</b>				

Reduces funding for guardianship services	(1,000,000)		(1,000,000)
<b>Children and Family Services Program</b>			
Removes funding for postadoption services	(133,520)	(71,896)	(205,416)
Adds funding for grants to a county social service board that is not on a reservation but is experiencing an increase in caseload from a reservation	150,000		150,000
<b>Mental Health and Substance Abuse Program</b>			
Removes funding for grants to be provided by the Governor's Prevention Advisory Council	(100,000)		(100,000)
Removes peer support funding from all regions	(300,000)		(300,000)
<b>Developmental Disabilities Council</b>			
No changes			
<b>Developmental Disabilities Division</b>			
No changes			
<b>Vocational Rehabilitation</b>			
Provides funding for the older blind program	50,000		50,000
<b>Total House changes - Program and Policy</b>	0.00	(\$10,581,720)	(\$18,826,754)

**House Bill No. 1012 - DHS - State Hospital - House Action**

	<b>Executive Budget</b>	<b>House Changes<sup>1</sup></b>	<b>House Version</b>
State Hospital	\$73,489,636	(\$425,000)	\$73,064,636
Total all funds	\$73,489,636	(\$425,000)	\$73,064,636
Less estimated income	19,254,163	0	19,254,163
General fund	\$54,235,473	(\$425,000)	\$53,810,473
FTE	457.45	0.00	457.45

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	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>
<b>State Hospital - House changes:</b>			
Reduces funding for operating		(\$350,000)	
Removes funding for water temperature controls for shower rooms in LaHaug building		(75,000)	
<b>Total House changes - State Hospital</b>	0.00	(\$425,000)	\$0

**House Bill No. 1012 - DHS - Developmental Center - House Action**

	<b>Executive Budget</b>	<b>House Changes<sup>1</sup></b>	<b>House Version</b>
Developmental Center	\$53,050,470	(\$290,000)	\$52,760,470
Total all funds	<u>\$53,050,470</u>	<u>(\$290,000)</u>	<u>\$52,760,470</u>
Less estimated income	28,064,218	0	28,064,218
General fund	<u>\$24,986,252</u>	<u>(\$290,000)</u>	<u>\$24,696,252</u>
FTE	392.55	0.00	392.55

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	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
<b>Developmental Center - House changes:</b>				
Decreases funding for demolition of Pleasant View and Refectory buildings to provide a total of \$220,000		(\$140,000)		(\$140,000)
Decreases funding for operating expenses		(150,000)		(\$150,000)
<b>Total House changes - Developmental Center</b>	<u>0.00</u>	<u>(\$290,000)</u>	<u>\$0</u>	<u>(\$290,000)</u>

**House Bill No. 1012 - Human Service Centers - General Fund Summary of House Action**

	<b>Executive Budget</b>	<b>House Changes<sup>1</sup></b>	<b>House Version</b>
DHS - Statewide HSC	\$4,994,616	(\$600,000)	\$4,394,616
DHS - Northwest HSC	5,393,391	(40,000)	5,353,391
DHS - North Central HSC	12,803,866	(40,000)	12,763,866
DHS - Lake Region HSC	7,573,786	(40,000)	7,533,786
DHS - Northeast HSC	13,744,433	(40,000)	13,704,433
DHS - Southeast HSC	23,348,246	(1,015,000)	22,333,246
DHS - South Central HSC	8,980,593	(40,000)	8,940,593
DHS - West Central HSC	16,557,764	(364,156)	16,193,608
DHS - Badlands HSC	<u>7,026,670</u>	<u>(40,000)</u>	<u>6,986,670</u>
Total general fund	\$100,423,365	(\$2,219,156)	\$98,204,209

**House Bill No. 1012 - Human Service Centers - Other Funds Summary of House Action**

	<b>Executive Budget</b>	<b>House Changes</b>	<b>House Version</b>
DHS - Statewide HSC	\$1,075,139	(\$400,000)	\$675,139
DHS - Northwest HSC	3,564,800		3,564,800
DHS - North Central HSC	9,185,305		9,185,305
DHS - Lake Region HSC	5,162,347		5,162,347
DHS - Northeast HSC	14,138,342		14,138,342
DHS - Southeast HSC	15,682,226	(325,000)	15,357,226
DHS - South Central HSC	7,813,290		7,813,290
DHS - West Central HSC	13,268,982		13,268,982
DHS - Badlands HSC	5,319,048		5,319,048
Total other funds	\$75,209,479	(\$725,000)	\$74,484,479

**House Bill No. 1012 - Human Service Centers - All Funds Summary of House Action**

	<b>Executive Budget</b>	<b>House Changes<sup>1</sup></b>	<b>House Version</b>
DHS - Statewide HSC	\$6,069,755	(\$1,000,000)	\$5,069,755
DHS - Northwest HSC	8,958,191	(40,000)	8,918,191
DHS - North Central HSC	21,989,171	(40,000)	21,949,171
DHS - Lake Region HSC	12,736,133	(40,000)	12,696,133
DHS - Northeast HSC	27,882,775	(40,000)	27,842,775
DHS - Southeast HSC	39,030,472	(1,340,000)	37,690,472
DHS - South Central HSC	16,793,883	(40,000)	16,753,883
DHS - West Central HSC	29,826,746	(364,156)	29,462,590
DHS - Badlands HSC	12,345,718	(40,000)	12,305,718
<b>Total all funds</b>	<b>\$175,632,844</b>	<b>(\$2,944,156)</b>	<b>\$172,688,688</b>
FTE	856.48	0.00	856.48

<sup>1</sup> **Human Service Centers - House Changes:**

<b>STATEWIDE HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
Executive budget recommendation	13.00	\$4,994,616	\$1,075,139	\$6,069,755
<b>Statewide Human Service Center - House changes:</b>				
Reduces operating for all human service centers		(\$600,000)	(\$400,000)	(\$1,000,000)
<b>Total House changes - Statewide Human Service Center</b>	<b>0.00</b>	<b>(\$600,000)</b>	<b>(\$400,000)</b>	<b>(\$1,000,000)</b>
House version - Statewide Human Service Center	13.00	\$4,394,616	\$675,139	\$5,069,755
<b>NORTHWEST HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
Executive budget recommendation	43.75	\$5,393,391	\$3,564,800	\$8,958,191
<b>Northwest Human Service Center - House changes:</b>				
Removes funding for the transition to independence program		(\$40,000)		(\$40,000)
<b>Total House changes - Northwest Human Service Center</b>	<b>0.00</b>	<b>(\$40,000)</b>	<b>\$0</b>	<b>(\$40,000)</b>
House version - Northwest Human Service Center	43.75	\$5,353,391	\$3,564,800	\$8,918,191
<b>NORTH CENTRAL HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
Executive budget recommendation	120.78	\$12,803,866	\$9,185,305	\$21,989,171
<b>North Central Human Service Center - House changes:</b>				
Removes funding for the transition to independence program		(\$40,000)		(\$40,000)
<b>Total House changes - North Central Human Service Center</b>	<b>0.00</b>	<b>(\$40,000)</b>	<b>\$0</b>	<b>(\$40,000)</b>
House version - North Central Human Service Center	120.78	\$12,763,866	\$9,185,305	\$21,949,171

**General Estimated**

<b>LAKE REGION HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>Fund</b>	<b>Income</b>	<b>Total</b>
Executive budget recommendation	61.00	\$7,573,786	\$5,162,347	\$12,736,133
<b>Lake Region Human Service Center - House changes:</b>				
Removes funding for the transition to independence program		(\$40,000)		(\$40,000)
<b>Total House changes - Lake Region Human Service Center</b>	0.00	(\$40,000)	\$0	(\$40,000)
House version - Lake Region Human Service Center	61.00	\$7,533,786	\$5,162,347	\$12,696,133

<b>NORTHEAST HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
Executive budget recommendation	138.50	\$13,744,433	\$14,138,342	\$27,882,775
<b>Northeast Human Service Center - House changes:</b>				
Removes funding for the transition to independence program		(\$40,000)		(\$40,000)
<b>Total House changes - Northeast Human Service Center</b>	0.00	(\$40,000)	\$0	(\$40,000)
House version - Northeast Human Service Center	138.50	\$13,704,433	\$14,138,342	\$27,842,775

<b>SOUTHEAST HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
Executive budget recommendation	185.15	\$23,348,246	\$15,682,226	\$39,030,472
<b>Southeast Human Service Center - House changes:</b>				
Removes funding for 16-unit transitional living facility		(\$975,000)	(\$325,000)	(\$1,300,000)
Remove funding for the transition to independence program		(\$40,000)		(\$40,000)
<b>Total House changes - Southeast Human Service Center</b>	0.00	(\$1,015,000)	(\$325,000)	(\$1,340,000)
House version - Southeast Human Service Center	185.15	\$22,333,246	\$15,357,226	\$37,690,472

<b>SOUTH CENTRAL HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
Executive budget recommendation	83.50	\$8,980,593	\$7,813,290	\$16,793,883
<b>South Central Human Service Center - House changes:</b>				
Removes funding for the transition to independence program		(\$40,000)		(\$40,000)
<b>Total House changes - South Central Human Service Center</b>	0.00	(\$40,000)	\$0	(\$40,000)
House version - South Central Human Service Center	83.50	\$8,940,593	\$7,813,290	\$16,753,883

<b>WEST CENTRAL HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
Executive budget recommendation	136.10	\$16,557,764	\$13,268,982	\$29,826,746
<b>West Central Human Service Center - House changes:</b>				
Removes funding for four-bed mental illness/chemical dependency crisis facility		(\$324,156)		(\$324,156)
Removes funding for the transition to independence program		(\$40,000)		(\$40,000)
<b>Total House changes - West Central Human Service Center</b>	<b>0.00</b>	<b>(\$364,156)</b>	<b>\$0</b>	<b>(\$364,156)</b>
House version - West Central Human Service Center	136.10	\$16,193,608	\$13,268,982	\$29,462,590
<b>BADLANDS HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
Executive budget recommendation	74.70	\$7,026,670	\$5,319,048	\$12,345,718
<b>Badlands Human Service Center - House changes:</b>				
Removes funding for the transition to independence program		(\$40,000)		(\$40,000)
<b>Total House changes - Badlands Human Service Center</b>	<b>0.00</b>	<b>(\$40,000)</b>	<b>\$0</b>	<b>(\$40,000)</b>
House version - Badlands Human Service Center	74.70	\$6,986,670	\$5,319,048	\$12,305,718

This amendment also:

- Adjusts one-time funding.
- Removes Section 3 relating to accepting and spending federal funds from Patient Protection and Affordable Care Act.
- Adds sections relating to:
  - Nursing facility nonallowable costs.
  - Grants to an assisted living center.
  - Grants to a jurisdiction most affected by an Indian reservation.
  - Grants for an adaptive skiing program.
  - Intermediate care facility construction projects.
  - Inflationary increases for personal needs allowances
  - A Legislative Management study of the Developmental Center