

**Fifty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 4, 2005**

HOUSE BILL NO. 1012
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the department of human services; to provide an exception; to provide for a legislative council study; to provide an appropriation to the state department of health; to provide for a transfer to the general fund; to provide for the transfer of appropriation authority; to create and enact a new section to chapter 25-18 of the North Dakota Century Code, relating to providing services to medically fragile children; to amend and reenact subsection 10 of section 54-44.8-01 of the North Dakota Century Code, relating to telecommunications equipment; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the department of human services in section 3 of this Act as follows:

Subdivision 1.

MANAGEMENT

| | |
|---|-------------------|
| Salaries and wages | \$11,016,285 |
| Operating expenses | 33,567,188 |
| Capital assets | 2,694 |
| Developmentally disabled facility loan fund | <u>3,261,556</u> |
| Total all funds - Base level | \$47,847,723 |
| Less estimated income - Base level | <u>34,130,107</u> |
| Total general fund - Base level | \$13,717,616 |

Subdivision 2.

PROGRAM AND POLICY

| | |
|------------------------------------|--------------------|
| Salaries and wages | \$22,053,781 |
| Operating expenses | 37,381,409 |
| Capital assets | 39,672 |
| Grants | 288,687,725 |
| Grants - Medical assistance | <u>921,677,174</u> |
| Total all funds - Base level | \$1,269,839,761 |
| Less estimated income - Base level | <u>959,092,082</u> |
| Total general fund - Base level | \$310,747,679 |

Subdivision 3.

MENTAL HEALTH COMMUNITY SERVICES CONTINGENCY

| | |
|---------------------------------|-----------|
| Total general fund - Base level | \$250,000 |
|---------------------------------|-----------|

NORTHWEST HUMAN SERVICE CENTER

| | |
|------------------------------------|------------------|
| Total all funds - Base level | \$7,275,679 |
| Less estimated income - Base level | <u>3,645,640</u> |
| Total general fund - Base level | \$3,630,039 |

NORTH CENTRAL HUMAN SERVICE CENTER

| | |
|------------------------------------|------------------|
| Total all funds - Base level | \$14,564,870 |
| Less estimated income - Base level | <u>6,723,674</u> |
| Total general fund - Base level | \$7,841,196 |

| | |
|--|-------------------|
| LAKE REGION HUMAN SERVICE CENTER | |
| Total all funds - Base level | \$8,420,933 |
| Less estimated income - Base level | <u>3,782,973</u> |
| Total general fund - Base level | \$4,637,960 |
| NORTHEAST HUMAN SERVICE CENTER | |
| Total all funds - Base level | \$19,441,183 |
| Less estimated income - Base level | <u>11,444,820</u> |
| Total general fund - Base level | \$7,996,363 |
| SOUTHEAST HUMAN SERVICE CENTER | |
| Total all funds - Base level | \$20,724,542 |
| Less estimated income - Base level | <u>11,215,222</u> |
| Total general fund - Base level | \$9,509,320 |
| SOUTH CENTRAL HUMAN SERVICE CENTER | |
| Total all funds - Base level | \$11,358,975 |
| Less estimated income - Base level | <u>5,731,868</u> |
| Total general fund - Base level | \$5,627,107 |
| WEST CENTRAL HUMAN SERVICE CENTER | |
| Total all funds - Base level | \$17,584,844 |
| Less estimated income - Base level | <u>9,121,635</u> |
| Total general fund - Base level | \$8,463,209 |
| BADLANDS HUMAN SERVICE CENTER | |
| Total all funds - Base level | \$8,924,627 |
| Less estimated income - Base level | <u>4,558,723</u> |
| Total general fund - Base level | \$4,365,904 |
| STATE HOSPITAL | |
| Total all funds - Base level | \$41,889,561 |
| Less estimated income - Base level | <u>16,405,360</u> |
| Total general fund - Base level | \$25,484,201 |
| DEVELOPMENTAL CENTER | |
| Total all funds - Base level | \$40,761,057 |
| Less estimated income - Base level | <u>31,949,828</u> |
| Total general fund - Base level | \$8,811,229 |
| Total all funds - Subdivision 3 | \$191,196,271 |
| Total estimated income - Subdivision 3 | \$104,579,743 |
| Total general fund appropriation - Subdivision 3 | \$86,616,528 |
| Total general fund - Section 1 | \$411,081,823 |
| Total special funds - Section 1 | \$1,097,801,932 |
| Total all funds - Section 1 | \$1,508,883,755 |

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the department of human services which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

MANAGEMENT

| | |
|---|--------------------|
| Salaries and wages | (\$498,738) |
| Operating expenses | 27,401,520 |
| Capital assets | 62 |
| Developmentally disabled facility loan fund | <u>(3,261,556)</u> |

| | |
|--|-------------------|
| Total all funds - Adjustments/enhancements | \$23,641,288 |
| Less estimated income - Adjustments/enhancements | <u>17,895,373</u> |
| Total general fund - Adjustments/enhancements | \$5,745,915 |

Subdivision 2.

PROGRAM AND POLICY

| | |
|--|-------------------|
| Salaries and wages | \$670,847 |
| Operating expenses | (104,195) |
| Capital assets | (5,808) |
| Grants | 44,150,725 |
| Grants - Medical assistance | <u>84,529,164</u> |
| Total all funds - Adjustments/enhancements | \$129,240,733 |
| Less estimated income - Adjustments/enhancements | <u>74,019,612</u> |
| Total general fund - Adjustments/enhancements | \$55,221,121 |

Subdivision 3.

MENTAL HEALTH COMMUNITY SERVICES CONTINGENCY

| | |
|---|-------------|
| Total general fund - Adjustments/enhancements | (\$250,000) |
|---|-------------|

NORTHWEST HUMAN SERVICE CENTER

| | |
|--|---------------|
| Total all funds - Adjustments/enhancements | \$37,052 |
| Less estimated income - Adjustments/enhancements | <u>35,963</u> |
| Total general fund - Adjustments/enhancements | \$1,089 |

NORTH CENTRAL HUMAN SERVICE CENTER

| | |
|--|----------------|
| Total all funds - Adjustments/enhancements | \$698,351 |
| Less estimated income - Adjustments/enhancements | <u>526,839</u> |
| Total general fund - Adjustments/enhancements | \$171,512 |

LAKE REGION HUMAN SERVICE CENTER

| | |
|--|----------------|
| Total all funds - Adjustments/enhancements | \$672,918 |
| Less estimated income - Adjustments/enhancements | <u>427,285</u> |
| Total general fund - Adjustments/enhancements | \$245,633 |

NORTHEAST HUMAN SERVICE CENTER

| | |
|--|----------------|
| Total all funds - Adjustments/enhancements | \$1,037,049 |
| Less estimated income - Adjustments/enhancements | <u>734,210</u> |
| Total general fund - Adjustments/enhancements | \$302,839 |

SOUTHEAST HUMAN SERVICE CENTER

| | |
|--|------------------|
| Total all funds - Adjustments/enhancements | \$2,779,416 |
| Less estimated income - Adjustments/enhancements | <u>2,417,169</u> |
| Total general fund - Adjustments/enhancements | \$362,247 |

SOUTH CENTRAL HUMAN SERVICE CENTER

| | |
|--|----------------|
| Total all funds - Adjustments/enhancements | \$769,313 |
| Less estimated income - Adjustments/enhancements | <u>572,445</u> |
| Total general fund - Adjustments/enhancements | \$196,868 |

WEST CENTRAL HUMAN SERVICE CENTER

| | |
|--|----------------|
| Total all funds - Adjustments/enhancements | \$905,199 |
| Less estimated income - Adjustments/enhancements | <u>529,098</u> |
| Total general fund - Adjustments/enhancements | \$376,101 |

BADLANDS HUMAN SERVICE CENTER

| | |
|--|----------------|
| Total all funds - Adjustments/enhancements | \$373,926 |
| Less estimated income - Adjustments/enhancements | <u>245,520</u> |
| Total general fund - Adjustments/enhancements | \$128,406 |

STATE HOSPITAL

| | |
|--|------------------|
| Traditional services | \$292,827 |
| Secure services | <u>5,424,120</u> |
| Total all funds - Adjustments/enhancements | \$5,716,947 |
| Less estimated income - Adjustments/enhancements | <u>(746,586)</u> |
| Total general fund - Adjustments/enhancements | \$6,463,533 |

DEVELOPMENTAL CENTER

| | |
|--|--------------------|
| Total all funds - Adjustments/enhancements | \$1,403,643 |
| Less estimated income - Adjustments/enhancements | <u>(1,168,531)</u> |
| Total general fund - Adjustments/enhancements | \$2,572,174 |
| Total all funds - Subdivision 3 | \$14,143,814 |
| Total estimated income - Subdivision 3 | \$3,573,412 |
| Total general fund appropriation - Subdivision 3 | \$10,570,402 |
| Total general fund - Section 2 | \$71,537,438 |
| Total special funds - Section 2 | \$95,488,397 |
| Total all funds - Section 2 | \$167,025,835 |

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of human services for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2005, and ending June 30, 2007, as follows:

Subdivision 1.

MANAGEMENT

| | |
|----------------------------------|-------------------|
| Salaries and wages | \$10,517,547 |
| Operating expenses | 60,968,708 |
| Capital assets | <u>2,756</u> |
| Total all funds | \$71,489,011 |
| Less estimated income | <u>52,025,480</u> |
| Total general fund appropriation | \$19,463,531 |

Subdivision 2.

PROGRAM AND POLICY

| | |
|----------------------------------|----------------------|
| Salaries and wages | \$22,724,628 |
| Operating expenses | 37,277,214 |
| Capital assets | 33,864 |
| Grants | 332,838,450 |
| Grants - Medical assistance | <u>1,006,206,338</u> |
| Total all funds | \$1,399,080,494 |
| Less estimated income | <u>1,033,111,694</u> |
| Total general fund appropriation | \$365,968,800 |

Subdivision 3.

| | | |
|--|------------------------------------|-------------------|
| | NORTHWEST HUMAN SERVICE CENTER | |
| Total all funds | | \$7,312,731 |
| Less estimated income | | <u>3,681,603</u> |
| Total general fund appropriation | | \$3,631,128 |
| | NORTH CENTRAL HUMAN SERVICE CENTER | |
| Total all funds | | \$15,263,221 |
| Less estimated income | | <u>7,250,513</u> |
| Total general fund appropriation | | \$8,012,708 |
| | LAKE REGION HUMAN SERVICE CENTER | |
| Total all funds | | \$9,093,851 |
| Less estimated income | | <u>4,210,258</u> |
| Total general fund appropriation | | \$4,883,593 |
| | NORTHEAST HUMAN SERVICE CENTER | |
| Total all funds | | \$20,478,232 |
| Less estimated income | | <u>12,179,030</u> |
| Total general fund appropriation | | \$8,299,202 |
| | SOUTHEAST HUMAN SERVICE CENTER | |
| Total all funds | | \$23,503,958 |
| Less estimated income | | <u>13,632,391</u> |
| Total general fund appropriation | | \$9,871,567 |
| | SOUTH CENTRAL HUMAN SERVICE CENTER | |
| Total all funds | | \$12,128,288 |
| Less estimated income | | <u>6,304,313</u> |
| Total general fund appropriation | | \$5,823,975 |
| | WEST CENTRAL HUMAN SERVICE CENTER | |
| Total all funds | | \$18,490,043 |
| Less estimated income | | <u>9,650,733</u> |
| Total general fund appropriation | | \$8,839,310 |
| | BADLANDS HUMAN SERVICE CENTER | |
| Total all funds | | \$9,298,553 |
| Less estimated income | | <u>4,804,243</u> |
| Total general fund appropriation | | \$4,494,310 |
| | STATE HOSPITAL | |
| Traditional services | | \$42,182,388 |
| Secure services | | <u>5,424,120</u> |
| Total all funds | | \$47,606,508 |
| Less estimated income | | <u>15,658,774</u> |
| Total general fund appropriation | | \$31,947,734 |
| | DEVELOPMENTAL CENTER | |
| Total all funds | | \$42,164,700 |
| Less estimated income | | <u>30,781,297</u> |
| Total general fund appropriation | | \$11,383,403 |
| Total all funds - Subdivision 3 | | \$205,340,085 |
| Total estimated income - Subdivision 3 | | \$108,153,155 |
| Total general fund appropriation - Subdivision 3 | | \$97,186,930 |
| Grand total general fund appropriation - H.B. 1012 | | \$482,619,261 |

| | |
|---|-----------------|
| Grand total special funds appropriation - H.B. 1012 | \$1,193,290,329 |
| Grand total all funds appropriation - H.B. 1012 | \$1,675,909,590 |

SECTION 4. FULL-TIME EQUIVALENT EMPLOYEES - MEDICAID - EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL. Subject to emergency commission and budget section approval, the department of human services may hire additional full-time equivalent positions for medicaid program review of eligibility and payments in addition to those authorized by the legislative assembly when it is cost-effective to hire additional positions in lieu of contracts or if no acceptable contract proposal is received within the funding constraints.

SECTION 5. MEDICAID ELIGIBILITY REVIEWS - CONTINGENT FUNDING. The appropriation in subdivision 2 of section 3 of this Act includes \$615,000 from the general fund and \$615,000 of federal funds for payment error rate measurement eligibility reviews for the medical assistance program. If the department of human services is not required by the federal government to conduct these reviews, the department may not spend these funds for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 6. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within each subdivision of section 3 of this Act and between subdivisions within section 3 of this Act for the biennium beginning July 1, 2005, and ending June 30, 2007. The department shall notify the office of management and budget of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2006, any transfers made in excess of \$50,000 and to the appropriations committees of the sixtieth legislative assembly regarding any transfers made pursuant to this section.

SECTION 7. ESTIMATED INCOME - LIMIT - COMMUNITY HEALTH TRUST FUND. The estimated income line item in subdivision 2 of section 3 of this Act includes \$254,356 from the community health trust fund. The department of human services expenditures from this fund may not exceed this amount for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 8. ESTIMATED INCOME - LIMIT - PERMANENT OIL TAX TRUST FUND. Notwithstanding section 57-51.1-07.2, the estimated income line item in subdivision 1 of section 3 of this Act includes \$3,667,820 from the permanent oil tax trust fund. The department of human services expenditures from this fund may not exceed this amount for the period beginning with the effective date of this Act, and ending June 30, 2007.

SECTION 9. COMPULSIVE GAMBLING PREVENTION AND TREATMENT FUND - TRANSFER TO THE GENERAL FUND. On July 1, 2005, the director of the office of management and budget and the state treasurer shall transfer \$100,000 from the compulsive gambling prevention and treatment fund to the general fund.

SECTION 10. FUNDING FOR CORPORATE GUARDIANSHIP PETITIONING COSTS. The department of human services may spend up to \$30,000 of the funds appropriated in the operating expenses line item in subdivision 2 of section 3 of this Act for paying petitioning costs for indigent individuals with developmental disabilities who have been referred for corporate guardianship for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 11. FEDERAL MEDICAL ASSISTANCE PERCENTAGE CHANGES - DEPARTMENT OF HUMAN SERVICES PROGRAM REVIEW - LEGISLATIVE COUNCIL REPORT. During the 2005-06 interim, the department of human services shall determine the fiscal effect of anticipated changes in the federal medical assistance percentage for North Dakota for federal fiscal years 2007 and 2008. The department, with input from service providers, shall review its budget and programs and services to determine the extent to which the department can provide for additional general fund requirements resulting from federal matching changes without affecting the level of services provided by the department. If the department determines that programs and services will be affected, the department, with input from service providers, shall identify programs and services to reduce or discontinue to maintain its general fund budget within the funding level approved by the 2005

legislative assembly. By July 1, 2006, the department shall report to the legislative council regarding its budget and program review and its suggestions for programs and services to reduce or discontinue, including any legislation necessary to make the suggested changes. The legislative council shall receive the department's report and report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 12. LEGISLATIVE COUNCIL STUDY - QUALIFIED SERVICE PROVIDER PAYMENT SYSTEM. The legislative council shall consider studying, during the 2005-06 interim, the department of human services system of paying qualified service providers. The study must include a review of the appropriateness of payment levels to various providers. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 13. APPROPRIATION - STATE DEPARTMENT OF HEALTH. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much of the sum as may be necessary, to the state department of health for the purpose of providing a grant for suicide prevention programs on the Standing Rock Indian Reservation for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 14. LEGISLATIVE COUNCIL STUDY - LONG-TERM CARE. During the 2005-06 interim, the legislative council shall consider studying, with input from representatives of the department of human services and the long-term care industry, methods of improving the sustainability of funding long-term care services in the state, including a review of case mix and rate equalization, consideration of additional support for facilities providing additional restorative care services, and consideration of options for reducing the number of required reports of facilities providing high-quality care or for seeking waivers to change the survey process. The study, if conducted, must also include, with input from representatives of the department of human services, the long-term care industry, and the federal centers for medicare and medicaid services, the possibility of accessing additional federal funding through the intergovernmental transfer process. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 15. LEGISLATIVE COUNCIL STUDY - RESIDENTIAL TREATMENT CENTER AND RESIDENTIAL CHILD CARE FACILITY PAYMENT SYSTEMS. The legislative council shall consider studying, during the 2005-06 interim, the services provided by residential treatment centers and residential child care facilities and the appropriateness of the payments provided by the state for these services. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 16. PLAN TO TRANSFER APPROPRIATE DEVELOPMENTAL CENTER RESIDENTS TO COMMUNITIES - LEGISLATIVE COUNCIL REPORT. The department of human services, with input from developmental disabilities services providers, shall develop, during the 2005-06 interim, a plan to transfer appropriate individuals from the developmental center to community placements and begin the transfers during the 2005-07 biennium. The department shall report to the legislative council on its plan and on the anticipated number of individuals that will be transferred during the 2005-07 biennium.

SECTION 17. DEPARTMENT OF HUMAN SERVICES AND INDIAN AFFAIRS COMMISSION - CHILD SUPPORT - STATE AND TRIBAL COURT COORDINATION. The department of human services and the indian affairs commission shall collaborate to facilitate the coordination of state and tribal court activities to increase the amount of child support collected for noncustodial parents for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 18. A new section to chapter 25-18 of the North Dakota Century Code is created and enacted as follows:

Payment for services to medically fragile children. The department may consider the unique level of care, the additional cost required to provide services to medically fragile clients under

twenty-one years of age, and the actual and reasonable cost of providing services to developmentally disabled individuals when reimbursing an intermediate care facility for the mentally retarded.

SECTION 19. AMENDMENT. Subsection 10 of section 54-44.8-01 of the North Dakota Century Code is amended and reenacted as follows:

10. "Specialized telecommunications equipment" means a dedicated telecommunications device that, when connected to a telephone, enables or assists a person who is communications impaired to communicate with another person utilizing the telephone network. The term may include telecommunications devices for the deaf, amplifiers, and signaling devices. Specialized telecommunications equipment provided under this chapter to an individual may not exceed two thousand dollars in total cost per device.

SECTION 20. EMERGENCY. The appropriation of \$29,188,859 included in subdivision 1 of section 3 of this Act for the medicaid management information system replacement project and section 19 of this Act are declared to be an emergency measure.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-ninth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1012 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 66 Nays 24 Absent 4

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 47 Nays 0 Absent 0

President of the Senate

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2005.

Approved at _____ M. on _____, 2005.

Governor

Filed in this office this _____ day of _____, 2005,
at _____ o'clock _____ M.

Secretary of State