

FISCAL NOTE
Requested by Legislative Council
02/05/2019

Amendment to: SB 2317

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

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$817,613		\$2,126,443
Expenditures			\$817,615	\$817,613	\$2,126,444	\$2,126,443
Appropriations			\$817,615	\$817,613	\$2,126,444	\$2,126,443

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

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

SB 2317 requires the licensure of pediatric subacute care facilities as nursing facilities.

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

The department has been notified by Anne Carlson Center that they plan to have twenty-two beds available in August 2021, so the 21-23 estimates have been updated. No changes have been made to the 19-21 estimates.

Section 4 of 2317 adds pediatric subacute care facility to the list of provider types that should be eligible for recognition of additional costs for providing services to medically fragile children. The Department estimates one facility to be licensed as pediatric subacute in the 19 – 21 biennium. This would result in a reduction in the Developmental Disabilities Medicaid grants and an increase in the Long-Term Care Continuum Medicaid grants. The Department estimated the facility to be licensed and operations as of January of 2020. The estimated impact to the Department is an increase in expenditures of \$1,635,228, of which \$817,615 is general fund, this accounts for a total decrease of \$7,640,314 in the Development Disabilities Medicaid grants and a total increase of \$9,275,542 in the Long-Term Care Continuum Medicaid grants. Both the decreasing and increasing estimates are based on a sixteen bed unit.

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

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

The Department expects the services provided to Medicaid eligible individuals in a pediatric subacute care facility will be eligible to receive Medicaid federal funds based off the Federal Medical Assistance Percentage. The Department will need to seek approval from the Centers for Medicare and Medicaid Services to secure federal funding.

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

The department has been notified by Anne Carlson Center that they plan to have twenty-two beds available in August 2021, so the 21-23 estimates have been updated. No changes have been made to the 19-21 estimates.

Section 4 of 2317 adds pediatric subacute care facility to the list of provider types that should be eligible for recognition of additional costs for providing services to medically fragile children. The Department estimates one facility to be licensed as pediatric subacute in the 19 – 21 biennium. This would result in a reduction in the Developmental Disabilities Medicaid grants and an increase in the Long-Term Care Continuum Medicaid grants. The Department estimated the facility to be licensed and operations as of January of 2020. The estimated impact to the Department is an increase in expenditures of \$1,635,228, of which \$817,615 is general fund, this accounts for a total decrease of \$7,640,314 in the Development Disabilities Medicaid grants and a total increase of \$9,275,542 in the Long-Term Care Continuum Medicaid grants. Both the decreasing and increasing estimates are based on a sixteen bed unit.

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

For the 19-21 biennium the Department of Human Services would need appropriation increases to the Executive Budget Request in medical assistance grants of \$1,635,228 of which \$817,615 would be general fund.

For the 21-23 biennium the Department of Human Services would need appropriation authority of \$4,252,887 of which \$2,126,444 is general fund in medical assistance grants.

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