

FISCAL NOTE
Requested by Legislative Council
12/31/2020

Bill/Resolution No.: HB 1090

- 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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$3,852,000		\$3,317,000
Expenditures			\$3,348,000	\$3,852,000	\$2,883,000	\$3,317,000
Appropriations			\$3,348,000	\$3,852,000	\$2,883,000	\$3,317,000

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

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 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).*

HB 1090 implements a new payment methodology for nursing facility payment. HB 1090 implements a price model for the direct, other direct and indirect care cost categories and a fair rental value model for the property cost category for nursing facility payment.

- 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 fiscal impact for the 2021-23 biennium is for additional funding to high-cost facilities that will be over the set price and high-cost facilities who current property rate is higher than the fair rental value. The fiscal impact for the 2023-25 biennium is for additional funding to high-cost facilities whose current property rate is higher than the fair rental value.

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 will receive federal Medicaid funds from the Centers for Medicare and Medicaid.

- 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 would incur \$7,200,000 in additional expenditures in the 2021-23 biennium for high-cost facilities whose price or fair rental value rate under the new payment methodology would be less than their current rate. The Department would incur \$6,200,000 in additional expenditures in the 2023-25 biennium for high-cost facilities whose fair rental value rate would be less than their current property rate.

- 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 2021-2023 biennium the Department of Human Services would need an appropriation increase in the Grants-Medical Assistance line of \$7,200,000 of which \$3,348,000 would be general fund, to HB 1012. The Executive Budget Recommendation for HB 1012 includes funding for the Nursing Facility payment methodology changes described in HB 1090.

For the 2023-2025 biennium the Department of Human Services would need an appropriation of \$6,200,000, of which \$2,883,000 would be general fund.

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