

**Department 325 - Department of Human Services
House Bill Nos. 1012, 1072, and 1075**

Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2017-19 Executive Budget ¹	2,204.23	\$1,604,916,312	\$2,512,438,951	\$4,117,355,263
2015-17 Adjusted Legislative Appropriations ²	2,211.08	1,281,017,188	2,246,039,963	3,527,057,151
Increase (Decrease)	(6.85)	\$323,899,124	\$266,398,988	\$590,298,112

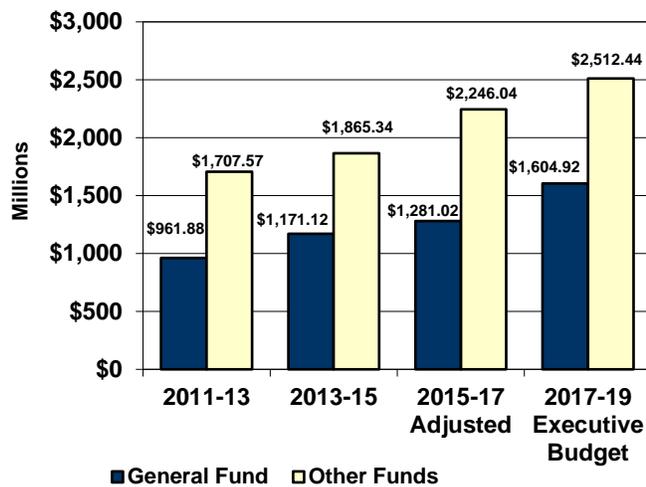
¹This amount includes \$275 million from the general fund included in House Bill No. 1075 relating to county social services funding.

²The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016 and distribution for the targeted market equity fund, but do not include energy impact allocations from the energy impact funding pool, temporary health insurance, or internship funds totaling \$1,042,738, of which \$864,804 is from the general fund. The agency's allocation from the energy impact funding pool totaled \$989,653, of which \$821,754 is from the general fund.

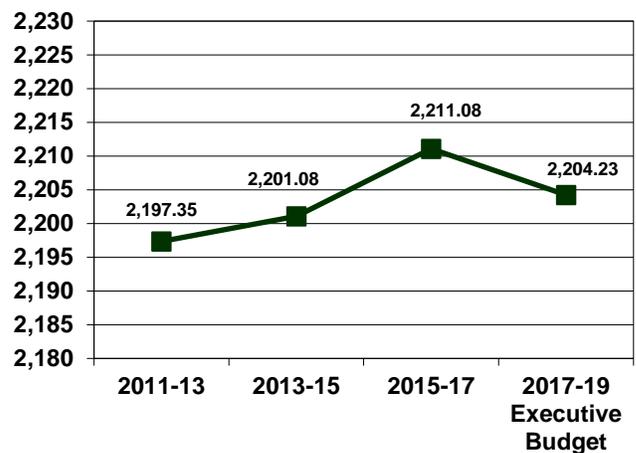
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Executive Budget	\$1,604,916,312	\$0	\$1,604,916,312
2015-17 Adjusted Legislative Appropriations	1,262,925,021	18,092,167	1,281,017,188
Increase (Decrease)	\$341,991,291	(\$18,092,167)	\$323,899,124

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Executive Budget	\$1,604,916,312	\$2,512,438,951	\$4,117,355,263
2017-19 Base Level	1,262,925,021	2,199,169,861	3,462,094,882
Increase (Decrease)	\$341,991,291	\$313,269,090	\$655,260,381

Attached as appendices are detailed comparisons of the executive budget to the agency's base level appropriation, appropriation comparisons to the 2015-17 biennium original and adjusted appropriations, and historical appropriation information from the 2009-11 biennium through the 2017-19 executive recommendations.

Executive Budget Highlights

	General Fund	Other Funds	Total
DEPARTMENTWIDE			
1. Provides funding for state employee salary and benefit increases, of which \$1,402,579 is for salary increases, and \$6,376,445 is for health insurance increases	\$6,526,804	\$1,252,220	\$7,779,024
2. Reduces salaries and wages by \$5,278,396 from the general fund in anticipation of savings from vacant positions and employee turnover	(\$5,278,396)	\$0	(\$5,278,396)

3. Adds funding for paying employees' accumulated annual and sick leave for eligible employees leaving state service	\$968,825	\$834,814	\$1,803,639
4. Adds state matching funds required due to a reduction in federal matching for Medicaid Expansion from 100 percent to 95 percent beginning in January 2017, 94 percent beginning in January 2018, and 93 percent beginning in January 2019	\$17,091,207	(\$17,091,207)	\$0
5. Adds funding for continued program changes and cost, caseload, and utilization changes	\$98,448,552	(\$52,019,939)	\$46,428,613
6. Adjusts funding as part of the department's savings plan (net of the August 2016 special legislative session reductions)	(\$4,375,632)	(\$38,916,248)	(\$43,291,880)
7. Provides a 1 percent inflationary increase for human service providers in the second year of the biennium	\$3,500,163	\$8,691,629	\$12,191,792
8. Imposes a 5 percent provider assessment on nursing facilities, with \$42.7 million of estimated revenue from the assessment being used for long-term care programs	\$22,699,215	\$22,699,215	\$45,398,430
9. Provides one-time funding for improvements to the health information technology (HIT) - care coordination project to increase data sharing and interoperability for North Dakota health care providers and citizens	\$0	\$40,800,000	\$40,800,000
10. Provides one-time funding, from federal bonus funds, for development of a certification and licensing system for child care	\$0	\$3,000,000	\$3,000,000

PROGRAM AND POLICY

Medical services

11. Provides \$1,133.9 million for medical services, of which \$303.8 million is from the general fund, a decrease in total of \$118.5 million, or 9.5 percent, compared to the 2015-17 adjusted biennium appropriation of \$1,252.4 million. Major program changes include:			
<ul style="list-style-type: none"> Provides \$389.2 million for Medicaid Expansion grants, of which \$30.4 million is from the general fund, a decrease in total of \$152.6 million, or 28 percent, compared to the 2015-17 biennium appropriation of \$541.8 million 	\$22,262,261	(\$174,865,194)	(\$152,602,933)
<ul style="list-style-type: none"> Adds 1 FTE position and funding to allow Medicaid to reimburse opioid treatment programs for dispensing methadone and other services (The other funds includes \$1,797,222 from the tobacco prevention and control trust fund) 	\$0	\$3,594,441	\$3,594,441
<ul style="list-style-type: none"> Adjusts funding for physical, occupational, and speech therapy rates 	\$1,135,354	\$666,725	\$1,802,079
<ul style="list-style-type: none"> Changes the funding source from the general fund to the tobacco prevention and control trust fund 	(\$15,000,000)	\$15,000,000	\$0

Long-term care

12. Provides \$732.0 million for long-term care programs, of which \$336.4 million is from the general fund and \$42.7 million is from the nursing home provider assessment fund, an increase in total of \$96.6 million, or 15.2 percent, compared to the 2015-17 adjusted biennium appropriation of \$635.4 million. Program changes include:			
<ul style="list-style-type: none"> Provides \$595.0 million for nursing facility care, of which \$257.3 million is from the general fund, an increase in total of \$84.6 million, or 17 percent, compared to the 2015-17 adjusted biennium appropriation of \$510.4 million 	\$4,532,260	\$80,011,963	\$84,544,223
<ul style="list-style-type: none"> Provides \$41.8 million for basic care assistance, of which \$24.5 million is from the general fund, an increase in total of \$7.2 million, or 21 percent, compared to the 2015-17 adjusted biennium appropriation of \$34.6 million 	\$2,775,495	\$4,425,751	\$7,201,246
<ul style="list-style-type: none"> Provides \$15.5 million for service payments for elderly and disabled (SPED), of which \$14.9 million is 	\$377,265	\$343,486	\$720,751

	from the general fund, an increase in total of \$0.7 million, or 5 percent, compared to the 2015-17 adjusted biennium appropriation of \$14.8 million			
•	Provides \$1.9 million for expanded SPED , of which \$1.9 million is from the general fund, an increase in total of \$0.4 million, or 28 percent, compared to the 2015-17 adjusted biennium appropriation of \$1.5 million	\$366,923	\$52,908	\$419,831
•	Provides \$17.1 million for home- and community-based services waiver , of which \$7.7 million is from the general fund, an increase in total of \$3.3 million, or 24 percent, compared to the 2015-17 adjusted biennium appropriation of \$13.8 million	\$875,486	\$2,418,042	\$3,293,528
•	Provides \$1.84 million for targeted case management , of which \$0.91 million is from the general fund, an increase in total of \$0.05 million, or 3 percent, compared to the 2015-17 adjusted biennium appropriation of \$1.79 million	\$26,556	\$22,422	\$48,978
•	Provides \$35.1 million for personal care option , of which \$16.7 million is from the general fund, an increase in total of \$4.5 million, or 15 percent, compared to the 2015-17 adjusted biennium appropriation of \$30.6 million	\$1,686,197	\$2,769,483	\$4,455,680
•	Provides \$17.7 million for program of all-inclusive care for the elderly (PACE) , of which \$8.9 million is from the general fund, a decrease in total of \$1.8 million, or 9 percent, compared to the 2015-17 adjusted biennium appropriation of \$19.5 million	(\$889,434)	(\$889,433)	(\$1,778,867)
•	Provides \$120,000 from the nursing home provider assessment fund for the community of care program	\$0	\$120,000	\$120,000
•	Provides \$3.4 million for autism waiver , of which \$1.7 million is from the general fund, a decrease in total of \$1.6 million, or 33 percent, compared to the 2015-17 adjusted biennium appropriation of \$5.0 million (adds funding to increase the age of autism waivers through 11 years old)	(\$455,195)	(\$1,199,940)	(\$1,655,135)
•	Provides \$1,325,009 from the general fund for autism voucher , an increase in total of \$250,001, or 23 percent, compared to the 2015-17 adjusted biennium appropriation of \$1,075,008	\$250,001	\$0	\$250,001
•	Adds \$1,055,907, of which \$527,954 is from long-term care provider assessment funds for money follows the person programs and \$404,789 in total funds for adjusting rates paid for homemaker services			
Developmental disabilities				
13.	Provides \$621.8 million for developmental disabilities grants, of which \$306.7 million is from the general fund, an increase in total of \$57.1 million, or 10.1 percent, compared to the 2015-17 adjusted biennium appropriation of \$564.7 million. Program changes include:	\$30,864,509	\$26,251,266	\$57,115,775
•	Adds 1 FTE position and funding for specialized services for individuals with developmental disabilities	\$347,414	\$357,774	\$705,188
•	Restores funding for the family subsidy program	\$317,688	\$0	\$317,688
Vocational rehabilitation				
14.	Provides \$26.0 million for vocational rehabilitation services, of which \$5.8 million is from the general fund, an increase in total of \$0.1 million, or 0.5 percent, compared to the 2015-17 adjusted biennium appropriation of \$25.9 million. Program changes include:	\$99,559	\$18,875	\$118,434
	Restores funding for assistive technology services	\$160,000	\$0	\$160,000
Aging services				
15.	Provides \$23.1 million for aging services, of which \$7.9 million is from the general fund, an increase in total of \$2.1 million, or	\$383,290	\$1,719,474	\$2,102,764

10 percent, compared to the 2015-17 adjusted biennium appropriation of \$21.0 million

Behavioral health services

16. Provides \$25.6 million for behavioral health services, of which \$10.6 million is from the general fund, an increase in total of \$7.4 million, or 40.3 percent, compared to the 2015-17 adjusted biennium appropriation of \$18.2 million	\$3,309,220	\$4,041,204	\$7,350,424
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Economic assistance policy grants

17. Provides \$272.8 million for economic assistance, of which \$9.2 million is from the general fund, a decrease in total of \$12 million, or 4.2 percent, compared to the 2015-17 adjusted biennium appropriation of \$284.8 million. Major program changes include:

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|---|---------------|----------------|----------------|
| <ul style="list-style-type: none"> • Provides \$9.4 million for temporary assistance for needy families (TANF), of which \$0.9 million is from the general fund, \$5.3 million is from retained funds, \$1.9 million from child support collections, and \$1.3 million from federal funds, a decrease in total of \$2.3 million, or 19 percent, compared to the 2015-17 biennium adjusted appropriation of \$11.7 million | (\$830,572) | (\$1,429,733) | (\$2,260,305) |
| <ul style="list-style-type: none"> • Provides \$22.3 million for child care assistance, of which \$2.4 million is from the general fund, a decrease in total of \$4.4 million, or 17 percent, compared to the 2015-17 biennium adjusted appropriation of \$26.7 million. The recommendation provides for child care eligibility at 60 percent of state medium income | (\$3,821,685) | (\$578,229) | (\$4,399,914) |
| <ul style="list-style-type: none"> • Adds federal funding for supplemental nutrition assistance program (SNAP) or food stamp benefits to provide a total of \$171.2 million, an increase in total of \$6.3 million, or 4 percent, compared to the 2015-17 biennium adjusted appropriation of \$164.9 million | \$0 | \$6,282,077 | \$6,282,077 |
| <ul style="list-style-type: none"> • Reduces federal funding for low-income home energy assistance program (LIHEAP) to provide a total of \$33.9 million, a decrease in total of \$19.3 million, or 36 percent, compared to the 2015-17 biennium adjusted appropriation of \$53.2 million | \$0 | (\$19,314,829) | (\$19,314,829) |
| <ul style="list-style-type: none"> • Provides \$1.6 million from the general fund for Indian welfare assistance to counties, a decrease in total of \$4.3 million, or 73 percent, compared to the 2015-17 biennium adjusted appropriation of \$5.9 million | (\$4,312,911) | | (\$4,312,911) |

Children and family services

18. Provides \$168.0 million for children and family services, of which \$79.1 million is from the general fund, a decrease in total of \$7.7 million, or 4.4 percent, compared to the 2015-17 adjusted biennium appropriation of \$175.7 million. Funding includes a reduction of \$3.9 million from the general fund for grants to counties that have imposed an emergency human service levy as provided in 2015 Senate Bill No. 2206. Other program changes include:	\$10,081,086	(\$17,839,226)	(\$7,758,140)
<ul style="list-style-type: none"> • Adds funding for child care quality contract to provide a total of \$4.1 million from the general fund 	\$1,700,000	\$0	\$1,700,000

INSTITUTIONS

19. Provides \$142.4 million for institutions, of which \$86.5 million is from the general fund, a decrease in total of \$2.1 million, or 1.4 percent, compared to the 2015-17 adjusted biennium appropriation of \$144.5 million. Extraordinary repairs and equipment over \$5,000 for the State Hospital and the Life Skills and Transition Center are as follows:

State Hospital

20. Adds funding for extraordinary repairs , which includes:	\$1,094,498	\$0	\$1,094,498
<ul style="list-style-type: none"> • Fire alarm panels (\$95,000) • Air compressor replacement (\$7,000) • Coal boiler OFA fan motor (\$3,000) 			

- Sidewalk repairs (\$25,000)
- Sprinkler heads (\$12,000)
- Parapet walls (\$91,163)
- Pool ceiling tiles (\$12,000)
- Replace elevator in New Horizons Building (\$267,500)
- Door and hardware replacement (\$57,881)
- LaHaug Building skylight repair (\$449,534)
- HVAC grilles (\$74,420)

21. Adds funding for equipment over \$5,000 , which includes:	\$653,299	\$0	\$653,299
• Ward dispensing cabinets (\$54,000)			
• Car hoe (\$353,000)			
• Digital x-ray machine (\$96,299)			
• Chemistry analyzer (\$150,000)			

Life Skills and Transition Center

22. Adds funding for extraordinary repairs , which includes:	\$676,367	\$0	\$676,367
• Replacement lighting (\$10,400)			
• Cooling tower overhaul (\$10,000)			
• Campus parking lot seal (\$130,967)			
• Flooring replacement (\$45,000)			
• Card access upgrade (\$15,000)			
• Asbestos abatement (\$60,000)			
• Cottage repairs (\$15,000)			
• Campuswide painting (\$15,000)			
• Repair cracks and leaks in tunnels (\$25,000)			
• Replace air handlers, ductwork, motors, and dampers (\$48,000)			
• Replace chill water piping (\$55,000)			
• Door repairs (\$22,000)			
• Window replacement (\$225,000)			

23. Adds funding for equipment over \$5,000 , which includes:	\$219,764	\$0	\$219,764
• Hematology analyzer (\$40,000)			
• Bobcat (\$31,500)			
• Convention oven (\$5,000)			
• Walk-in cooler (\$83,264)			
• Hot/cold well (\$50,000)			
• Plate/side dish heater (\$5,000)			
• Dump trailer (\$5,000)			

HUMAN SERVICE CENTERS

24. Provides \$198.4 million for human service centers, of which \$115.1 million is from the general fund, an increase in total of \$0.4 million, or 0.2 percent, compared to the 2015-17 adjusted biennium appropriation of \$198.0 million. Extraordinary repairs and equipment over \$5,000 for the human service centers are as follows:

25. Adds funding for extraordinary repairs , which includes:	\$39,600	\$0	\$39,600
• Building repairs (\$39,600)			

26. Adds funding for equipment over \$5,000 , which includes:	\$0	\$10,000	\$10,000
• Tymp machines (\$10,000)			

County social services

27. House Bill No. 1075 transfers funding from the general fund to a newly created social services property tax fund for the state to take over expenses of certain county social services programs which will result in reduced property tax levies	\$275,000,000	\$0	\$275,000,000
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28. House Bill No. 1072 includes funding from the social services property tax fund for the social service program expenses at the county level	\$0	\$275,000,000	\$275,000,000
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Other Bill Sections Recommended to be Added in the Executive Budget (As Detailed in House Bill No. 1072)

County social services financing - Section 3 identifies \$275 million from the county social service financing fund for administering social service programs.

Nursing home provider assessment fund - Section 4 identifies \$42,675,160 from the nursing home provider assessment fund for long-term care expenditures.

Tobacco prevention and control trust fund - Section 5 identifies \$16,799,077 from the tobacco prevention and control trust fund for medical assistance grant cost and caseload expenditures.

Medical assistance grants for 2015-17 biennium - Section 6 provides an appropriation for an additional \$9 million of federal funds to the Department of Human Services for medical assistance grants for the 2015-17 biennium. Section 17 declares this an emergency measure.

Transfers - Section 7 provides that the Department of Human Services may transfer appropriation authority between line items within subdivisions 1 through 3 of Section 1.

Medicaid management information system replacement project - Section 8 provides for the continuation of the legislative appropriation for the Medicaid management information system replacement project in the 2017-19 biennium.

Modification of the eligibility systems project - Section 9 provides for the continuation of the legislative appropriation for the modification of the eligibility systems project in the 2017-19 biennium.

Electronic health records system - Section 10 provides for the continuation of the legislative appropriation for the development of the electronic health records system in the 2017-19 biennium.

Home health - Section 11 provides legislative intent for the Department of Human Services to adopt rules for home health services in accordance with federal regulations; and to require home health agencies to be certified. This section also allows the department to adopt rules defining medical equipment, supplies, and appliances, and to specify allowable timeframes for face-to-face visits between a physician and Medicaid beneficiary.

Grafton job service building - Section 12 provides legislative intent for the Department of Human Services to purchase the job service building in Grafton, from donated funds, for uses at the Life Skills and Transition Center.

Medicaid Expansion - Effective date - Section 13 amends North Dakota Century Code Section 50-24.1-37 to remove the expiration date for Medicaid Expansion. This section allows Medicaid Expansion to continue after July 31, 2017.

Medicaid Expansion requirements - Section 14 amends Section 50-24.1-37 to remove a requirement that Medicaid Expansion be implemented through private carriers or utilizing the health insurance exchange. Section 16 provides an effective date of January 1, 2018.

Health care trust fund - Section 15 amends Section 50-30-02 to remove language that prevents money in the health care trust fund to be included in the Governor's recommended appropriation bills under Section 54-44.1-06.

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.

Transition to independence - Section 50-06-34 - Allows the department to receive grants and other sources of funding for the development of a program for services to transition-aged youth at risk.

Deficiency Appropriation

House Bill No. 1024 includes a deficiency appropriation of \$9 million from the strategic investment and improvements fund to the Department of Human Services for medical assistance grants for the 2015-17 biennium.

Significant Audit Findings

The operational audit for the Department of Human Services was conducted by the State Auditor's office for the biennium ending June 30, 2015. The report identified 20 audit findings relating to lack of internal control fraud risk assessment, insufficient information to verify income and expenses, inadequate controls surrounding revenue collection, inadequate controls surrounding inventory of State Hospital commissary, insufficient suspended claims process, lack of audit procedures, inadequate complaint resolution procedures, improvements to restrict payments to deceased or incarcerated, failure to suspend providers and notify parents, inconsistent licensing procedures, inconsistent procedures to verify required records, incomplete methods to verify health and safety requirements, license effective before background checks performed, improperly backdating license effective date, inadequate records management, lack of unannounced inspections, child care providers not properly licensed, lack of

monitoring of corrective orders and imposition of sanctions, ineffective monitoring procedures, and lack of online child care provider records.

Major Related Legislation

House Bill No. 1032 - Medicaid Expansion reimbursement rates - Removes the July 31, 2017, sunset for the Medicaid Expansion program, provides Medicaid Expansion provider reimbursement rates are the same as the provider reimbursement rates set for traditional Medicaid, and removes the requirement Medicaid Expansion be provided through a private carrier or by utilizing the health insurance exchange. (Health Care Reform Review Committee)

House Bill No. 1033 - Medicaid Expansion cost-sharing and Medicaid care coordination agreements - Removes the July 31, 2017, sunset for the Medicaid Expansion program, removes the requirement Medicaid Expansion be provided through a private carrier or by utilizing the health insurance exchange, directs the Department of Human Services to pursue a federal Medicaid waiver to allow the department to implement premium cost-sharing for individuals enrolled in Medicaid Expansion if the cost-sharing program does not have a negative fiscal effect for the state, and directs the department to pursue care coordination agreements to increase federal reimbursement for Medicaid-eligible American Indians. (Health Care Reform Review Committee)

House Bill No. 1034 - Medicaid Expansion reimbursement rates transparency - Removes the July 31, 2017, sunset for the Medicaid Expansion program, removes the requirement Medicaid Expansion be provided through a private carrier or by utilizing the health insurance exchange, provides if the Department of Human Services contracts with a private carrier, the contract must provide the department with full access to provider reimbursement rates and the department is directed to consider these rates in selecting a private carrier, and directs the department to report to the Legislative Management regarding provider reimbursement rates under the Medicaid Expansion program. (Health Care Reform Review Committee)

House Bill No. 1038 - Family caregiver supports and services - Provides appropriations to the North Dakota State University Extension Service for expanding local training programs to include family caregiver training and to the Department of Human Services for administering a Lifespan Respite Care Program and applying an inflationary adjustment to the SPED sliding fee schedule. The bill also requires the Department of Human Services to establish a caregiver resource center website and review options and provide recommendations to the Legislative Management to expand home- and community-based services. (Human Services Committee)

House Bill No. 1040 - Behavioral health services program expansion - Provides appropriations to the Department of Human Services for adopting rules for an evidence-based alcohol and drug education program for certain individuals under 21 years of age, expanding children's prevention and early intervention behavioral health services, establishing a behavioral health provider database, expanding peer-to-peer and family-to-family support services, and providing targeted case management services for individuals with severe mental illness and severe emotional disturbance. (Human Services Committee)

House Bill No. 1041 - Justice reinvestment - Shifts the authority to allow sentence reduction credit from the judiciary to a correctional facility; authorizes the use of sentence reduction credit for time spent in custody; allows the parole board to consider medical parole for offenders who are not otherwise eligible for parole; requires the use of presumptive probation for individuals convicted of Class A misdemeanor drug offenses; reclassifies ingestion, possession, and paraphernalia offenses to a lower-level criminal offense; reduces the proximity to a school before an increased penalty for a drug offense is warranted; authorizes additional mental health professionals to provide addiction counseling services; removes the prohibition against individuals who have a felony substance abuse conviction from being eligible for various supplemental nutrition assistance programs; and creates a pilot project for pretrial services. (Incarceration Issues Committee)

House Bill No. 1042 - Justice reinvestment - Shifts the authority to allow sentence reduction credit from the judiciary to a correctional facility; authorizes the use of sentence reduction credit for time spent in custody; allows the parole board to consider medical parole for offenders who are not otherwise eligible for parole; reclassifies ingestion, possession, and paraphernalia offenses to a lower-level criminal offense; reduces the proximity to a school before an increased penalty for a drug offense is warranted; authorizes additional mental health professionals to provide addiction counseling services; removes the prohibition against individuals who have a felony substance abuse conviction from being eligible for various supplemental nutrition assistance programs; and creates a pilot project for pretrial services. (Commission on Alternatives to Incarceration)

House Bill No. 1085 - Brain injury advisory council - Provides for creating a brain injury advisory council for the purpose of improving the quality of life for an individual with brain injury and the individual's family through brain injury awareness, prevention, research, education, collaboration, support services, and advocacy.

House Bill No. 1115 - Basic care and nursing facility bed capacity - Continues the moratoria on basic care and nursing facility bed capacity.

House Bill No. 1116 - Department of Human Services structure - Amends Section 25-02-01.1 relating to the maintenance of the State Hospital accreditation.

House Bill No. 1117 - Substance abuse and behavioral health - Amends Chapters 14-10, 50-06, and 50-31 relating to changes in terminology for substance abuse and behavioral health.

House Bill No. 1118 - Aged, blind, and disabled persons - Amends Section 50-24.5-01 relating to the definition of eligible beneficiary for the aid to aged, blind, and disabled persons.

House Bill No. 1119 - SPED - Amends Sections 50-06.2-10 and 50-24.7-02 relating to collection of overpayments for the SPED and expanded SPED programs.

House Bill No. 1120 - Prior authorization program - Amends Section 50-24.6-04 relating to the prior authorization program.

House Bill No. 1134 - Developmental disability - Amends Century Code sections relating to developmental disabilities.

House Bill No. 1135 - Committee on employment of people with disabilities - Amends sections relating to consolidating the committee on employment of people with disabilities into the North Dakota State Rehabilitation Council, and updating categories of positions in the state service.

House Bill No. 1136 - Department of Human Services - Creates, amends, and repeals sections of Chapter 50-06 relating to the Department of Human Services.

Senate Bill No. 2033 - Clinical supervision of behavioral health professionals - Provides for clinical supervision of behavioral health professionals by behavioral health professionals outside of their respective professions and provides for a report to the Legislative Management. (Health Services Committee)

Senate Bill No. 2038 - Behavioral health services policy changes - Extends the holding period from 24 to 72 hours for emergency involuntary commitments for individuals with a serious physical condition or illness, changes youth mental health training requirements, requires behavioral health training for early childhood service providers, and creates a children's behavioral health task force. (Human Services Committee)

Senate Bill No. 2039 - Role and function of Department of Human Services - Behavioral Health Services - Changes the role and function of the Department of Human Services Behavioral Health Services, including behavioral health definitions; administration of behavioral health programs; licensure process for regional human service centers; services available to individuals with serious and persistent mental illness; membership and role of advisory groups for human service centers; designation of behavioral health providers to furnish preventive diagnostic, therapeutic, rehabilitative, or palliative services to individuals eligible for medical assistance; and designation of the location of a second state hospital. (Human Services Committee)

Senate Bill No. 2040 - Addiction counseling - Includes assessment or counseling for gambling, tobacco, nicotine, or other harmful substance or behavior in the definition of addiction counseling. (Human Services Committee)

Senate Bill No. 2041 - Eligibility assistance for developmental disability - Allows individuals with Down syndrome to be eligible for developmental disabilities services. (Human Services Committee)

Senate Bill No. 2042 - Mental health professionals - Establishes a tiered system for the roles of mental health professionals. (Human Services Committee)

Senate Bill No. 2087 - Gambling - Amends statutory references of "compulsive gambling" with "gambling disorder."

Senate Bill No. 2088 - Licensed addiction counselor - Amends sections relating to the scope of practice for addiction counselors, and the licensure authority of the Board of Addiction Counseling Examiners.

Senate Bill No. 2090 - Early childhood services - Amends sections of Chapters 50-11.1 and 50-06 relating to early childhood services criminal record checks, licensing, definitions, registration, applications, and fees.

Senate Bill No. 2113 - Long-term care ombudsman - Amends sections of Chapter 50-10.1 relating to duties of state long-term care ombudsman and establishment of a reporting system.

Senate Bill No. 2114 - Foster homes - Amends sections of Chapters 27-20 and 50-11 relating to the definition of permanency hearing, reasonable efforts for sibling placement, definition of group home, and liability coverage to foster homes for children.

Senate Bill No. 2115 - Autism Spectrum Disorder Task Force - Amends Section 50-06-32 relating to the members of the Autism Spectrum Disorder Task Force.

Senate Bill No. 2116 - Patient records - Amends sections of Chapter 50-25.1 relating to the disclosure of patient records relevant to an assessment of reported child abuse or neglect.

Senate Bill No. 2117 - Criminal history record checks - Creates a new section to Chapter 50-24.1 relating to criminal history record checks for Medicaid services applicants, providers, and staff members, and amends Section 50-06-01.9 relating to criminal history record checks for job applicants, department staff, county employees, contractors, and Medicaid services applicants, providers, and staff members.

Senate Bill No. 2118 - Compulsive gambling disorder - Amends sections of Chapters 50-06 and 53-12.1 relating to gambling disorder prevention awareness, crisis intervention, rehabilitation, and treatment services.

Senate Concurrent Resolution No. 4002 - State Hospital location - Removes the constitutional requirement that a state hospital be located in Jamestown. (Human Services Committee)

Department 325 - Department of Human Services

Appropriations Comparisons to the Original and Adjusted Base Budgets

General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$1,314,030,666	\$18,172,167	\$1,332,202,833
General fund reductions	(53,874,215)	(80,000)	(53,954,215)
Targeted market equity allocation	2,768,570		2,768,570
Adjusted 2015-17 appropriations	\$1,262,925,021	\$18,092,167	\$1,281,017,188
Executive Budget changes	341,991,291	(18,092,167)	323,899,124
2017-19 Executive Budget	\$1,604,916,312	\$0	\$1,604,916,312

Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Departmentwide and administrative:			
- Reduce second year salary increase	(\$940,000)		(\$940,000)
- Salary savings	(350,000)		(350,000)
- Reduce travel	(197,147)		(197,147)
- Adjust human resource policies	(275,000)		(275,000)
- Operating cost reduction	(147,422)		(147,422)
- Delay replacing computers and printers	(100,000)		(100,000)
- Do not fill business analyst position	(67,724)		(67,724)
- Reduce costs to support eligibility system	(1,000,000)		(1,000,000)
- Mainframe operations cost savings	(1,200,000)		(1,200,000)
- Postpone demolition project at the Life Skills and Transition Center	(650,070)		(650,070)
- Delay installation of State Hospital card access system	(870,540)		(870,540)
Economic assistance:			
- Adjust eligibility and cost sharing for child care assistance program	(5,031,605)		(5,031,605)
Medical services:			
- Adjust inflationary increase	(3,206,587)		(3,206,587)
- Adjust professional fee schedule to 100 percent of Medicare	(13,576,658)		(13,576,658)
- Adjust ambulance services rate	(312,500)		(312,500)
- Adjust physical, occupational, and speech therapy rate	(468,630)		(468,630)
- Change pharmacy provisions	(91,000)		(91,000)
Long-term care services:			
- Adjust nursing facility inflationary increases (January 2017)	(1,197,156)		(1,197,156)
- Delay rebasing nursing facility limits (January 2017)	(792,976)		(792,976)
- Adjust nursing facility operating margin (January 2017)	(1,250,000)		(1,250,000)
- Adjust incentive payment from nursing facility rates (January 2017)	(350,000)		(350,000)
- Adjust basic care rates (HB 1359)	(720,133)		(720,133)
- Adjust operating margin from basic care rates (January 2017)	(110,742)		(110,742)
- Adjust other long-term care provider inflationary increases	(846,536)		(846,536)
- Adjust homemaker services rate	(400,000)		(400,000)
- Do not fill 25 new autism waiver slots	(734,006)		(734,006)

	Ongoing	One-Time	Total
- Do not fill 10 new autism voucher slots	(250,001)		(250,001)
Aging services:			
- Adjust inflationary increases (estimate)	(116,724)		(116,724)
- Adjust dementia care services contract	(150,000)		(150,000)
- Adjust funding for vulnerable adult protective services	(310,792)		(310,792)
- Adjust funding for Governor's Committee on Aging	(14,000)		(14,000)
Children and family services:			
- Adjust foster care inflationary increases	(1,013,182)		(1,013,182)
- Freeze subsidized guardianship enrollment	(220,000)		(220,000)
- Adjust child care quality contract	(1,700,000)		(1,700,000)
- Adjust child care inclusion specialists contract	(200,000)		(200,000)
- Adjust child care inclusion grants	(100,000)		(100,000)
- Adjust Healthy Families contract	(150,000)		(150,000)
Behavioral health services:			
- Adjust inflationary increases (estimate)	(254,024)		(254,024)
- Limit substance abuse services voucher program (SB 2048)	(375,000)		(375,000)
- Limit behavioral health planning (SB 2048)	(75,000)		(75,000)
- Do not fill 35 new slots for serious mental illness extended services	(388,492)		(388,492)
- Do not refill new slots and reduce hours for traumatic brain injury (TBI) prevocational skills	(105,000)		(105,000)
- Adjust Robinson Recovery Center funding	(237,500)		(237,500)
- Adjust expanded TBI services (HB 1046)	(346,875)		(346,875)
- Adjust expanded TBI services (HB 1046)	(100,000)		(100,000)
- Adjust gambling addiction contract	(40,000)		(40,000)
- Adjust Parents Listen, Educate, Ask, Discuss program	(100,000)		(100,000)
- Adjust funding for second year of autism training	(40,000)		(40,000)
- Adjust funding for Governor's Prevention and Advisory Council	(80,000)		(80,000)
Vocational rehabilitation:			
- Adjust inflationary increases (estimate)	(25,691)		(25,691)
- Do not refill new TBI extended services slots	(180,783)		(180,783)
- Adjust funding for Committee on Employment of People with Disabilities	(27,594)		(27,594)
- Adjust Annie's House at Bottineau contract	(135,000)		(135,000)
Developmental disabilities:			
- Adjust inflationary increases	(4,047,111)		(4,047,111)
- Freeze family subsidy program	(200,000)		(200,000)
Human service centers:			
- Adjust inflationary increases	(576,119)		(576,119)
- Postpone 10-bed crisis residential and transitional living in Minot region	(685,895)		(685,895)
- Postpone mobile on-call crisis services in Bismarck region	(250,000)		(250,000)
- Adjust phone recovery support contract	(100,000)		(100,000)
- Adjust funding for High Five Youth Camp in Dickinson	(93,000)		(93,000)
Other:			
- Increase federal Medicaid reimbursement for eligibility determination costs	(5,300,000)		(5,300,000)

	Ongoing	One-Time	Total
- Increase federal Indian Health Services funding	(1,000,000)		(1,000,000)
- Adjust Interagency Program for Assistive Technology one-time funding (SB 2289)		(\$80,000)	(80,000)
Total reductions	(\$53,874,215)	(\$80,000)	(\$53,954,215)
Percentage reduction to ongoing and one-time general fund appropriations	(4.10%)	(0.44%)	(4.05%)

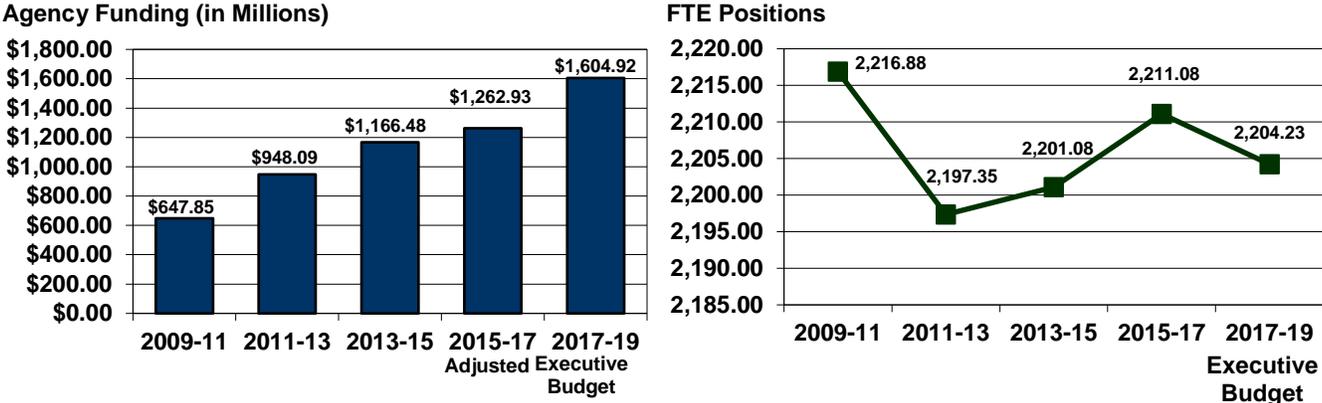
2017-19 Executive Budget Changes to the Original and Adjusted Base Budgets

	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Management	\$8,319,681	\$7,829,007	\$16,148,688
Program and Policy:			
Economic assistance	(12,549,231)	5,065,620	(7,483,611)
Aging services	(137,863)	521,153	383,290
Medical services	(9,754,039)	18,744,203	8,990,164
Long-term care services	2,229,074	6,651,550	8,880,624
Developmental disabilities	26,566,120	4,298,389	30,864,509
Children and family services	6,403,184	3,688,758	10,091,942
Behavioral health services	1,389,393	1,919,827	3,309,220
Developmental disabilities council	(10,855)	73	(10,782)
Vocational rehabilitation services	(189,222)	368,781	179,559
Child support program	(334,420)	58,741	(275,679)
Field Services:			
Human service centers	(4,102,927)	2,588,741	(1,514,186)
Institutions	(4,711,819)	2,139,372	(2,572,447)
County Social Services Financing	275,000,000		275,000,000
Total	\$288,117,076	\$53,874,215	\$341,991,291

Department 325 - Department of Human Services

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2009-11



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Executive Budget
Ongoing general fund appropriations	\$647,849,516	\$948,087,922	\$1,166,482,508	\$1,262,925,021	\$1,604,916,312
Increase (decrease) from previous biennium	N/A	\$300,238,406	\$218,394,586	\$96,442,513	\$341,991,291
Percentage increase (decrease) from previous biennium	N/A	46.3%	23.0%	8.3%	27.1%
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	46.3%	80.1%	94.9%	147.7%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

- Added state matching funds due to changes in the federal medical assistance percentage (FMAP) \$104,887,387
- Replaced federal fiscal stimulus relating to FMAP received in the 2009-11 biennium \$69,307,001
- Provided a 3 percent annual inflationary increase for providers, excluding physicians \$23,451,104
- Added funding for cost, caseload, and utilization changes \$54,041,521
- Added funding for providing grants to child care providers for workforce development, quality improvement, technical assistance, and capacity building \$3,100,000
- Increased funding for prescription drug clawback payments \$6,891,217
- Added funding for increasing psychiatric inpatient hospitalization contract rates at the human service centers \$3,431,017
- Provided funding for contracting for chemical dependency residential services in the southeast region \$939,159
- Added 2 FTE positions and related expenses for implementing the federal Affordable Care Act \$69,135
- Added funding for costs of implementing the developmental disabilities system reimbursement project \$887,500
- Added funding for early childhood services inclusion support services and grant program \$50,000
- Added funding for providing TBI case management services in eastern North Dakota \$110,000
- Added funding for completing the Medicaid management information system (MMIS) replacement project \$1,474,362
- Added funding for modifications to MMIS and eligibility systems to process claims from Medicaid providers on behalf of county jails \$185,256
- Added funding for guardianship program enhancements \$64,000

2013-15 Biennium

- Added state matching funds due to changes in FMAP \$93,347,906
- Provided a 4 percent annual inflationary increase for providers \$40,870,206

3. Added funding for cost, caseload, and utilization changes	\$44,982,084
4. Added funding to provide a \$1 passthrough salary increase for employees of nursing facilities, basic care facilities, developmental disabilities facilities, and qualified service providers	\$23,093,500
5. Added funding to increase the personal care allowance for individuals in a nursing home, a basic care facility, a psychiatric treatment facility, and supplemental security income clients	\$594,512
6. Increased funding for guardianship services provided by the Aging Services Division	\$598,000
7. Increased funding for senior services providers for congregate meals	\$800,000
8. Increased funding for senior meals	\$750,000
9. Increased funding for payments to the Center for Independent Living	\$800,000
10. Provided funding for facilitators for patients with TBI	\$320,000
11. Added funding for child care provider incentive grants and early childhood services specialists	\$1,300,000
12. Added funding for early childhood service grants for providing care to children with disabilities or developmental delays	\$400,000
13. Added funding for grants to children's advocacy centers	\$300,000
14. Added funding for an underage drinking prevention program	\$300,000
15. Added funding for autism services	\$1,201,727
16. Provided funding for the Lake Region Human Service Center to contract for an 8-bed transitional living facility	\$401,414
17. Provided funding for the Southeast Human Service Center for an 8-bed transitional living facility	\$547,000
18. Increased funding for long-term crisis residential bed capacity at the West Central Human Service Center	\$407,041
2015-17 Biennium (Original amounts)	
1. Added state matching funds due to changes in FMAP	\$3,584,150
2. Added funding for the state's share of Medicaid Expansion costs	\$8,187,466
3. Provided a 3 percent annual inflationary increase for providers (the second year inflationary increase was removed due to 2015-17 budget reductions)	\$36,010,331
4. Added funding of \$19,312,165 for property tax relief to counties for costs previously paid by counties for child welfare programs, the SPED programs, and technology costs; and \$3.9 million for grants to counties that have imposed an emergency human service levy	\$23,212,165
5. Transferred the high-risk sex offender treatment program to the Department of Corrections and Rehabilitation	(\$2,290,297)
6. Added funding for physical, occupational, and speech therapy service provider rate increase to a 50 percent fee schedule (this item was affected by the 2015-17 budget reductions)	\$937,259
7. Added funding for Medicare drug clawback payments to reflect a premium rate increase	\$2,183,214
8. Added funding for basic care provider payment changes (this item was affected by the 2015-17 budget reductions)	\$814,890
9. Added funding for senior meals program	\$502,300
10. Added funding to establish and administer a substance abuse voucher system (this item was affected by the 2015-17 budget reductions)	\$750,000
11. Added funding for 25 new autism waiver slots (this item was affected by the 2015-17 budget reductions)	\$734,006
12. Added funding for a 10-bed crisis residential and transitional living unit in the north central region (this item was affected by the 2015-17 budget reductions)	\$685,895
2017-19 Biennium (Executive Budget Recommendation)	
1. Reduces salaries and wages in anticipation of savings from vacant positions	(\$5,278,396)
2. Adds funding for paying employees' accumulated annual and sick leave for eligible employees leaving state service	\$1,803,639
3. Adds state matching funds due to changes in FMAP, including Medicaid Expansion	\$17,091,207
4. Adds funding for the state to take over expenses of certain county social services programs	\$275,000,000
5. Adds funding for a 1 percent inflationary increase for human service providers for the second year of the biennium	\$3,500,163
6. Provides funding for physical, occupational, and speech therapy services rate increase	\$1,135,354
7. Adds funding for opioid treatment services	\$1,800,000

8. Imposes a 5 percent provider assessment on nursing facilities, with \$42.7 million of estimated revenue from the assessment being used for long-term care programs	\$22,699,215
9. Restores funding for child care quality contract	\$850,000
10. Restores funding for assistive technology	\$160,000
11. Restores funding for family subsidy program	\$317,688
12. Adds funding for specialized services for individuals with developmental disability	\$350,307
13. Adds funding to increase the age of autism waivers through 11 years old	\$367,256
14. Adds funding for an employment training program	\$173,250