

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

Executive Budget Comparison to Prior Biennium Appropriations

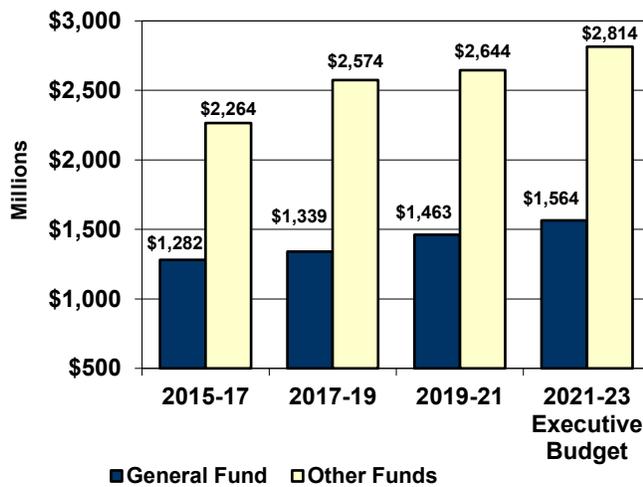
	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	2,221.63	\$1,563,943,856	\$2,813,620,360	\$4,377,564,216
2019-21 Legislative Appropriations ¹	2,230.23	1,462,663,487	2,644,160,504	4,106,823,991
Increase (Decrease)	(8.60)	\$101,280,369	\$169,459,856	\$270,740,225

¹The 2019-21 biennium agency appropriation amounts have not been adjusted for additional Coronavirus (COVID-19) spending authority of \$215,186,966 resulting from Emergency Commission action during the 2019-21 biennium.

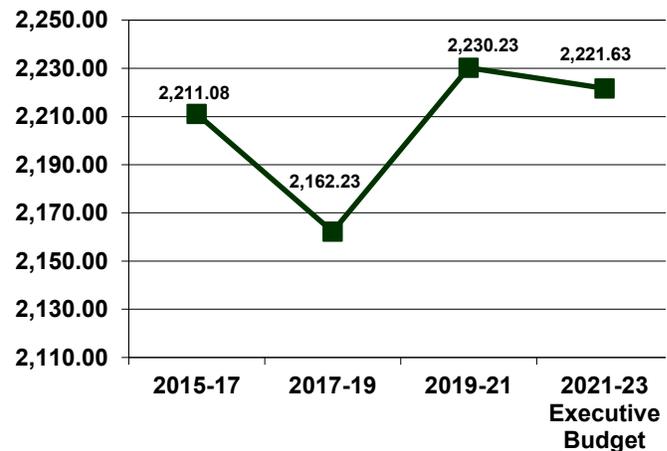
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$1,537,969,170	\$25,974,686	\$1,563,943,856
2019-21 Legislative Appropriations	1,461,150,884	1,512,603	1,462,663,487
Increase (Decrease)	\$76,818,286	\$24,462,083	\$101,280,369

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$1,563,943,856	\$2,813,620,360	\$4,377,564,216
2021-23 Base Level	1,461,150,884	2,623,604,181	4,084,755,065
Increase (Decrease)	\$102,792,972	\$190,016,179	\$292,809,151

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

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

DEPARTMENTWIDE

- Provides funding for state employee salary and benefit increases, of which \$9,368,646 is for salary increases, \$108,150 is for health insurance increases, and \$1,908,797 is for retirement contribution increases. **The House added funding for salary adjustments of 1.5 percent per year with a \$100 minimum and \$250 maximum monthly increase and increases in health insurance premiums from \$1,427 to \$1,429 per month. The House did not add funding for retirement contribution increases.** \$8,737,712 \$2,647,881 \$11,385,593

2. Underfunds salaries and wages by \$4,694,730 from the general fund in anticipation of savings from vacant positions and employee turnover	(\$4,694,730)	\$0	(\$4,694,730)
3. Adjusts funding to reduce general fund support for traditional Medicaid (\$50,919,245) and increase general fund support for Medicaid Expansion (\$3,916,989) and the children's health insurance program (\$1,222,892) due to changes in the state's federal medical assistance percentage (FMAP)	(\$45,779,364)	\$45,779,364	\$0
4. Adds funding for cost, caseload, and utilization changes , including \$156,789,851 for medical services, \$77,698,712 for long-term care, and \$41,567,021 for developmental disabilities (DD). The House adjusted estimated utilization rates for the medical services and long-term care programs.	\$124,345,846	\$174,944,195	\$299,290,041
5. Provides a 1 percent inflationary increase for human service providers during each year of the 2021-23 biennium	\$13,883,837	\$14,417,097	\$28,300,934
6. Reduces ongoing funding appropriated during the 2019-21 biennium from the community health trust fund from \$32.4 million to \$24 million and replaces ongoing funding provided from the tobacco prevention and control trust fund (\$6 million) and health care trust fund (\$1 million). The House added \$1 million of funding from the health care trust fund and matching federal funds of \$1,150,538 for nursing home operating margin adjustments.	\$15,400,000	(\$15,400,000)	\$0
7. Adds funding for the Capitol grounds agency rent proposal. The House did not add funding for the agency rent proposal.	\$474,286	\$0	\$474,286
8. Adds funding for Microsoft Office 365 expenses	\$200,315	\$50,079	\$250,394
9. Adds ongoing funding to develop an early childhood integrated data system	\$500,000	\$0	\$500,000
10. Provides one-time funding to replace the child welfare management and payments system	\$15,000,000	\$15,000,000	\$30,000,000
11. Provides one-time funding to modernize the Medicaid management information system	\$4,326,686	\$30,673,314	\$35,000,000

PROGRAM AND POLICY

Medical services

12. Provides \$1,477.4 million for medical services, of which \$385.2 million is from the general fund, an increase in total of \$63.7 million, or 4.5 percent, compared to the 2019-21 biennium appropriation of \$1,413.7 million. The executive budget: <ul style="list-style-type: none"> Provides \$623.8 million for Medicaid Expansion grants, of which \$73.5 million is from the general fund, a decrease in total of \$10.9 million, or 1.7 percent, compared to the 2019-21 biennium appropriation of \$634.7 million, of which \$64.1 million is from the general fund. The executive budget adds 12 FTE positions to transfer the administration of Medicaid Expansion to the department and changes the payment rates from commercial rates to fee-for-service rates. The House did not transfer the administration of the Medicaid Expansion program to the department and did not change the commercial rate structure. Underfunds Medicaid grants 	\$9,400,000	(\$20,300,000)	(\$10,900,000)
	(\$9,580,913)	(\$9,955,925)	(\$19,536,838)

Long-term care

13. Provides \$822.6 million for long-term care , of which \$404.2 million is from the general fund, an increase in total of \$85.2 million, or 11.6 percent, compared to the 2019-21 biennium appropriation of \$737.4 million. The executive budget: <ul style="list-style-type: none"> Reprioritizes agency special funds by transferring \$2.3 million from the basic care program to information technology services Adds one-time funding to transition to a new nursing facility payment methodology 	\$3,348,000	\$3,852,000	\$7,200,000
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- Adds **one-time funding** for a nursing bed buyback program to buy back approximately 250 licensed nursing home beds. **The House did not add funding for the nursing bed buyback program.** \$3,300,000 \$0 \$3,300,000

Developmental disabilities

14. Provides \$739.3 million for DD, of which \$344.8 million is from the general fund, an increase in total of \$68.1 million, or 10.1 percent, compared to the 2019-21 biennium appropriation of \$671.2 million. The executive budget:

- Adds funding for **equipment over \$5,000**, which includes tympanometers (\$10,000) \$979 \$9,021 \$10,000
- Adjusts department budget reporting by transferring certain FTE positions and funding relating to DD duties from the human service centers to the Developmental Disabilities Division

Vocational rehabilitation

15. Provides \$37.7 million for vocational rehabilitation services, of which \$7.3 million is from the general fund, an increase in total of \$11 million, or 41.2 percent, compared to the 2019-21 biennium appropriation of \$26.7 million. The executive budget:

- Adjusts department budget reporting by transferring certain FTE positions and funding relating to vocational rehabilitation duties from the human service centers to the Vocational Rehabilitation Division

Aging services

16. Provides \$34.5 million for aging services, of which \$12.4 million is from the general fund, an increase in total of \$9.3 million, or 36.9 percent, compared to the 2019-21 biennium appropriation of \$25.2 million. The executive budget:

- Adjusts department budget reporting by transferring certain FTE positions and funding relating to aging services duties from the human service centers to the Aging Services Division

Behavioral health services

17. Provides \$85 million for behavioral health services, of which \$36.7 million is from the general fund, an increase in total of \$12.6 million, or 17.4 percent, compared to the 2019-21 biennium appropriation of \$72.4 million. The executive budget:

- Increases funding for the substance use disorder voucher program from \$8 million to \$17 million. **The House increased funding for the voucher program to \$15 million and provided for \$3 million of the funds to be distributed as facility grants in underserved areas of the state.** \$9,000,000 \$0 \$9,000,000

Economic assistance

18. Provides \$275 million for economic assistance, of which \$11.9 million is from the general fund, an increase in total of \$13.1 million, or 5 percent, compared to the 2019-21 biennium appropriation of \$261.9 million. Major program changes include:

- Provides \$34.7 million for **child care assistance**, of which \$5.6 million is from the general fund, an increase of \$6.9 million, or 24.8 percent, compared to the 2019-21 biennium appropriation of \$27.8 million \$2,952,579 \$3,970,653 \$6,923,232
- Increases federal funding for the **supplemental nutrition assistance program (SNAP)** or food stamp benefits to provide a total of \$168 million, an increase of \$2.8 million, or 1.7 percent, compared to the 2019-21 biennium appropriation of \$165.2 million \$0 \$2,760,000 \$2,760,000
- Increases federal funding for the **low-income home energy assistance program (LIHEAP)** to provide a total of \$36.1 million, an increase of \$1.6 million, or \$0 \$1,634,000 \$1,634,000

25. Provides funding for **equipment over \$5,000**, which includes: \$208,055 \$0 \$208,055

Dishwasher	\$90,000
Security cameras	38,727
Mower/blower	31,765
Utility vehicle	22,135
Floor scrubber	5,200
Washing machines	14,228
Gym divider	6,000
Total	\$208,055

HUMAN SERVICE CENTERS

26. Provides \$167.5 million for human service centers, of which \$96.2 million is from the general fund, a decrease in total of \$37.2 million, or 18.2 percent, compared to the 2019-21 biennium appropriation of \$204.7 million. The executive budget:

- Adds funding to contract with a private service provider for civil sex offender treatment \$917,004 \$0 \$917,004
- Adds funding for **extraordinary repairs** at the southeast human service center, which includes \$80,000 for an air unit replacement \$80,000 \$0 \$80,000
- Transfers 238.12 FTE positions to program and policy and management to adjust the budget reporting for the department

COUNTY SOCIAL SERVICES

27. Transfers \$174.4 from the tax relief fund to the human service finance fund and appropriates the funding, along with funding from the general fund and other funds, for costs associated with the state takeover of county social services expenses. The transfer from the tax relief fund is an increase of \$680,767 from the 2019-21 biennium transfer. **The House provided for a transfer of \$187.4 million from the tax relief fund to the human service finance fund.** \$1,323,223 \$2,135,515 \$3,458,738

28. Adds 3 FTE home- and community-based case management staff \$0 \$498,673 \$498,673

Other Sections in House Bill No. 1012

Deficiency appropriation - Section 3 appropriates \$333,333 from the Department of Human Services (DHS) operating fund during the 2019-21 biennium for a grant to a political subdivision for a portion of the cost of purchasing a fire truck.

Transfers - Section 4 authorizes DHS to transfer appropriation authority between line items within subdivisions 1 through 3 of Section 1.

Transfers - Section 5 authorizes DHS to transfer appropriation authority from line items within subdivisions 1 through 3 of Section 1 to subdivision 4 of Section 1.

Aging Services FTE position - Section 6 identifies 1 FTE position in the Aging Services program is for the administration of services resulting from a federal Department of Justice lawsuit settlement and the position is authorized only for the 2021-23 biennium.

Human service finance fund - Section 7 identifies \$187,385,888 of the appropriation for the county social and human service project is from the human service finance fund.

Community health trust fund - Section 8 identifies \$24 million of the appropriation for the Medical Services Division is from the community health trust fund.

Health care trust fund - Section 9 identifies \$1 million from the health care trust fund and \$1,150,538 from federal funds is for nursing facility operating margin adjustments.

Capital projects and payments - Section 10 authorizes DHS to pay special assessments at the State Hospital and Life Skills and Transition Center. Section 11 authorizes the demolition of the chapel and employee building at the State Hospital and allows DHS to transfer funds from other line items to pay for the demolition of the buildings and other emergency capital projects.

Medicaid Expansion appropriations - Section 12 provides DHS may not spend more for the Medicaid Expansion program than the amount appropriated in the bill with certain exceptions.

Nursing facility appropriations - Section 13 provides DHS may not spend more for nursing facility payments than the amount appropriated in the bill.

Substance use disorder voucher program - Sections 14 and 15 create a new substance use disorder voucher facility grant program and provide that no more than 30 percent of funding for service grants may be used for residential services.

Medicaid Expansion - Sections 16 and 17 amend North Dakota Century Code Section 50-24.1-37 to extend the sunset clause on the Medicaid Expansion program. Section 17 provides effective January 1, 2022, 19 and 20 year old recipients are transitioned to a fee for service arrangement and provider reimbursement rates are not confidential.

Personal care - Section 18 repeals Section 50-24.1-18.1 relating to personal care services for eligible medical assistance recipients.

Conveyance of land - Section 19 authorizes DHS to convey land at the Life Skills and Transition Center to the Grafton Parks and Recreation Department.

Lease of land - Section 20 authorizes DHS and the Adjutant General to enter an agreement to lease up to 20 acres of property at the State Hospital for a National Guard training and storage facility.

Provider outcomes - Section 21 requires providers that receive funding from DHS to submit process and outcome measures.

Developmental disabilities in-home support services - Section 22 directs DHS to include in-home supports to be included in the Appendix K application submitted to the Centers for Medicare and Medicaid Services for the developmental disability waiver.

Qualified residential treatment providers - Section 23 requires DHS to adopt rules establishing a ratesetting process and other requirements for foster care maintenance rates for qualified residential treatment providers.

Community behavioral health program - Section 24 authorizes DHS to use line item transfers to provide funding for the community behavioral health program.

Carryover authority - Sections 25 through 30 allow DHS to continue unexpended appropriations for various projects into the 2021-23 biennium.

Developmental disability provider rates - Section 31 provides legislative intent that DHS seek a deficiency appropriation from the 68th Legislative Assembly if developmental disability provider funding is not sufficient to pay actual expenses.

State Hospital complex study - Section 32 provides for DHS to conduct a study of the State Hospital complex and to provide a report to the Legislative Management regarding the results of the study.

Medicaid Expansion behavioral health services - Section 33 provides for DHS to conduct a study of the feasibility and desirability of implementing behavioral health services for the Medicaid Expansion program through an administrative services organization.

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

Section 3 of the bill appropriates \$333,333 from the DHS operating fund during the 2019-21 biennium for a grant to a political subdivision for a portion of the cost of purchasing a firetruck.

Estimated Unspent General Fund Appropriation Authority (Turnback)

The 2021-23 executive budget recommendation includes estimated unspent general fund appropriation authority of \$92.5 million for DHS for the 2019-21 biennium.

Significant Audit Findings

The June 30, 2019, State Auditor report for the Department of Human Services identified the following audit findings:

- Payments after death (prior audit finding) - A total of \$108,425 may have been paid in Medicaid benefits for medical services billed for services dated after a beneficiary's date of death.
- Child care correction orders not resolved (prior audit finding) - Child care providers are operating without proper reinspection of correction orders, potentially jeopardizing the health and safety of children.
- Monitoring child care providers with memorandums of understanding (prior audit finding) - The department is not properly monitoring child care providers operating under a memorandum of understanding agreement resulting in increased risks to the health and safety of children when in child care.

- Failure to timely contact suspected victims of child abuse and neglect (prior audit finding) - Prior audit recommendations have not been implemented which may cause a child to stay in an at-risk environment susceptible to abuse or neglect for an additional amount of time.
- Not performing quality assurance for child protection services (prior audit finding) - Without sufficient monitoring procedures the department is unable to ensure that services will protect the health and welfare of children.
- Confirmed child abusers not listed on index (prior audit finding) - Background check search results of the child abuse and neglect index may be inaccurate.
- Financial errors - The department reported incorrect financial information for the state's comprehensive annual financial report.
- Medicaid drug rebate system errors (prior audit finding) - There is increased potential for fraud and errors to occur and be undetected within the Medicaid drug rebate program.

Major Related Legislation

House Bill No. 1065 - Nursing home bed moratorium - Amends Section 23-16-01.1 to adjust provisions relating to the nursing home bed moratorium.

House Bill No. 1066 - Accreditation of human service centers - Amends Section 50-06-05.2 to require DHS to request appropriations to ensure maintenance of the accreditation of human service centers and allows accreditation to be used as a basis for licensing in lieu of adopted rules for the operation of the centers.

House Bill No. 1076 - Children's Cabinet membership - Amends Section 50-06-43.1 to allow the chairman of the Legislative Management to appoint a member of the Legislative Assembly as the presiding officer of the Children's Cabinet.

House Bill No. 1090 - Nursing home payment methodology - Amends various sections to adjust the payment methodology of nursing homes.

House Bill No. 1247 - Department of Health and Human Services - Merges the State Department of Health into the Department of Human Services to create a new Department of Health and Human Services.

House Bill No. 1332 - Nursing home bed moratorium - Amends Section 23-16-01.1 to extend the moratoria on basic care and nursing facility bed capacity.

House Bill No. 1394 - Federal coronavirus relief funding - Appropriates federal COVID-19 relief funding anticipated to be received by state agencies.

House Bill No. 1395 - Federal coronavirus relief fund - Reallocates federal coronavirus relief funds previously authorized by the Emergency Commission and Budget Section.

House Bill No. 1402 - Substance use disorder voucher program - Authorizes an out-of-state substance use disorder treatment program located in a bordering state to participate in the voucher program to provide services to underserved areas of the state.

House Bill No. 1407 - Tribal health care coordination fund - Increases from 60 to 70 percent, the amount of eligible funding to be deposited in the tribal health care coordination fund.

House Bill No. 1416 - Early childhood duties - Transfers early childhood education duties from the Department of Public Instruction to DHS.

House Bill No. 1466 - Early childhood education grant program - Establishes a new grant program within DHS to provide grants for early childhood education programs.

Senate Bill No. 2014 - Health care trust fund - Amends Section 6-09.16-03 to remove the transfer of principal and interest from loan payments from the long-term care facility loan fund to the health care trust fund.

Senate Bill No. 2083 - Child abuse - Amends various sections relating to reporting and duties relating to child abuse.

Senate Bill No. 2085 - Medical services program adjustments - Amends various sections relating to the medical assistance program, including eligibility of Medicaid waivers for in-home services, services provided by advanced practice nurses, and payment methods for medical assistance providers.

Senate Bill No. 2086 - County social and human service project - Amends various sections relating to the county social and human service project, including the duties of counties and human service zones, payments to human service zones, and the process to inform county commissioners regarding options to transition zone employees to state employment, and transfers 16 FTE foster care licensing positions from zone employment to state employment.

Senate Bill No. 2087 - Medical assistance prior authorization - Amends Section 50-24.6-04 relating to prior authorization of medications for the medical assistance program.

Senate Bill No. 2088 - Adoption assistance - Amends Sections 50-28-02 and 50-09-02.2 relating to adoption assistance for children with special needs and payments to adoptive parents.

Senate Bill No. 2089 - Housing stabilization assistance and autism spectrum disorder voucher program - Amends Section 50-06-05.1 relating to housing stabilization assistance and repeals Section 50-06-32.1 to eliminate the autism spectrum disorder voucher program.

Senate Bill No. 2135 - Report on department quality - Requires DHS to provide a report to the Legislative Management before July 1, 2022, regarding the department's quality strategy.

Senate Bill No. 2161 - Behavioral health bed management system - Requires DHS to establish and maintain a registry of mental health providers in the state and establish and maintain a behavioral health bed management system for public and private providers.

Senate Bill No. 2199 - Interstate contracts for treatment - Amends Section 25-03.1-34.2 relating to DHS entering contracts with neighboring states for the treatment of mental illness or substance use disorders.

Senate Bill No. 2205 - Medicaid coverage for interpreter services - Requires DHS to cover interpreter services costs needed for individuals in the Medicaid program receiving medical services.

Senate Bill No. 2256 - Study of developmental disability services - Provides for a Legislative Management study of developmental disability services in the state and provides a \$150,000 general fund appropriation to DHS to contract with a consultant for the study.

Senate Bill No. 2275 - Task force on prevention of sexual abuse of children - Provides a general fund appropriation of \$281,715 for a grant to the task force on prevention of sexual abuse of children.

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

	FTE	General Fund	Other Funds	Total
2021-23 Base Level				
Management	107.95	\$64,690,274	\$90,021,088	\$154,711,362
Program and Policy	383.25	1,181,597,942	2,232,568,138	3,414,166,080
Field Services	1,599.03	214,862,668	127,314,955	342,177,623
County Social Services	140.00	0	173,700,000	173,700,000
Total 2021-23 Base Level	2,230.23	\$1,461,150,884	\$2,623,604,181	\$4,084,755,065
House Adjustments to Base Level				
Management	(10.10)	\$26,569,097	\$49,907,855	\$76,476,952
Program and Policy	265.42	112,586,136	235,823,355	348,409,491
Field Services	(256.72)	(31,262,297)	(13,370,943)	(44,633,240)
County Social Services	3.00	1,311,724	15,139,791	16,451,515
Total Adjustments	1.60	\$109,204,660	\$287,500,058	\$396,704,718
2021-23 House Version				
Management	97.85	\$91,259,371	\$139,928,943	\$231,188,314
Program and Policy	648.67	1,294,184,078	2,468,391,493	3,762,575,571
Field Services	1,342.31	183,600,371	113,944,012	297,544,383
County Social Services	143.00	1,311,724	188,839,791	190,151,515
Total 2021-23 House Version	2,231.83	\$1,570,355,544	\$2,911,104,239	\$4,481,459,783

DHS - Management - Budget No. 325

House Bill No. 1012

Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	107.95	\$64,690,274	\$90,021,088	\$154,711,362	107.95	\$64,690,274	\$90,021,088	\$154,711,362
2021-23 Ongoing Funding Changes								
2019-21 transfers and adjustments	(18.10)	(\$838,781)	(\$3,553,654)	(\$4,392,435)	(18.10)	(\$838,781)	(\$3,553,654)	(\$4,392,435)
Base payroll changes		(508,525)	732,079	223,554		(508,525)	732,079	223,554
Salary increase		385,855	82,012	467,867		370,808	77,346	448,154
Retirement contribution increase		79,629	16,925	96,554				0
Health insurance increase		3,903	830	4,733		3,903	830	4,733
Reduce funding for operating				0		(8,405,193)		(8,405,193)
Administration								
Continued program changes		341,831	841,290	1,183,121		341,831	841,290	1,183,121
Savings plan	8.00	431,068	440,358	871,426	8.00	431,068	440,358	871,426
Capitol complex rent model change		474,286		474,286				0
Information Technology Services								
Data processing costs and other program changes		14,822,924	4,401,791	19,224,715		14,822,924	4,401,791	19,224,715
Savings plan		(4,396,355)	(3,012,157)	(7,408,512)		(4,396,355)	(3,012,157)	(7,408,512)
Technology contractual services and repairs		4,010,886		4,010,886		4,010,886		4,010,886
Early childhood data system		500,000		500,000		500,000		500,000
Microsoft Office 365		200,315	50,079	250,394		200,315	50,079	250,394
Other funds reprioritization			2,324,362	2,324,362			2,324,362	2,324,362
Total ongoing funding changes	(10.10)	\$15,507,036	\$2,323,915	\$17,830,951	(10.10)	\$6,532,881	\$2,302,324	\$8,835,205
One-time funding items								
Upgrade MMIS system		\$4,326,686	\$30,673,314	\$35,000,000		\$4,326,686	\$30,673,314	\$35,000,000
Child welfare technology project		15,000,000	15,000,000	30,000,000		15,000,000	15,000,000	30,000,000
Data automation						98,186	98,186	196,372
MMIS tech stack						600,000	1,800,000	2,400,000
Quality measures services						11,344	34,031	45,375
Total one-time funding changes	0.00	\$19,326,686	\$45,673,314	\$65,000,000	0.00	\$20,036,216	\$47,605,531	\$67,641,747
Total Changes to Base Level Funding	(10.10)	\$34,833,722	\$47,997,229	\$82,830,951	(10.10)	\$26,569,097	\$49,907,855	\$76,476,952
2021-23 Total Funding	97.85	\$99,523,996	\$138,018,317	\$237,542,313	97.85	\$91,259,371	\$139,928,943	\$231,188,314
<i>Total ongoing changes as a percentage of base level</i>	(9.4%)	24.0%	2.6%	11.5%	(9.4%)	10.1%	2.6%	5.7%
<i>Total changes as a percentage of base level</i>	(9.4%)	53.8%	53.3%	53.5%	(9.4%)	41.1%	55.4%	49.4%

DHS - Program and Policy - Budget No. 325
House Bill No. 1012
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	383.25	\$1,181,597,942	\$2,232,568,138	\$3,414,166,080	383.25	\$1,181,597,942	\$2,232,568,138	\$3,414,166,080
2021-23 Ongoing Funding Changes								
2019-21 transfers and adjustments	257.22	\$22,005,318	\$23,196,444	\$45,201,762	257.22	\$22,005,318	\$23,196,444	\$45,201,762
Base payroll changes		2,029,128	624,013	2,653,141		2,029,128	624,013	2,653,141
Salary increase		1,480,781	1,276,969	2,757,750		1,501,257	1,359,427	2,860,684
Retirement contribution increase		304,799	262,848	567,647				0
Health insurance increase		17,084	14,732	31,816		17,084	14,732	31,816
Provider inflation increases		13,478,022	14,417,097	27,895,119		13,478,022	14,417,097	27,895,119
Federal medical assistance percentage changes		(45,779,364)	45,779,364	0		(45,779,364)	45,779,364	0
Economic Assistance								
Continued program changes		(210,585)	3,276,939	3,066,354		(210,585)	3,276,939	3,066,354
Grant cost and caseload changes		2,952,453	8,382,789	11,335,242		2,952,453	8,382,789	11,335,242
Child Support								
Continued program changes		36,397	(91,785)	(55,388)		36,397	(91,785)	(55,388)
Agency savings plan		(103,906)	(357,788)	(461,694)		(103,906)	(357,788)	(461,694)
Medical Services								
Continued program changes		2,493,060	5,504,976	7,998,036		2,493,060	5,504,976	7,998,036
Agency savings plan, excluding adjustments to Medicaid Expansion administration and rates	12.00	(11,725,352)	(80,633,115)	(92,358,467)		(999,112)	5,250,858	4,251,746
Grant cost and caseload changes		55,976,251	100,813,594	156,789,845		55,976,251	100,813,594	156,789,845
Other funds reprioritization			(40,000)	(40,000)			(40,000)	(40,000)
Funding source change - Community health and tobacco prevention and control trust funds		14,400,000	(14,400,000)	0		14,400,000	(14,400,000)	0
Underfund Medicaid grants		(9,580,913)	(9,955,925)	(19,536,838)		(9,580,913)	(9,955,925)	(19,536,838)
Medicaid COVID-19 vaccine				0		1,581,000	1,819,000	3,400,000
DOJ settlement services				0		66,465	199,395	265,860
Medicaid Expansion - 19 and 20 year olds to fee for service				0	0.50	(2,413,379)	(2,745,227)	(5,158,606)
Adjust estimated utilization rates				0		(176,553)	(202,213)	(378,766)
Restore per member per month payment				0		769,869	882,371	1,652,240
Long-Term Care								
Agency savings plan		(7,871,872)	(960,285)	(8,832,157)		(7,871,872)	(960,285)	(8,832,157)
Restore funding for basic care program				0		5,300,000		5,300,000
Grant cost and caseload changes		40,219,972	37,478,740	77,698,712		40,219,972	37,478,740	77,698,712
Other funds reprioritization			(2,284,362)	(2,284,362)			(2,284,362)	(2,284,362)
Funding source change - Health care trust fund		1,000,000	(1,000,000)	0		1,000,000	(1,000,000)	0
Adjustment for utilization rates				0		(9,395,558)	(9,429,807)	(18,825,365)
Provide funding from health care trust fund				0			2,150,538	2,150,538
DOJ settlement services				0		2,197,552	2,309,196	4,506,748

DD Council								
Continued program changes		124,949	124,949			124,949	124,949	
Aging Services								
Continued program changes	126,302	2,384,246	2,510,548		126,302	2,384,246	2,510,548	
Agency savings plan	(248,240)	(163,425)	(411,665)		(248,240)	(163,425)	(411,665)	
DOJ settlement agreement			0	1.00	300,000	150,000	450,000	
Senior community employment grant			0			889,285	889,285	
Children and Family Services								
Continued program changes	3,172,228	(394,323)	2,777,905		3,172,228	(394,323)	2,777,905	
Agency savings plan	(12,191,335)	(7,728,080)	(19,919,415)		(12,191,335)	(7,728,080)	(19,919,415)	
Restore portion of 1915i realignment			0		73,750		73,750	
Grant cost and caseload changes	(6,187,819)	6,025,058	(162,761)		(6,187,819)	6,025,058	(162,761)	
Transfer early childhood program			0	3.00	300,000	400,000	700,000	
Early childhood grant program			0	3.70	5,458,910		5,458,910	
Behavioral Health Division								
Continued program changes	156,645	(1,957,536)	(1,800,891)		156,645	(1,957,536)	(1,800,891)	
Agency savings plan	(832,173)		(832,173)		(832,173)		(832,173)	
Restore portion of 1915i realignment			0		372,611		372,611	
Grant cost and caseload changes	5,427,067		5,427,067		5,427,067		5,427,067	
Expand substance use disorder voucher	9,000,000		9,000,000		7,000,000		7,000,000	
Vocational Rehabilitation								
Continued program changes	(416,293)	(381,081)	(797,374)		(416,293)	(381,081)	(797,374)	
Agency savings plan	(1,803,954)	(91,000)	(1,894,954)		(1,803,954)	(91,000)	(1,894,954)	
Restore CIL and ski park funds			0		1,803,954	91,000	1,894,954	
Developmental Disabilities								
Continued program changes	(11,821)	163,017	151,196		(11,821)	163,017	151,196	
Agency savings plan	(2,252,289)	(1,926,850)	(4,179,139)		(2,252,289)	(1,926,850)	(4,179,139)	
Grant cost and caseload changes	19,323,007	22,244,014	41,567,021		19,323,007	22,244,014	41,567,021	
Small agency accreditation costs			0		25,000		25,000	
Total ongoing funding changes	269.22	\$94,382,598	\$149,604,234	\$243,986,832	265.42	\$109,088,136	\$231,821,355	\$340,909,491
One-time funding items:								
Nursing facility payment methodology change	\$3,348,000	\$3,852,000	\$7,200,000		\$3,348,000	\$3,852,000	\$7,200,000	
Nursing facility bed buyback program	3,300,000		3,300,000				0	
ASO management consultant			0		150,000	150,000	300,000	
Total one-time funding changes	\$6,648,000	\$3,852,000	\$10,500,000	0.00	\$3,498,000	\$4,002,000	\$7,500,000	
Total Changes to Base Level Funding	269.22	\$101,030,598	\$153,456,234	\$254,486,832	265.42	\$112,586,136	\$235,823,355	\$348,409,491
2021-23 Total Funding	652.47	\$1,282,628,540	\$2,386,024,372	\$3,668,652,912	648.67	\$1,294,184,078	\$2,468,391,493	\$3,762,575,571
Total ongoing changes as a percentage of base level	70.2%	8.0%	6.7%	7.1%	69.3%	9.2%	10.4%	10.0%
Total changes as a percentage of base level	70.2%	8.6%	6.9%	7.5%	69.3%	9.5%	10.6%	10.2%

DHS - Field Services - Budget No. 325
House Bill No. 1012
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	1,599.03	\$214,862,668	\$127,314,955	\$342,177,623	1,599.03	\$214,862,668	\$127,314,955	\$342,177,623
2021-23 Ongoing Funding Changes								
2019-21 transfers and adjustments	(239.12)	(\$21,166,537)	(\$19,642,790)	(\$40,809,327)	(239.12)	(\$21,166,537)	(\$19,642,790)	(\$40,809,327)
Base payroll changes		(7,659,868)	12,248,626	4,588,758		(7,659,868)	12,248,626	4,588,758
Salary increase		4,975,231	523,871	5,499,102		5,572,943	489,043	6,061,986
Retirement contribution increase		1,003,529	108,416	1,111,945				0
Health insurance increase		59,867	5,710	65,577		59,867	5,710	65,577
Provider inflationary increases		405,815		405,815		405,815		405,815
Human Service Centers								
Continued program changes		3,116,890	(2,911,912)	204,978		3,116,890	(2,911,912)	204,978
Cost and caseload changes		2,624,029		2,624,029		2,624,029		2,624,029
Civil sex offender treatment contract		917,004		917,004		917,004		917,004
Agency savings plan		(6,414,994)		(6,414,994)		(6,414,994)		(6,414,994)
Restore portion of 1915i realignment				0		1,362,299		1,362,299
Institutions								
Continued program changes		(4,250,920)	3,154,778	(1,096,142)		(4,250,920)	3,154,778	(1,096,142)
Agency savings plan	(31.60)	(8,004,617)	(7,059,498)	(15,064,115)	(31.60)	(8,004,617)	(7,059,498)	(15,064,115)
Restore State Hospital beds				0	14.00	1,775,792	345,100	2,120,892
LSTC psychiatrist				0		100,000		100,000
Total ongoing funding changes	(270.72)	(\$34,394,571)	(\$13,572,799)	(\$47,967,370)	(256.72)	(\$31,562,297)	(\$13,370,943)	(\$44,933,240)
One-time funding items								
State Hospital complex study				\$0		\$300,000		\$300,000
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$300,000	\$0	\$300,000
Total Changes to Base Level Funding	(270.72)	(\$34,394,571)	(\$13,572,799)	(\$47,967,370)	(256.72)	(\$31,262,297)	(\$13,370,943)	(\$44,633,240)
2021-23 Total Funding	1,328.31	\$180,468,097	\$113,742,156	\$294,210,253	1,342.31	\$183,600,371	\$113,944,012	\$297,544,383
<i>Total ongoing changes as a percentage of base level</i>	(16.9%)	(16.0%)	(10.7%)	(14.0%)	(16.1%)	(14.7%)	(10.5%)	(13.1%)
<i>Total changes as a percentage of base level</i>	(16.9%)	(16.0%)	(10.7%)	(14.0%)	(16.1%)	(14.5%)	(10.5%)	(13.0%)

DHS - County Social Services - Budget No. 325
House Bill No. 1012
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	140.00	\$0	\$173,700,000	\$173,700,000	140.00	\$0	\$173,700,000	\$173,700,000
2021-23 Ongoing Funding Changes								
Base payroll changes			\$1,653,466	\$1,653,466			\$1,653,466	\$1,653,466
Salary increase		\$351,365	292,562	643,927		412,248	291,785	704,033
Health insurance increase		3,287	2,737	6,024		3,287	2,737	6,024
Retirement contribution increase		72,382	60,269	132,651				0
Continued program changes		896,189	(372,192)	523,997		896,189	(372,192)	523,997
Home- and community-based services staff	3.00		498,673	498,673	3.00		498,673	498,673
Zone employee salary increase							3,975,941	3,975,941
Additional zone operations funding							9,089,381	9,089,381
Total ongoing funding changes	3.00	\$1,323,223	\$2,135,515	\$3,458,738	3.00	\$1,311,724	\$15,139,791	\$16,451,515
One-time funding items								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	3.00	\$1,323,223	\$2,135,515	\$3,458,738	3.00	\$1,311,724	\$15,139,791	\$16,451,515
2021-23 Total Funding	143.00	\$1,323,223	\$175,835,515	\$177,158,738	143.00	\$1,311,724	\$188,839,791	\$190,151,515
<i>Total ongoing changes as a percentage of base level</i>	2.1%		1.2%	2.0%	2.1%		8.7%	9.5%
<i>Total changes as a percentage of base level</i>	2.1%		1.2%	2.0%	2.1%		8.7%	9.5%

Department of Human Services - Budget No. 325
House Bill No. 1012
Other Sections

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Deficiency appropriation	Not included	Section 3 appropriates \$333,333 from the DHS operating fund during the 2019-21 biennium for a grant to a political subdivision for a portion of the cost of purchasing a firetruck.
Line item transfers	Section 6 would allow DHS to transfer appropriation authority between line items within subdivisions 1 through 3 of Section 1. Section 7 would allow DHS to transfer appropriation authority from line items within subdivisions 1 through 3 of Section 1 to subdivision 4 of Section 1.	Section 4 allows DHS to transfer appropriation authority between line items within subdivisions 1 through 3 of Section 1. Section 5 allows DHS to transfer appropriation authority from line items within subdivisions 1 through 3 of Section 1 to subdivision 4 of Section 1.
Aging Services FTE position	Not included	Section 6 identifies 1 FTE position in the Aging Services program is for the administration of services resulting from a federal Department of Justice lawsuit settlement and the position is authorized only for the 2021-23 biennium.
Human service finance fund	Section 9 would identify \$174,380,767 of the recommended appropriation for the county social and human service project is from the human service finance fund.	Section 7 identifies \$187,385,888 of the appropriation for the county social and human service project is from the human service finance fund.
Community health trust fund	Section 8 would identify \$24 million of the recommended appropriation for the Medical Services Division is from the community health trust fund.	Section 8 identifies \$24 million of the appropriation for the Medical Services Division is from the community health trust fund.
Health care trust fund	Not included	Section 9 identifies \$1 million of the appropriation for long-term care is from the health care trust fund for nursing facility operating margin adjustments.
Capital projects and payments	Section 21 would authorize the payment of special assessments at the State Hospital and Life Skills and Transition Center and would authorize the demolition of the chapel and employee building at the State Hospital. The section would also allow DHS to transfer funds from other line items to pay for the demolition of the buildings and other emergency capital projects.	Section 10 authorizes the payment of special assessments at the State Hospital and Life Skills and Transition Center. Section 11 authorizes the demolition of the chapel and employee building at the State Hospital. The section also allows DHS to transfer funds from other line items to pay for the demolition of the buildings and other emergency capital projects.
Medicaid Expansion appropriations	Section 11 would provide DHS may not spend more for the Medicaid Expansion program than the amount appropriated in the bill with certain exceptions.	Section 12 provides DHS may not spend more for the Medicaid Expansion program than the amount appropriated in the bill with certain exceptions.
Nursing facility appropriations	Section 12 would provide DHS may not spend more for nursing facility payments than the amount appropriated in the bill.	Section 13 provides DHS may not spend more for nursing facility payments than the amount appropriated in the bill.
Substance use disorder voucher program	Not included	Sections 14 and 15 create a new substance use disorder voucher facility grant program and provide that no more than 30 percent of funding for service grants may be used for residential services.
Medicaid Expansion	Section 3 would amend North Dakota Century Code Section 50-24.1-37 to extend the expiration date for the Medicaid Expansion program to June 30, 2022. Section 4 would provide for the Medicaid Expansion program to be a fee-for-service program administered by DHS effective July 1, 2022.	Sections 16 and 17 amend North Dakota Century Code Section 50-24.1-37 to extend the sunset clause on the Medicaid Expansion program. Section 17 provides effective January 1, 2022, 19 and 20 year old recipients are transitioned to a fee for service arrangement and provider reimbursement rates are not confidential.
Personal care	Section 5 would repeal Section 50-24.1-18.1 relating to personal care services for eligible medical assistance recipients.	Section 18 repeals Section 50-24.1-18.1 relating to personal care services for eligible medical assistance recipients.

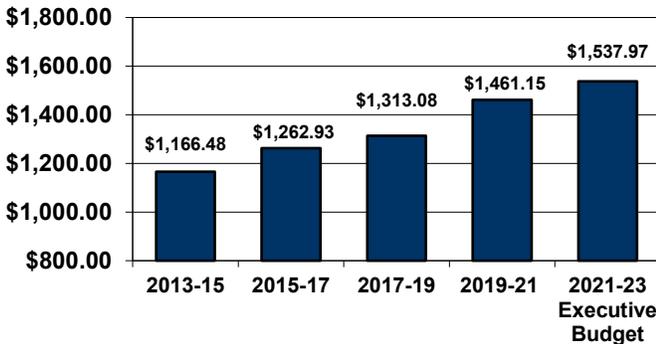
Conveyance of land	Section 20 would authorize DHS to convey land at the Life Skills and Transition Center to the Grafton Parks and Recreation Department.	Section 19 authorizes DHS to convey land at the Life Skills and Transition Center to the Grafton Parks and Recreation Department.
Lease of land at State Hospital	Section 25 would provide legislative intent that DHS and the Adjutant General enter an agreement to lease up to 20 acres of property at the State Hospital for a National Guard training and storage center.	Section 20 authorizes DHS and the Adjutant General to enter an agreement to lease up to 20 acres of property at the State Hospital for a National Guard training and storage facility.
Provider outcomes	Section 23 would require providers that receive funding from DHS to submit process and outcome measures.	Section 21 requires providers that receive funding from DHS to submit process and outcome measures.
Developmental disabilities in-home supports	Not included	Section 22 directs DHS to include in-home supports to be included in the Appendix K application submitted to the Centers for Medicare and Medicaid Services for the developmental disability waiver.
Residential treatment providers	Section 24 would require DHS to adopt rules establishing a ratesetting process and other requirements for foster care maintenance rates for qualified residential treatment providers.	Section 23 requires DHS to adopt rules establishing a ratesetting process and other requirements for foster care maintenance rates for qualified residential treatment providers.
Community behavioral health program	Not included	Section 24 authorizes DHS to use line item transfers to provide funding for the community behavioral health program.
Carryover authority	Sections 14 through 19 would allow DHS to continue unexpended appropriations for various projects into the 2021-23 biennium.	Sections 25 through 30 allow DHS to continue unexpended appropriations for various projects into the 2021-23 biennium.
Legislative intent - Developmental disability provider rates	Not included	Section 31 provides legislative intent that DHS seek a deficiency appropriation from the 68 th Legislative Assembly if developmental disability provider funding is not sufficient to pay actual expenses.
State Hospital complex study	Not included	Section 32 provides for DHS to conduct a study of the State Hospital complex and to provide a report to the Legislative Management regarding the results of the study.
Medicaid Expansion behavioral health services	Not included	Section 33 provides for DHS to conduct a study of the feasibility and desirability of implementing behavioral health services for the Medicaid Expansion program through an administrative services organization.
Nursing home bed reduction	Section 10 would appropriate \$3.3 million from the general fund to provide incentives to nursing facilities to reduce licensed bed capacity.	Not included
Health home for individuals with chronic conditions	Section 13 would require DHS to develop a plan to implement a state Medicaid option to provide coordinated care through a health home for individuals with a chronic condition.	Not included
State Hospital facility	Section 22 would authorize DHS to enter a public-private partnership for the purpose of constructing a new State Hospital facility.	Not included

Department 325 - Department of Human Services

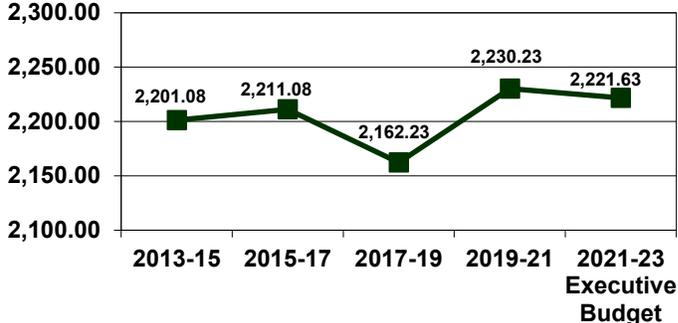
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$1,166,482,508	\$1,262,925,021	\$1,313,081,350	\$1,461,150,884	\$1,537,969,170
Increase (decrease) from previous biennium	N/A	\$96,442,513	\$50,156,329	\$148,069,534	\$76,818,286
Percentage increase (decrease) from previous biennium	N/A	8.3%	4.0%	11.3%	5.3%
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	8.3%	12.6%	25.3%	31.8%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2015-17 Biennium

- 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 inflationary increase for providers for the 1st year of the biennium \$24,727,201
- 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 \$468,629
- 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 \$704,148
- 9. Added funding for senior meals program \$502,300
- 10. Added funding to establish and administer a substance abuse voucher system \$375,000

2017-19 Biennium

- 1. Removed 33 FTE positions from the department (\$3,127,902)
- 2. Reduced funding for staff overtime (\$1,082,857)
- 3. Adjusted funding for child care assistance eligibility (\$2,160,357)
- 4. Adjusted the professional fee schedule to 100 percent of Medicare and provided other policy changes (\$10,612,966)
- 5. Added funding to continue Medicaid Expansion for 19 and 20 year olds as managed care \$1,653,008

6. Changed a portion of funding sources for various programs from the general fund to the community health trust fund (\$18,000,000) and the tobacco prevention and control trust fund (\$22,175,000)	(\$40,175,000)
7. Added funding for nursing home operating margin, rebasing, and incentives	\$1,783,181
8. Added funding for money follows the person grants	\$527,954
9. Added funding to increase the autism waiver maximum age to 11 years old	\$183,609
10. Reduced funding for vacant positions and employee turnover at institutions	(\$3,250,499)
2019-21 Biennium	
1. Added funding for provider inflationary increases of 2 percent the 1 st year of the biennium and 2.5 percent the 2 nd year of the biennium	\$30,155,090
2. Adjusted funding for anticipated changes in the regular FMAP	(\$25,682,840)
3. Adjusted funding for anticipated changes in the FMAP for Medicaid Expansion (\$20,254,376) and the children's health insurance program (\$6,152,757)	\$26,407,133
4. Added funding for grant cost and caseload changes	\$51,128,377
5. Replaced funding provided in the 2017-19 biennium from the tobacco prevention and control trust fund	\$34,175,000
6. Replaced one-time funding provided in the 2017-19 biennium for Medicaid Expansion commercial rates	\$13,300,000
7. Adjusted funding sources to use funding from the community health trust fund rather than the general fund	(\$32,400,000)
8. Added funding for the free through recovery program to provide services to individuals outside of the corrections system	\$4,000,000
9. Added funding to expand crisis services	\$4,096,174
10. Added funding for the substance use disorder voucher program	\$3,053,523
2021-23 Biennium (Executive Budget Recommendation)	
1. Adds funding for cost, caseload, and utilization changes, including \$156,789,851 for medical services, \$77,698,712 for long-term care, and \$41,567,021 for developmental disabilities. The House adjusted estimated utilization rates for the medical services and long-term care programs.	\$124,345,846
2. Underfunds salaries and wages by \$4,694,730 from the general fund in anticipation of savings from vacant positions and employee turnover	(\$4,694,730)
3. Reduces ongoing funding appropriated during the 2019-21 biennium from the community health trust fund from \$32.4 million to \$24 million and replaces ongoing funding provided from the health care trust fund (\$1 million). The House added \$1 million of funding from the health care trust fund and matching federal funds of \$1,150,538 for nursing home operating margin adjustments.	\$15,400,000
4. Provides a 1 percent inflationary increase for human service providers during each year of the 2021-23 biennium	\$13,883,837
5. Increases funding for the substance use disorder voucher program from \$8 million to \$17 million. The House increased funding for the voucher program to \$15 million and provided for \$3 million of the funds to be distributed as facility grants in underserved areas of the state.	\$9,000,000
6. Adjusts funding to reduce general fund support for traditional Medicaid (\$50,919,245) and increase general fund support for Medicaid Expansion (\$3,916,989) and the children's health insurance program (\$1,222,892) due to changes in the state's FMAP	(\$45,779,364)
7. Underfunds Medicaid grants	(\$9,580,913)
8. Adds funding to contract with a private service provider for civil sex offender treatment	\$917,004
9. Adds funding for the Capitol grounds agency rent proposal. The House did not add funding for the agency rent proposal.	\$474,286
10. Adds ongoing funding to develop an early childhood integrated data system	\$500,000

**GOVERNOR'S RECOMMENDATION FOR THE
DEPARTMENT OF HUMAN SERVICES AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. 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, 2021, and ending June 30, 2023, as follows:

Subdivision 1.

MANAGEMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$ 16,939,176	\$ 2,509,310	\$ 19,448,486
Operating Expenses	133,329,751	84,689,076	218,018,827
Capital Assets	<u>50,000</u>	<u>25,000</u>	<u>75,000</u>
Total All Funds	\$150,318,927	\$87,223,386	\$237,542,313
Less Estimated Income	<u>86,467,434</u>	<u>51,550,883</u>	<u>138,018,317</u>
Total General Fund	\$ 63,851,493	\$35,672,503	\$ 99,523,996

Subdivision 2.

PROGRAM AND POLICY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$ 111,785,293	\$ 7,772,728	\$ 119,558,021
Operating Expenses	155,887,808	9,993,200	165,881,008
Capital Assets	10,000	0	10,000
Grants	449,002,998	6,686,742	455,689,740
Grant – Medical Assistance	<u>2,742,681,743</u>	<u>184,832,400</u>	<u>2,927,514,143</u>
Total All Funds	\$3,459,367,842	\$209,285,070	\$3,668,652,912
Less Estimated Income	<u>2,255,764,582</u>	<u>130,259,790</u>	<u>2,386,024,372</u>
Total General Fund	\$1,203,603,260	\$ 79,025,280	\$1,282,628,540

Subdivision 3.

FIELD SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Human Service Centers	\$162,984,547	\$ 4,533,765	\$167,518,312
Institutions	<u>138,383,749</u>	<u>(11,691,808)</u>	<u>126,691,941</u>
Total All Funds	\$301,368,296	(\$ 7,158,043)	\$294,210,253
Less Estimated Income	<u>107,672,165</u>	<u>6,069,991</u>	<u>113,742,156</u>
Total General Fund	\$193,696,131	(\$13,228,034)	\$180,468,097

Subdivision 4.

PROPERTY TAX RELIEF

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
County Social Services	\$173,700,000	\$3,458,738	\$177,158,738
Total All Funds	<u>\$173,700,000</u>	<u>\$3,458,738</u>	<u>\$177,158,738</u>
Less Estimated Income	173,700,000	2,135,515	175,835,515
Total General Fund	\$ 0	\$1,323,223	\$ 1,323,223

Subdivision 5.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand Total General Fund	\$1,461,150,884	\$102,792,972	\$1,563,943,856
Grand Total Special Funds	<u>2,623,604,181</u>	<u>190,016,179</u>	<u>2,813,620,360</u>
Grand Total All Funds	\$4,084,755,065	\$292,809,151	\$4,377,564,216
Full-time Equivalent Positions	2,230.23	(8.60)	2,221.63

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty- sixth legislative assembly for the 2019-21 biennium and the 2021-23 biennium one-time funding items included in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Technology Projects	\$13,785,658	\$ 0
Capital Projects – Life Skills and Transition Center	4,277,165	0
Capital Projects – State Hospital	2,493,500	0
Medically Complex Children Provider Funding Adjustment	977,603	0
Hyperbaric Oxygen Therapy Grant	335,000	0
State Hospital Study	200,000	0
MMIS Modernization	0	35,000,000
Nursing Facility Payment Reform	0	7,200,000
Nursing Home Bed Buy Back	0	3,300,000
Frame/CCIPS Replacement	<u>0</u>	<u>30,000,000</u>
Total All Funds	\$22,068,926	\$75,500,000
Less Estimated Income	<u>20,556,323</u>	<u>49,525,314</u>
Total General Fund	\$1,512,603	\$25,974,686

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The department of human services shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 3. AMENDMENT. Section 50-24.1-37 of the North Dakota Century Code is amended and reenacted as follows:

50-24.1-37. Medicaid expansion - Legislative management report. (Effective ~~January 2020~~ August 1, 2021, through ~~July 31, 2021~~ June 30, 2022 - Contingent repeal - [See note](#))

1. The department of human services shall expand medical assistance coverage as authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-152] to individuals under sixty-five years of age with income below one hundred thirty-eight percent of the federal poverty line published by the federal office of management and budget applicable to the household size.
2. The department shall inform new enrollees in the medical assistance expansion program that benefits may be reduced or eliminated if federal participation decreases or is eliminated.
3. Except for pharmacy services, the department shall implement the expansion by bidding through private carriers or utilizing the health insurance exchange.
4. The contract between the department and the private carrier must provide the department with full access to provider reimbursement rates. The department shall consider provider reimbursement rate information in selecting a private carrier under this section. Before August first of each even- numbered year, the department shall submit a report to the legislative management regarding provider reimbursement rates under the medical assistance expansion program. This report may provide cumulative data and trend data but may not disclose identifiable provider reimbursement rates.

5. Provider reimbursement rate information received by the department under this section is confidential, except the department may use the reimbursement rate information to prepare the report to the legislative management as required under this section.

SECTION 4. AMENDMENT. Section 50-24.1-37 of the North Dakota Century Code is amended and reenacted as follows:

50-24.1-37. Medicaid expansion—~~Legislative management report.~~ (Effective ~~January~~ July 1, 2020~~2022~~, through July 31, 2024~~2023~~ - Contingent repeal - See note)

1. The department of human services shall expand medical assistance coverage as authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-152] to individuals under sixty-five years of age with income below one hundred thirty-eight percent of the federal poverty line published by the federal office of management and budget applicable to the household size.
2. The department shall inform new enrollees in the medical assistance expansion program that benefits may be reduced or eliminated if federal participation decreases or is eliminated.
3. ~~Except for pharmacy services, the department shall implement the expansion by bidding through private carriers or utilizing the health insurance exchange.~~
4. ~~The contract between the department and the private carrier must provide the department with full access to provider reimbursement rates. The department shall consider provider reimbursement rate information in selecting a private carrier under this section. Before August first of each even numbered year, the department shall submit a report to the legislative management regarding provider reimbursement rates under the medical assistance expansion program. This report may provide cumulative data and trend data but may not disclose identifiable provider reimbursement rates.~~
5. Provider reimbursement rate information received by the department under this section is confidential, except the department may use the reimbursement rate information to prepare the report to the legislative management as required under this section.

SECTION 5. REPEAL. Section 50-24.1-18.1 of the North Dakota Century Code is repealed.

SECTION 6. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items within subdivisions 1, 2, and 3 of section 1 of this Act for the biennium beginning July 1, 2021 and ending June 30, 2023, as requested by the department of human services. The department of human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2022, any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-eighth legislative assembly regarding any transfers made pursuant to this section.

SECTION 7. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority from line items within subdivisions 1, 2, and 3 of section 1 of this Act to subdivision 4 of section 1 of this Act for the biennium beginning July 1, 2021 and ending June 30, 2023, as requested by the department of human services. The department of human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2022 any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-eighth legislative assembly regarding any transfers made pursuant to this section.

SECTION 8. ESTIMATED INCOME - COMMUNITY HEALTH TRUST FUND. The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of \$24,000,000 from the community health trust fund for defraying expenses in the medical services division.

SECTION 9. ESTIMATED INCOME - HUMAN SERVICE FINANCE FUND. The estimated income line item in subdivision 4 of section 1 of this Act includes the sum of \$174,380,767 from the human service finance fund for state-paid economic assistance and social and human services.

SECTION 10. APPROPRIATION – NURSING HOME BED REDUCTION. There is appropriated the sum of \$3,300,000, from the general fund or so much of the sum as may be necessary, to the department of human services for the purpose of providing incentives to nursing homes to reduce licensed nursing facility bed capacity for the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 11. EXPENDITURES MAY NOT EXCEED APPROPRIATION - MEDICAL ASSISTANCE EXPANSION PROGRAM.

1. Subdivision 2 of section 1 of this Act includes the sum of \$325,521,229, of which \$36,606,115 is from the general fund, for the medical assistance expansion program for the biennium beginning July 1, 2021 and ending June 30, 2022. The expenditures for individuals eligible for the medical assistance expansion program may not exceed this amount. For purposes of this section:
 - a. Expenditures do not include those made for individuals identified as medically frail and who receive services through the traditional Medicaid program administered by the department of human services for which there is a separate appropriation of \$5,120,064 included in subdivision 2 of section 1 of this Act.
 - b. Expenditures do not include prescription drugs for the medical assistance expansion program population which is administered by the department of human services through its fee-for-service Medicaid program for which there is a separate appropriation of \$34,364,628 included in subdivision 2 of section 1 of this Act.
2. The department of human services may exceed appropriations for increases in medical assistance expansion program caseload and for the addition of coverage consistent with the traditional Medicaid 1915i state plan.
3. The managed care organization under contract with the department to manage the medical assistance expansion program shall reimburse providers within the same provider type and specialty at consistent levels and with consistent methodology and may not provide incentive, quality, or supplemental payments to providers, unless part of a value-based program approved by the department. The managed care organization may consider urban and rural providers as different provider types. Critical access hospitals may not be paid less than one hundred percent of Medicare allowable costs.
4. The managed care organization and the department of human services shall ensure payments to Indian or Tribal 638 health care providers, federally qualified health centers, and rural health clinics meet the federally required minimum levels of reimbursement.
5. The department of human services shall ensure providers within the same provider type and specialty are reimbursed at consistent levels and with consistent methodology and shall ensure the capitation rates under risk contracts are actuarially sound and are adequate to meet managed care organization contractual requirements regarding availability of services, assurance of adequate capacity and services, and coordination and continuity of care.
6. The department of human services and the Medicaid expansion managed care organization shall ensure the appropriate contract amendment is adopted for coverage through June 30, 2022. The contract amendment shall stay within the appropriation and the requirements of chapter 54-44.4 do not apply.

SECTION 12. EXPENDITURES MAY NOT EXCEED APPROPRIATION – NURSING HOME RATES. Subdivision 2 of section 1 of this Act includes the sum of \$635,373,451, of which \$296,019,558 is from the general fund, for nursing home rates for the biennium beginning July 1, 2021 and ending June 30, 2023. The expenditures for nursing homes may not exceed this amount.

SECTION 13. HEALTH HOMES - REPORT TO LEGISLATIVE MANAGEMENT. During the biennium beginning July 1, 2021 and ending June 30, 2023, the department of human services shall develop a plan to implement, in accordance with section 1945 of the Social Security Act, health homes to coordinate care for people with Medicaid who have chronic conditions during the biennium beginning July 1, 2023 and ending June 30, 2025. Prior to October 1, 2022, the department shall report to the legislative management on the implementation plan.

SECTION 14. EXEMPTION. The amount appropriated for the Medicaid management information system technology stack upgrade in chapter 37 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations approved under section 54-44.1-11 are available for the completion of the Medicaid management information system technology stack upgrade during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 15. EXEMPTION. The amount appropriated for the modification of the department of human services' eligibility systems in chapter 578 of the 2011 Special Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2013-15 biennium, then the 2015-17 biennium, then the 2017-19 biennium, and then the 2019-21 biennium are available for the completion of the modification of the eligibility systems project during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 16. EXEMPTION. The amount appropriated for the development of the childcare licensing and data system in chapter 11 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2019-21 biennium are available for the completion of the childcare licensing and data system during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 17. EXEMPTION. The amount appropriated for the development of the health information network in chapter 11 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2019-21 biennium are available for the completion of the health information network during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 18. EXEMPTION. The sum of \$200,000 from the general fund appropriated for the department's operating expenses for the school behavioral health program in chapter 37 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the completion of the school behavior health pilot projects during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 19. EXEMPTION. The sum of \$150,000 from the general fund appropriated for the department's operating expenses for behavioral health recovery home grants in chapter 37 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be used for behavioral health recovery home grants during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 20. CONVEYANCE OF LAND AUTHORIZED - LIFE SKILLS AND TRANSITION CENTER. The state of North Dakota, by and through the department of human services, may convey real property associated with the life skills and transition center in Grafton to Grafton Parks and Recreation. The department may convey a portion of two parcels of land commonly referred to as "the bowl" on the terms and conditions determined appropriate by the department and the attorney general. Section 54-01-05.2 and 54-01-05.5 do not apply to this conveyance.

SECTION 21. CAPITAL PROJECTS AND PAYMENTS. During the period beginning with the effective date of this Act, and ending June 30, 2023, the department of human services is authorized to expend funds for the following capital projects and payments:

1. The payment of special assessments at the state hospital and life skills and transition center; and
2. The demolition of the chapel and employee building and associated tunnels at the state hospital.

Notwithstanding sections 54-16-04 and 54-27-12, the director of the office of management and budget may transfer appropriation authority between line items within subdivisions 1, 2, and 3 of section 1 of this Act for the biennium beginning July 1, 2021 and ending June 30, 2023, as requested by the department of human services for the department to expend funds on the demolition of the identified buildings and associated tunnels and for emergency capital projects. The department of human services shall notify the legislative council of any transfer made pursuant to this section. The department of human services shall report to the

budget section after June 30, 2022 any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-eighth legislative assembly regarding any transfers made pursuant to this section.

SECTION 22. STATE HOSPITAL BUILDING PROJECTS. The department of human services is authorized to construct a new state hospital on the property owned by the state of North Dakota, in Stutsman County, near or on state hospital's current campus. The new state hospital may include space for the operation of the regional human service center. The department of human services shall utilize chapter 48-02.1 and have a private operator to build, transfer, and operate the facility through a development agreement on leased property owned by the state of North Dakota. The continuing cost to support the new state hospital through a development agreement must be included in the department of human services' 2023-25 biennium budget request submitted to the sixty-eighth legislative assembly.

SECTION 23. PROVIDER PROCESS AND OUTCOME MEASURES. Providers that receive funding from the department of human services shall submit process and outcome measures, as required by the department, to the department of human services for programs and services supported by state funding during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 24. QUALIFIED RESIDENTIAL TREATMENT PROVIDERS. The department of human services shall adopt rules, on or before October 1, 2021, establishing a new rate setting process and requirements for foster care maintenance rates for qualified residential treatment providers based on the appropriation received by the sixty-seventh legislative assembly.

SECTION 25. LEGISLATIVE INTENT – CONVEYANCE OF LAND. It is the intent of the sixty-seventh legislative assembly that the department of human services and national guard enter into an agreement to lease up to twenty acres of real property associated with the state hospital for the national guard to build a new training and storage center.

SECTION 26. EFFECTIVE DATE. Section 4 of this Act becomes effective on July 1, 2022.

SECTION 27. EXPIRATION DATE. Sections 3 and 11 of this Act is effective through June 30, 2022 and after that date is ineffective.

SECTION 28. EMERGENCY. Sections 21 and 22 of this Act are declared to be an emergency measure.