

July 2005

## OTHER RESPONSIBILITIES OF THE BUDGET COMMITTEE ON HUMAN SERVICES

Other responsibilities assigned to the Budget Committee on Human Services include:

1. Receive a report from the Department of Human Services by July 1, 2006, regarding the department's review of its budget, programs, and services to determine the extent to which the department can provide for additional general fund requirements resulting from changes in the federal medical assistance percentage for North Dakota without affecting the level of services provided by the department. This report is required by Section 11 of 2005 House Bill No. 1012 (attached).

The section requires that the department, with input from service providers, review its budget and programs and services to determine the extent to which the department can provide for additional general fund requirements resulting from federal matching changes without affecting the level of services provided by the department. If the department determines that programs and services will be affected, the department, with input from service providers, is to identify programs and services to reduce or discontinue to maintain its general fund budget within the funding levels approved by the 2005 Legislative Assembly. The department is to report to the committee regarding its budget and program review by July 1, 2006, and make any suggestions for programs and services to reduce or discontinue, including any legislation necessary to make the suggested changes.

The federal medical assistance percentage is the federal share of Medicaid, foster care, and other program costs within the department. The state pays the balance of the program costs. The schedule below presents recent and projected federal medical assistance percentages for North Dakota. For the 2005-07 biennium, the Legislative Assembly

provided an additional \$35.1 million from the general fund to address the federal medical assistance percentage reductions during the 2005-07 biennium, as compared to the 2003-05 biennium. The Department of Human Services estimated the total impact would require an additional \$35.9 million from the general fund.

Federal Fiscal Year	Federal Medical Assistance Percentage
2002	69.87
2003	72.82
2004	71.31
2005	67.49
2006	65.85
2007 (estimate)	62.37

Each percentage point reduction in the federal medical assistance percentage requires the state to pay an additional \$4.5 million per year.

2. Receive a report from the Department of Human Services during the 2005-06 interim of the department's plan, developed with input from developmental disabilities service providers, to transfer appropriate individuals from the Developmental Center to community placements and to begin the transfers during the 2005-07 biennium. The report is to include its plan and the anticipated number of individuals that will be transferred during the biennium. This report is required by Section 16 of 2005 House Bill No. 1012 (attached).

The 2005 Legislative Assembly appropriated \$50,000 from the general fund for costs relating to transferring these individuals to community placements. The department may use up to \$5,000 of the \$50,000 appropriation for developing the plan for the transfers.

ATTACH:1