

**Department 325 - Department of Human Services
 Senate Bill No. 2012**

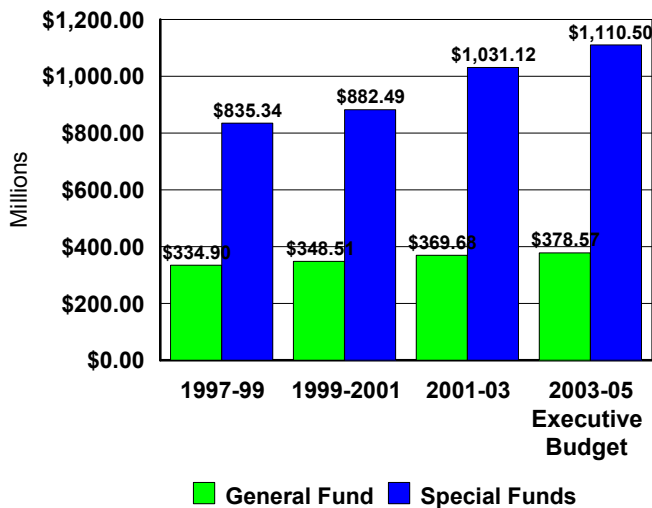
	FTE Positions	General Fund	Other Funds	Total
2003-05 Executive Budget	2,041.12	\$378,572,046	\$1,110,494,419	\$1,489,066,465
2001-03 Legislative Appropriations	2,243.57 ¹	369,683,875 ²	1,031,121,972	1,400,805,847 ³
Increase (Decrease)	(202.45)	\$8,888,171	\$79,372,447	\$88,260,618

¹ The 2001-03 FTE positions have been adjusted to reflect the addition of 5 FTE positions at the human service centers during the 2001-03 biennium.

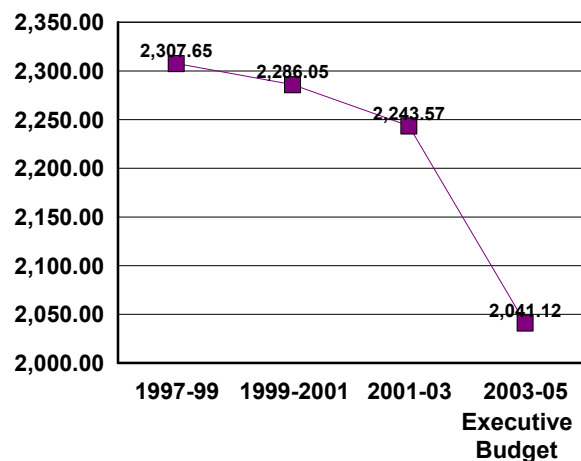
² The 2001-03 general fund appropriation is the amount appropriated by the 2001 Legislative Assembly and does not include a reduction of \$3,881,681 relating to the 1.05 percent budget allotment ordered by Governor Hoeven in July 2002.

³ The 2001-03 appropriation amounts include \$1,643,726, \$1,232,515 of which is from the general fund, for the agency's share of the \$5 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees. The 2001-03 appropriation amounts do not include \$21,042,585 of additional special funds authority resulting from Emergency Commission action during the 2001-03 biennium.

Agency Funding



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
Management			
1. Deletes:			
1 FTE auditor V	(\$73,286)	(\$67,122)	(\$140,408)
1 FTE accounting manager I	(\$77,917)	(\$57,638)	(\$135,555)
1 FTE personnel officer II	(\$36,727)	(\$47,581)	(\$84,308)
1 FTE research analyst III	(\$43,471)	(\$58,572)	(\$102,043)
1 FTE programmer analyst II	(\$31,221)	(\$93,977)	(\$125,198)
1 FTE senior programmer analyst	(\$11,716)	(\$103,408)	(\$115,124)
1 FTE senior programmer analyst	(\$45,143)	(\$87,632)	(\$132,775)
2. Changes the funding source to the general fund for operating costs of the administration support program due to the sale of the developmental disability loan fund loans to the Bank of North Dakota during the 2001-03 biennium as authorized by the 2001 Legislative Assembly	\$871,765	(\$871,765)	\$0

3. Increases funding for postage to \$1,332,956 in the administration support program	\$106,470	\$295,303	\$401,773
4. Increases funding for building rent to \$494,671 in the administration support program	\$34,850	\$96,659	\$131,509
5. Removes funding provided for the Health Insurance Portability and Accountability Act (HIPAA) computer system project for the 2001-03 biennium in the information technology division (\$3 million of this amount is from the health care trust fund and \$5,055,347 is from federal funds)		(\$8,055,347)	(\$8,055,347)
6. Reduces funding for data processing to \$23,890,861 in the Information Technology Division	(\$299,642)	(\$928,401)	(\$1,228,043)
7. Adds funding for computer system changes relating to implementation of a prescription drug assistance program for senior citizens in the Information Technology Division	\$116,174	\$116,174	\$232,348
8. Reduces funding for information technology equipment under \$5,000 to \$623,650 in the Information Technology Division	(\$135,414)	(\$419,562)	(\$554,976)
Economic Assistance			
1. Deletes 1 FTE human service program administrator VI in the economic assistance policy program		(\$140,011)	(\$140,011)
2. Increases funding for temporary assistance for needy families (TANF) benefits from \$25,626,056 appropriated for the 2001-03 biennium to \$29,507,940 for the 2003-05 biennium		\$3,881,884	\$3,881,884
3. Increases federal funding for food stamps from \$58,326,932 in 2001-03 to \$82,877,890 for the 2003-05 biennium		\$24,550,958	\$24,550,958
4. Increases federal funding for low-income home energy assistance from \$14,532,199 in 2001-03 to \$18,565,377 for the 2003-05 biennium		\$4,033,178	\$4,033,178
5. Provides \$2,614,166, of which \$649,559 is from the general fund and \$1,964,607 is from "retained" funds, for the Indian county allocation. The grants are provided at 90 percent of the excess costs calculated pursuant to NDCC Section 50-01.2-03.2(3), the same as the 2001-03 biennium.	\$192,566	(\$103,400)	\$89,166
6. Increases operating fees and services to \$4,702,910 in the medical services program	\$566,457	\$1,928,949	\$2,495,406
7. Eliminates the following optional medical assistance services for adults: Chiropractic (\$267,607) Dental (\$7,305,319) Hospice (\$1,291,600) Private duty nursing (\$1,459)	(\$2,812,905)	(\$6,053,080)	(\$8,865,985)
8. Increases funding for prescription drugs in the medical assistance program to \$101.1 million, of which \$32.4 million is state matching funds. These amounts reflect an anticipated reduction in costs of \$9,563,923, of which \$2,705,081 is from the general fund due to the development of a prescription drug cost-containment program for the 2003-05 biennium.	\$9,059,251	\$12,910,266	\$21,969,517
9. Continues the medical assistance policy change implemented during the 2001-03 biennium relating to the allowable provider charges that will be paid by medical assistance when the medical assistance program is the secondary payer to the federal Medicare program. Previously, the medical assistance program accepted the Medicare allowable cost for the service and paid the eligible individual's deductible and coinsurance for the service. Under the new policy, the medical assistance program will pay only the difference between the charge allowed by Medicaid and the amount paid by Medicare. This is consistent with the medical assistance policy involving private insurance companies.	(\$1,927,038)	(\$4,146,785)	(\$6,073,823)
10. Adds funding for medical assistance grants relating to the creation of a prescription drug assistance program for low-income senior citizens with gross incomes of up to 210 percent of the federal poverty level. Eligibility would be determined by the counties, and assets are not	\$2,981,136	\$6,323,285	\$9,304,421

considered when determining eligibility. Funding for this program is also added in Management and in Program and Policy.

11. Provides additional funding to increase developmental disability provider rates to allow for payment of a provider tax on intermediate care facilities for the mentally retarded (ICF/MR), including the Developmental Center	\$1,850,326	\$3,982,922	\$5,833,248
12. Continues medical assistance coverage for breast and cervical cancer treatment. The 2001 Legislative Assembly statutory provisions provided coverage only for the 2001-03 biennium. Total funds provided are \$544,120. The state matching funds of \$114,755 are provided from the community health trust fund, the same as the 2001-03 biennium.			
13. Changes medical assistance eligibility requirements for the families coverage group. The change makes adults in the family ineligible for medical assistance if the primary wage earner works more than 100 hours per month.	(\$4,100,000)	(\$8,800,000)	(\$12,900,000)
14. Changes the medical assistance policy that allows individuals with a recipient liability to apply medical charges incurred prior to qualifying for medical assistance toward their recipient liability. The change allows previous medical charges to be applied toward the individual's recipient liability only up to \$15 per month.	(\$720,000)	(\$1,527,191)	(\$2,247,191)
15. Continues the medical assistance policy change implemented during the 2001-03 biennium to limit capital costs for hospitals to no more than \$275 per discharge. Previously, these property cost charges were not subject to limits. Other charges are based on diagnostic-related group (DRG) limits.	(\$600,000)	(\$1,200,000)	(\$1,800,000)
16. Combines funding for nursing facility care, basic care assistance, service payments for elderly and disabled (SPED), expanded SPED, and the waiver for traumatic brain-injured and aged and disabled services into one line item and funding program; therefore, the department would be able to transfer funding among these assistance programs as needed			
17. Increases funding for SPED from \$13,415,595 to \$18,839,037, a 40 percent increase. Of the total, \$6,898,302 is from the health care trust fund, the same as the 2001-03 biennium, and \$10,773,063 is from the general fund.	\$4,937,921	\$485,521	\$5,423,442
18. Increases funding for expanded SPED from \$1,203,280 to \$1,780,594, a 48 percent increase	\$577,314		\$577,314
19. Provides funding of \$8,395,725 for basic care assistance, of which \$365,777 is from the general fund, \$382,080 is from the health care trust fund, \$2,284,362 is from "retained" funds, and \$5,363,506 is from federal funds	\$365,777	(\$834,310)	(\$468,533)
20. Provides \$306.6 million for nursing facility care, of which \$69.1 million is from the general fund and \$29.1 million from the health care trust fund. For the 2001-03 biennium, \$9.1 million was provided from the health care trust fund.	(\$10,546,807)	\$22,055,021	\$11,508,214
21. Reduces the number of nursing facility beds that are anticipated to be occupied by a Medicaid-eligible individual by 36 beds, from 3,700 to 3,664, during the 2003-05 biennium. The number of filled beds for September through November 2002 averaged 3,696 per month.	(\$1,003,343)	(\$2,158,426)	(\$3,161,769)
22. Provides a 3.66 percent inflationary increase for nursing facilities for each year of the biennium	\$1,526,924	\$3,242,287	\$4,769,211
23. Decreases nursing facility payment limits for direct care costs from 99 to 85 percent	(\$2,693,139)	(\$5,784,973)	(\$8,478,112)
24. Eliminates funding for the 3 percent nursing facility operating margin	(\$1,932,211)	(\$4,156,667)	(\$6,088,878)
25. Eliminates nursing facility incentives, which were up to \$2.60 per day of additional revenues for nursing facilities	(\$432,302)	(\$931,245)	(\$1,363,547)
26. Reflects the reduction in North Dakota's federal medical assistance	\$17,200,000	(\$17,200,000)	

percentage (FMAP) from 69.87 percent in federal fiscal year 2002 to 68.36 percent in federal fiscal year 2003, to 68.31 percent in federal fiscal year 2004, to an estimated 67.47 percent in federal fiscal year 2005. The reduction shown is an estimate based on 2003-05 executive budget adjustments.

27. Removes funding for developmental disability services for individuals who are not Medicaid-eligible. The budget increases federal funds for services for these individuals in the medical assistance program.	(\$1,980,659)	\$2,067,035	\$86,376
28. Allows individuals with developmental disabilities receiving either family support services or individual supportive living arrangement (ISLA) services to use a qualified service provider (QSP) rather than using a traditional licensed provider	(\$483,322)	(\$460,133)	(\$943,455)

Program and Policy

1. Deletes:			
1 FTE human service program administrator II	(\$56,634)	(\$33,620)	(\$90,254)
.50 FTE human service program administrator V	(\$66,516)		(\$66,516)
.50 FTE transportation service aide	(\$8,495)	(\$31,386)	(\$39,881)
.50 FTE disability hearings officer		(\$53,888)	(\$53,888)
.50 FTE appointed position	(\$68,927)		(\$68,927)
1 FTE human service program administrator III	(\$25,029)	(\$92,479)	(\$117,508)
.50 FTE administrative assistant II	(\$29,306)	(\$20,789)	(\$50,095)
.50 FTE administrative assistant I	(\$13,796)	(\$50,976)	(\$64,772)
2. Removes funding in Aging Services for the Governor's Committee on Aging	(\$20,000)		(\$20,000)
3. Removes funding in Aging Services for the telecommunications equipment distribution program	(\$200,000)		(\$200,000)
4. Provides \$1,662,945 in Aging Services for the senior citizen mill levy matching grant program, \$1,412,945 of which is from the general fund and \$250,000 from the health care trust fund, the same as the 2001-03 biennium			
5. Removes federal funding in Aging Services for adult protective services		(\$189,907)	(\$189,907)
6. Adds funding in Children and Family Services for reimbursing counties for eligibility determination costs associated with the prescription drug assistance program for senior citizens (counties would be reimbursed \$20 per enrollee)	\$158,500	\$158,500	\$317,000
7. Adds funding in Children and Family Services for foster care services due to the privatization of the Ruth Meiers Adolescent Treatment Center in Grand Forks and the Manchester House Adolescent Treatment Center in Bismarck (33.3 FTE positions were removed relating to these centers)	\$921,672	\$2,424,785	\$3,346,457
8. Increases funding in Children and Family Services for subsidized adoption	\$1,457,319	\$1,856,159	\$3,313,478
9. Provides funding of \$200,000 from the Children's Services Coordinating Committee in Mental Health Services for the Native American youth alcohol and drug education program, the same as the 2001-03 biennium. Due to the reduction in "refinancing" funds available through the Children's Services Coordinating Committee, these funds are not anticipated to be available during the 2003-05 biennium.			
10. Provides funding of \$1,094,539, of which \$192,345 is from the general fund, \$802,194 is from federal funds, and \$100,000 is from the health care trust fund in Disability Services for independent living center grants	(\$226,647)	\$224,487	(\$2,160)

State Hospital

1. Deletes:			
11.10 FTE business administration positions	(\$974,583)		(\$974,583)
9 FTE housekeeping positions	(\$516,644)		(\$516,644)
6 FTE plant services positions	(\$520,790)		(\$520,790)
5 FTE other support positions	(\$365,622)		(\$365,622)
3 FTE adolescent unit positions	(\$156,856)		(\$156,856)
3 FTE psychiatrists	(\$1,310,384)		(\$1,310,384)
1 FTE education director	(\$104,999)		(\$104,999)

15 FTE adult psychiatric inpatient treatment service positions	(\$1,149,789)		(\$1,149,789)
3 FTE chemical dependency inpatient treatment service positions	(\$199,164)		(\$199,164)
2. Transfers the State Hospital laundry to the Department of Corrections and Rehabilitation, including 4 FTE positions	(\$253,565)		(\$253,565)
3. Transfers the State Hospital food service program to the Department of Corrections and Rehabilitation. Thirty FTE positions are removed from the State Hospital budget.	(\$2,185,862)		(\$2,185,862)
4. Increases anticipated income from the Department of Corrections and Rehabilitation for providing treatment services to inmates to \$2,595,848. Although \$2,139,284 of income from the Department of Corrections and Rehabilitation was appropriated to the State Hospital for the 2001-03 biennium because of legislative reductions made to the 2001-03 Department of Corrections and Rehabilitation's budget, the State Hospital anticipates receiving only \$1.6 million during the 2001-03 biennium.		\$456,564	\$456,564
5. Discontinues contracting for dental services at the State Hospital. The Developmental Center dentist will provide dental services at the State Hospital.	(\$129,526)		(\$129,526)
6. Increases funding at the State Hospital for medical, dental, and optical supplies in the ancillary services program to \$1,597,913 primarily due to the increasing cost of medications	\$113,829		\$113,829
7. Removes funding for extraordinary repairs at the State Hospital	(\$403,676)		(\$403,676)
8. Provides funding from proceeds of the sale of the LaHaug Building to the Department of Corrections and Rehabilitation for remodeling State Hospital buildings to house State Hospital programs and services previously located in the LaHaug Building		\$400,000	\$400,000

Developmental Center

1. Deletes:

.30 FTE dentist		(\$67,759)	(\$67,759)
.50 FTE administrative assistant I		(\$41,263)	(\$41,263)
1 FTE administrative assistant I	(\$73,813)		(\$73,813)
1 FTE landscaping and grounds supervisor		(\$88,086)	(\$88,086)
1 FTE direct training technician I	(\$49,288)		(\$49,288)
1 FTE security officer I	(\$66,038)		(\$66,038)
1 FTE administrative assistant I	(\$53,785)	(\$1,782)	(\$55,567)
1 FTE storekeeper I	(\$55,567)		(\$55,567)
.50 FTE office assistant II	(\$55,399)		(\$55,399)
1 FTE security officer I	(\$63,229)		(\$63,229)
1 FTE unit program coordinator		(\$101,310)	(\$101,310)
.50 FTE registered nurse II		(\$60,476)	(\$60,476)
.10 FTE licensed practical nurse I		(\$7,074)	(\$7,074)
.20 FTE direct training technician I		(\$7,896)	(\$7,896)
1 FTE assistant residential supervisor		(\$59,852)	(\$59,852)
1 FTE direct training technician I		(\$51,626)	(\$51,626)
1 FTE direct training technician II		(\$59,852)	(\$59,852)
1 FTE direct training technician II		(\$59,852)	(\$59,852)
1 FTE vocational training technician		(\$70,607)	(\$70,607)
2. Provides \$1,665,810, of which \$528,062 is from the general fund for the Developmental Center to pay the Governor's recommended provider tax on intermediate care facilities for the mentally retarded	\$528,062	\$113,774	\$1,665,810
3. Removes funding for extraordinary repairs at the Developmental Center	(\$215,129)		(\$215,129)

Human Service Centers

1. Provides a \$250,000 funding pool to be distributed to human service centers for mental health and substance abuse services based on the needs of the regions	\$250,000		\$250,000
2. Replaces one-time funding appropriated for the 2001-03 biennium from human service center collections with funding from the general fund. The department's 2001-03 biennium budget included human service center income generated prior to the 2001-03 biennium and not spent as	\$2,600,000	(\$2,600,000)	

additional one-time special funds income which is not available for the 2003-05 biennium.

3. Removes funding from the Children's Services Coordinating Committee for mental health partnership programs at the human service centers		(\$600,000)	(\$600,000)
4. Deletes:			
2.5 FTE administrative positions - NWHSC	(\$138,064)	(\$27,056)	(\$165,120)
1 FTE developmental disabilities case manager - NWHSC	(\$76,182)		(\$76,182)
6 FTE mental health and substance abuse treatment positions - NWHSC	(\$409,128)	(\$27,623)	(\$436,751)
5. Removes funding for the Northwest Human Service Center's mental health transitional living facility	(\$327,507)	(\$51,079)	(\$378,586)
6. Removes funding for the Northwest Human Service Center's mental health partial care program	(\$137,631)	(\$9,265)	(\$146,896)
7. Adds 1.5 FTE youth addiction treatment positions - NCHSC	\$1,734	\$98,432	\$130,166
8. Deletes:			
1.75 FTE administrative positions - NCHSC	(\$92,265)	(\$10,940)	(\$103,205)
1 FTE developmental disabilities case manager - NCHSC	(\$78,736)		(\$78,736)
1.5 FTE retired senior volunteer program positions - NCHSC		(\$108,510)	(\$108,510)
3 FTE mental health and substance abuse treatment positions - NCHSC	(\$226,062)	(\$28,024)	(\$254,086)
9. Reduces funding for the Oppen program at the North Central Human Service Center to \$485,000, of which \$345,000 is from the general fund	(\$161,099)		(\$161,099)
10. Eliminates the seriously mentally ill community support grant at the North Central Human Service Center	(\$33,869)		(\$33,869)
11. Deletes:			
1 FTE human service center director - LRHSC	(\$155,285)	(\$19,193)	(\$174,478)
.50 FTE administrative position - LRHSC	(\$22,416)	(\$2,770)	(\$25,186)
1 FTE vocational rehabilitation counselor - LRHSC	(\$20,319)	(\$75,074)	(\$95,393)
1.5 FTE mental health and substance abuse treatment positions - LRHSC	(\$36,269)	(\$73,555)	(\$109,824)
12. Deletes:			
1 FTE human service center director - NEHSC	(\$152,991)	(\$13,702)	(\$166,693)
1 FTE developmental disabilities case manager - NEHSC	(\$53,870)	(\$26,540)	(\$80,410)
1.5 FTE retired senior volunteer program positions - NEHSC		(\$119,667)	(\$119,667)
4 FTE mental health and substance abuse treatment positions - NEHSC	(\$230,444)	(\$119,489)	(\$349,933)
13. Removes funding and 13.3 FTE positions at the Northeast Human Service Center for the Ruth Meiers Adolescent Treatment Center. The department plans to privatize the center.	(\$749,789)	(\$774,624)	(\$1,524,413)
14. Removes funding at the Northeast Human Service Center for the seriously mentally ill day treatment program	(\$121,220)	(\$69,850)	(\$191,070)
15. Removes funding at the Northeast Human Service Center for mental health program work activity and supervision	(\$37,107)	(\$70,893)	(\$108,000)
16. Adds 2 FTE youth addiction treatment positions - SEHSC		\$153,850	\$153,850
17. Deletes:			
2 FTE administrative positions - SEHSC	(\$121,453)	(\$10,878)	(\$132,331)
2 FTE disability services positions - SEHSC	(\$108,972)	(\$39,552)	(\$148,524)
2 FTE retired senior volunteer program positions - SEHSC		(\$146,377)	(\$146,377)
4.55 FTE mental health and substance abuse treatment positions - SEHSC	(\$410,143)	(\$12,326)	(\$422,469)
18. Removes funding at the Southeast Human Service Center for emergency foster care (\$77,065) and access and visitation (\$23,111)	(\$79,916)	(\$20,800)	(\$100,716)
19. Reduces funding at the Southeast Human Service Center for mental health intensive in-home services and psychiatric services	(\$256,271)		(\$256,271)
20. Increases funding at the Southeast Human Service Center for a staff physician	\$127,977		\$127,977

21. Deletes:			
2 FTE administrative positions - SCHSC	(\$103,493)	(\$11,499)	(\$114,992)
1 FTE developmental disabilities case manager - SCHSC	(\$56,750)	(\$26,526)	(\$83,276)
22. Removes funding at the South Central Human Service Center for the SMI specialized partial care program	(\$140,615)	(\$110,907)	(\$251,522)
23. Adds 1 FTE youth addiction treatment position - WCHSC		\$70,564	\$70,564
24. Removes funding and 20 FTE positions at the West Central Human Service Center for the Manchester House Adolescent Treatment Center. The department plans to privatize the center.	(\$604,337)	(\$1,415,014)	(\$2,019,351)
25. Reduces funding at the West Central Human Service Center for case-aide services for children with serious emotional disorders	(\$128,639)	(\$111,807)	(\$240,446)
26. Increases federal funding at the West Central Human Service Center for long-term residential services for individuals needing substance abuse treatment		\$915,173	\$915,173
27. Removes funding and 2.65 FTE positions at the West Central Human Service Center for the dual diagnosis program	(\$85,977)	(\$119,965)	(\$205,942)
28. Adds 1 FTE youth addiction treatment position - BLHSC		\$87,760	\$87,760
29. Deletes:			
1 FTE human service center director - BLHSC	(\$156,837)	(\$17,017)	(\$173,854)
1 FTE administrative position - BLHSC	(\$47,888)	(\$5,196)	(\$53,084)
.50 FTE child welfare position - BLHSC	(\$27,727)	(\$14,309)	(\$42,036)
2 FTE disability services positions - BLHSC	(\$72,509)	(\$92,171)	(\$164,680)
7 FTE mental health and substance abuse treatment positions - BLHSC	(\$314,970)	(\$245,660)	(\$560,630)
30. Reduces funding at the Badlands Human Service Center for medical director and psychiatric services to \$431,166, of which \$257,076 is from the general fund	(\$84,622)		(\$84,622)
31. Reduces funding at the Badlands Human Service Center for short-term residential services for individuals needing substance abuse treatment to \$188,400 from the general fund	(\$81,600)		(\$81,600)
Other			
1. Changes the department's appropriations bill structure by reducing the number of subdivisions in the bill from four to three and appropriating one line item for the State Hospital, one line item for the Developmental Center and one line item for each human service center rather than an operations and a capital improvements/capital assets line item for each entity			
2. Adds funding for paying accumulated annual leave and sick leave for eight employees anticipated to retire during the 2003-05 biennium	\$45,157	\$53,750	\$98,907

Major Related Legislation

House Bill No. 1164 provides for the licensing of assisted living facilities and requires each facility to pay a \$75 annual license fee which is deposited in the Department of Human Services operating fund.

Senate Bill No. 2074 continues allowing children and family coverage groups and pregnant women to be eligible for medical assistance without considering assets. This change was made by the 2001 Legislative Assembly only for the 2001-03 biennium.

Senate Bill No. 2085 continues targeted case management and assessment services for eligible elderly and disabled individuals who are at risk of requiring long-term care services. These services were authorized by the 2001 Legislative Assembly only for the 2001-03 biennium.

Senate Bill No. 2087 discontinues medical assistance coverage for orthodontic services related to oral maxillofacial surgical services. This coverage was added by the 2001 Legislative Assembly.

Senate Bill No. 2088 requires the Department of Human Services to establish cost-containment strategies for prescription drugs in the medical assistance program, including the development of a preferred drug list, prior authorization, and the possibility of negotiating supplemental rebates from drug manufacturers.

Senate Bill No. 2089 continues medical assistance coverage for breast and cervical cancer treatment. This coverage was added by the 2001 Legislative Assembly only for the 2001-03 biennium.

Senate Bill No. 2090 removes statutory provisions requiring the Department of Human Services to establish efficiency incentives for nursing facilities and to provide an operating margin of at least 3 percent for a nursing facility's direct care and other direct care cost categories.

Senate Bill No. 2153 assesses ICF/MR a quarterly fee equal to 1.5 percent of all facilities' gross revenues for the previous year based on each facility's licensed beds.