

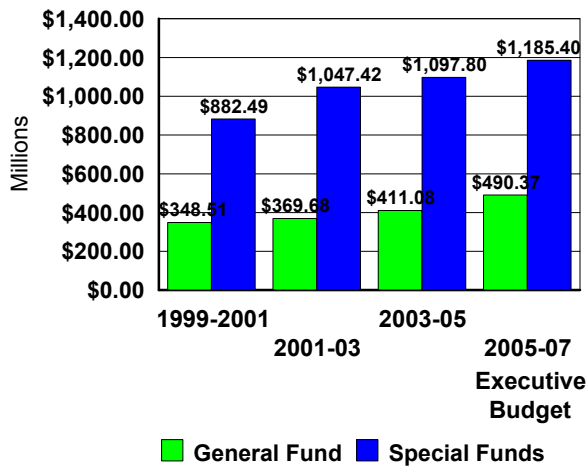
**Department 325 - Department of Human Services
 House Bill No. 1012 and Senate Bill No. 2023**

	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	2,048.43	\$490,373,041	\$1,185,403,771	\$1,675,776,812
2003-05 Legislative Appropriations	2,051.42 ¹	411,081,823	1,097,801,932 ²	1,508,883,755 ²
Increase (Decrease)	(2.99)	\$79,291,218	\$87,601,839	\$166,893,057

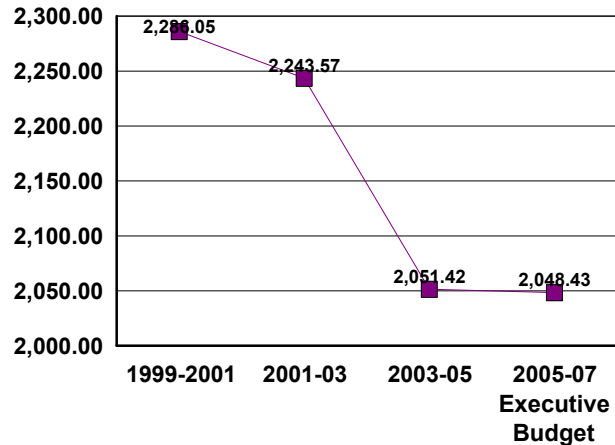
¹The number of FTE positions for the 2003-05 biennium has been reduced by 6 FTE positions to reflect the reduction of 3 FTE positions due to departmental adjustments and the reduction and transfer of 3 FTE positions relating to information technology services, including electronic mail, file and print server administration, data base administration, storage, application server, and hosting services from the Department of Human Services to the Information Technology Department as of November 1, 2003, provided for in Section 10 of House Bill No. 1505.

²The 2003-05 appropriation amounts do not include \$18,861,150 of additional special funds authority resulting from Emergency Commission action during the 2003-05 biennium.

Agency Funding



FTE Positions



First House Action

Attached is a summary of the first house changes.

**Executive Budget Highlights
 (With First House Changes Noted)**

Departmentwide

- Reflects the additional state matching funds required to maintain existing programs due to changes in the federal medical assistance percentage (FMAP). The FMAP determines the state and federal share of Medicaid, foster care, and other programs. The FMAP is decreasing from 67.49 percent in federal fiscal year 2005, to 65.85 percent in federal fiscal year 2006, to a projected 63.23 percent in federal fiscal year 2007.

General Fund	Other Funds	Total
\$31,952,573	(\$31,952,573)	\$0

Management

- Removes the following positions due to 2003-05 biennium general fund budget reductions:
 - 3.0 FTE research positions
 - 2.0 FTE fiscal positions
 - 0.7 FTE human resource position
 - 2.0 FTE legal positions

2. Removes funding from the lands and minerals trust fund for making developmental disability loan payments to the common schools trust fund. Section 7 of Senate Bill No. 2013, the Land Department appropriations bill, as recommended by the Governor, contains a continuing appropriation to the Land Department for making these loan payments.		(\$3,261,556)	(\$3,261,556)
3. Adds funding for rewriting the Medicaid management information system (MMIS) computer application. (The House removed this funding.)	\$3,667,820	\$25,521,039	\$29,188,859
4. Adds funding for ConnectND fees paid to the Information Technology Department	\$639,953	\$223,047	\$863,000
Economic Assistance			
1. Adds 1 FTE pharmacy services position. (The House removed this position.)	\$22,135	\$66,403	\$88,538
2. Adds 1 FTE Healthy Steps eligibility position	\$18,231	\$63,964	\$82,195
3. Provides \$2.8 million for the Indian county allocation compared to \$2.6 million for the 2003-05 biennium. The grants are provided at 90 percent of the excess costs calculated pursuant to NDCC Section 50-01.2-03.2(3).	\$186,437		\$186,437
4. Provides \$22 million for child care assistance grants compared to the \$27.1 million appropriated for the 2003-05 biennium. Although \$27.1 million was appropriated for the 2003-05 biennium, the department anticipates that only \$21.6 million will be available for the biennium.		(\$5,098,081)	(\$5,098,081)
5. Provides \$105.8 million of federal funds for food stamps compared to \$82.9 million appropriated for the 2003-05 biennium		\$22,962,769	\$22,962,769
6. Provides \$36.5 million of federal funds for the low-income home energy assistance program (LIHEAP) compared to \$17.6 million appropriated for the 2003-05 biennium		\$18,942,781	\$18,942,781
7. Provides \$24.5 million for temporary assistance for needy families (TANF) compared to \$29.5 million for the 2003-05 biennium		(\$5,027,940)	(\$5,027,940)
8. Provides \$2.6 million of federal funds for job opportunities and basic skills (JOBS) transportation grants compared to \$3.2 million appropriated for the 2003-05 biennium		(\$589,890)	(\$589,890)
9. Adds funding for payment error rate measurement (PERM) eligibility reviews to comply with proposed federal Medicaid and children's health insurance program regulations that, if approved, will become effective October 1, 2005. The executive budget anticipates that the department will contract for these reviews; however, if the department is unable to contract for this, Section 4 of the bill allows the department to hire additional FTE positions for conducting these reviews.	\$615,000	\$615,000	\$1,230,000
10. Provides \$215,016 from the general fund for the Lake Region Child Support Enforcement Unit, the same amount provided during the 2003-05 biennium. (The House reduced this amount by \$65,000, to \$150,016.)			
11. Removes funding for intergovernmental transfer payments due to the discontinuation of the program at the federal level	(\$8,682,211)	(\$18,813,444)	(\$27,495,655)
12. Increases funding for prescription drugs in the medical assistance program to \$107.9 million, of which \$38.4 million is state matching funds. The 2003 Legislative Assembly appropriated \$95.2 million, of which \$30.5 million is from state matching funds.	\$7,886,553	\$4,834,125	\$12,720,678
13. Reduces funding for outpatient hospital services in the medical assistance program to \$33.8 million, of which \$11.9 million is state matching funds. The 2003 Legislative Assembly appropriated \$36.3 million, of which \$11.6 million is state matching funds.	\$247,763	(\$2,715,002)	(\$2,467,239)
14. Adds funding to provide a 2 percent inflationary increase each year of the biennium for the department's service providers under the medical services program	\$2,369,898	\$4,492,638	\$6,862,536

15. Adds funding to allow Medicaid recipients to set aside up to \$5,500 for funeral expenses rather than \$3,000. (The House provided for a funeral set-aside limit of \$5,000 resulting in a reduction of \$252,500, of which \$91,405 is from the general fund.)	\$445,915	\$816,585	\$1,262,500
16. Adds funding to provide a 2 percent inflationary increase each year of the biennium for the department's service providers under the long-term care program	\$642,489	\$391,797	\$1,034,286
17. Provides \$348.8 million for nursing facility care under the long-term care program, of which \$122.6 million is from the general fund compared to \$318.4 million provided for the 2003-05 biennium, of which \$102.1 million is from the general fund. Major components of the additional funding are listed below:			
Adds funding for inflationary increases required by statute. (The House reduced this amount by \$4,919,972, of which \$1,987,684 is from the general fund in accordance with provisions of House Bill No. 1252.)	\$7,853,115	\$16,661,188	\$24,514,303
Adds funding for rebasing nursing facility payment rates from 1999 to 2003	\$2,916,435	\$5,222,315	\$8,138,750
Changes the method of calculating nursing facility payment limits from the percentile method to a median plus method and sets the limits for direct, other direct, and indirect costs at the median plus 20 percent, 20 percent, and 10 percent, respectively	\$228,000	\$406,000	\$634,000
Reduces funding in anticipation of fewer nursing facility residents being on Medicaid. (The House further reduced this amount by \$2,919,263, of which \$1,025,765 is from the general fund to reflect an average of 3,600 nursing facility beds for Medicaid recipients rather than 3,631.)	(\$978,444)	(\$1,975,707)	(\$2,954,151)
18. Provides \$12.8 million for basic care under the long-term care program, of which \$5.2 million is from the general fund compared to \$8.4 million provided for the 2003-05 biennium, of which \$750,000 is from the general fund. (The House provided an additional \$235,459, of which \$162,051 is from the general fund for basic care services in accordance with provisions of House Bill No. 1252.)	\$4,440,512	(\$23,515)	\$4,416,997
19. Reduces funding for aged and disabled waiver services to \$2.6 million, of which \$900,000 is from the general fund. The 2003 Legislative Assembly appropriated \$9.5 million for these services for the 2003-05 biennium, of which \$3 million is from the general fund. (The House reduced funding for all home and community-based services by a total of \$2 million from the general fund to reflect the department's reprojections.)	(\$2,132,601)	(\$4,771,875)	(\$6,904,476)
20. Provides \$14.4 million for service payments for elderly and disabled (SPED), of which \$13.5 million is from the general fund compared to \$14.7 million for the 2003-05 biennium, of which \$13.7 million is from the general fund. (The House reduced funding for all home and community-based services by a total of \$2 million from the general fund to reflect the department's reprojections.)	(\$262,192)	(\$17,776)	(\$279,968)
21. Provides \$1.2 million from the general fund for the expanded SPED program compared to the \$800,000 provided for the 2003-05 biennium. (The House reduced funding for all home and community-based services by a total of \$2 million from the general fund to reflect the department's reprojections.)	\$354,348		\$354,348
22. Provides \$14.7 million for personal care option funding under the long-term care program, of which \$5.2 million is from the general fund compared to the \$2.8 million provided for the 2003-05 biennium, of which \$900,000 is from the general fund. (The House reduced funding for all home and community-based services by a total of \$2 million from the general fund to reflect the department's reprojections.)	\$4,254,906	\$7,605,929	\$11,860,835

Program and Policy

1. Removes the following FTE positions due to 2003-05 general fund budget reductions:
 - 1.5 FTE aging services positions
 - 1.0 FTE mental health services position

2. Removes 1 FTE disability services assistive technology coordinator		(\$96,899)	(\$96,899)
3. Removes 1 FTE disability services office assistant II		(\$101,635)	(\$101,635)
4. Provides \$1.7 million from the general fund for senior citizen mill levy matching grants, the same as the 2003-05 biennium			
5. Provides \$62.3 million for foster care services, of which \$10.4 million is from the general fund compared to \$52.2 million, of which \$8.0 million is from the general fund for the 2003-05 biennium. Increases relate to providing a 2 percent inflationary increase for each year of the biennium, anticipated caseload and cost increases, and the FMAP change referred to above. (The House reduced funding for foster care and subsidized adoption by a combined total of \$594,106, of which \$250,000 is from the general fund.)	\$2,432,566	\$7,662,952	\$10,095,518
6. Provides \$12.9 million for adoption services, of which \$5.4 million is from the general fund compared to \$10.9 million, of which \$4.5 million is from the general fund. Increases relate to providing a 2 percent inflationary increase for each year of the biennium, anticipated caseload and cost increases, and the FMAP change referred to above. (The House reduced funding for foster care and subsidized adoption by a combined total of \$594,106, of which \$250,000 is from the general fund.)	\$896,978	\$1,113,784	\$2,010,762
7. Provides \$150,000 from the general fund for compulsive gambling treatment services, the same amount as the 2003-05 biennium. This amount is in addition to the funding provided pursuant to a continuing appropriation of 5 percent of the gross profits from the North Dakota lottery of up to \$400,000 per biennium to the Department of Human Services for compulsive gambling treatment services. (The House removed the \$150,000 general fund appropriation and appropriated \$400,000 from the compulsive gambling treatment fund in accordance with provisions of House Bill No. 1259 which removes the continuing appropriation of these funds.)			
8. Provides \$206.2 million for developmental disabilities services grants, of which \$73.2 million is from the general fund compared to the \$190.6 million provided for the 2003-05 biennium, of which \$61.9 million is from the general fund. Major components of the additional funding are listed below:			
Adds funding to provide a 2 percent inflationary increase each year of the biennium for developmental disabilities services providers	\$2,177,036	\$3,882,585	\$6,059,621
Adds funding for anticipated increases in the number of clients and utilization of services	\$2,327,468	\$4,908,414	\$7,235,882
Adds funding for anticipated provider cost increases	\$875,433	\$1,507,526	\$2,382,959
(The House added \$1,620,750, of which \$575,193 is from the general fund for increasing the average wage for employees of developmental disabilities services providers by 10 cents per hour and reduced funding by \$1,424,501, of which \$500,000 is from the general fund to reflect the anticipated level of funding needed for this program.)			
9. Provides \$1.1 million for grants to independent living centers, of which \$292,000 is from the general fund, the same as the 2003-05 biennium			

State Hospital

1. Removes 20.74 FTE positions from traditional services at the State Hospital due to 2003-05 general fund budget reductions			
2. Provides additional funding and expands the secure services unit (sexual offender treatment services and services to individuals that are mentally ill and dangerous) at the State Hospital from a 22-bed unit to a 42-bed unit. The amounts shown include the addition of \$2,273,245 from the general fund for 29.85 new FTE positions.	\$3,072,744	(\$60,364)	\$3,012,380
3. Increases funding from the general fund for State Hospital traditional services to replace an anticipated reduction in third-party collections. (The House reduced funding from the general fund by \$100,000 and increased special funds by \$100,000 in anticipation of general fund savings and additional third-party collections.)	\$1,326,431	(\$1,326,431)	\$0

4. Anticipates salaries and wages savings from vacant positions and employee turnover at the State Hospital	(\$657,288)		(\$657,288)
5. Authorizes the issuance of bonds in Senate Bill No. 2023 for replacing an electrical transformer (\$40,000), repairing a roof (\$65,000), and for repairing and painting the water tower (\$110,000) at the State Hospital. (The Senate removed this funding.)		\$215,000	\$215,000

Developmental Center

1. Removes the following FTE positions due to 2003-05 general fund budget reductions: 4 FTE direct training technicians 1 FTE social worker .5 FTE speech pathologist 1 FTE vocational training technician			
2. Increases funding from the general fund for the Development Center to restore the \$1 million general fund budget reduction made by the 2003 Legislative Assembly. (The House removed \$712,251, of which \$250,000 is from the general fund for operating costs of the Developmental Center.)	\$1,000,000		\$1,000,000
3. Anticipates salaries and wages savings from vacant positions and employee turnover at the Developmental Center	(\$724,930)		(\$724,930)
4. Authorizes the issuance of bonds in Senate Bill No. 2023 for roof repairs on the Cedar Grove Building (\$135,000) and for pool filtration repairs and roof repairs on the Collette Gym building (\$105,000) at the Developmental Center. (The Senate removed this funding.)		\$240,000	\$240,000

Human Service Centers

1. Removes 1 FTE human service center director position at the North Central Human Service Center			
2. Adds 3 FTE community home counselors at the Northeast Human Service Center	\$53,878	\$125,714	\$179,592
3. Adds 1 FTE activity therapist at the Northeast Human Service Center	\$20,515	\$47,867	\$68,382
4. Adds a .4 FTE case manager at the Southeast Human Service Center	\$17,256	\$16,819	\$34,075
5. Adds a .4 FTE addiction counselor at the Southeast Human Service Center	\$18,549	\$18,081	\$36,630
6. Adds a .6 FTE addiction counselor at the Southeast Human Service Center	\$25,454	\$35,036	\$60,490
7. Adds 1 FTE activity therapist at the Southeast Human Service Center	\$38,534	\$53,040	\$91,574
8. Adds a .5 FTE child care licensing position at the West Central Human Service Center		\$51,118	\$51,118
9. Removes a .8 FTE vocational rehabilitation supervisor at the Badlands Human Service Center		(\$83,766)	(\$83,766)
10. Removes a .5 FTE child care licensing position at the Badlands Human Service Center		(\$35,724)	(\$35,724)
11. Removes funding for the mental health funding pool provided for the 2003-05 biennium 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)
12. Adds funding to the human service centers for service provider inflationary increases of 2 percent for each year of the biennium	\$380,350		\$380,350

Other Sections in Bill

Section 4 of the bill allows the department to hire additional FTE positions to conduct payment error rate measurement (PERM) eligibility reviews if the department is unable to contract with a private organization.

Section 5 of the bill, added by the House, provides that if the federal government does not require states to conduct payment error rate measurement (PERM) eligibility reviews, the department may not spend the \$1,230,000, \$615,000 of which is from the general fund, included in its appropriation.

Section 6, added by the House, authorizes the department to transfer funds between line items and subdivisions of the department

Section 7, added by the House, limits the department's expenditures from the community health trust fund during the 2005-07 biennium to \$114,755.

Section 8, added by the House, provides for a \$100,000 transfer from the compulsive gambling prevention and treatment fund to the general fund.

Section 9, added by the House, provides for a Legislative Council study of long-term care.

Major Related Legislation

House Bill No. 1110 extends the moratorium on the expansion of bed capacity of residential treatment centers and residential child care facilities for children until July 31, 2007.

House Bill No. 1146 makes changes to reimbursement rate provisions for developmental disabilities services providers.

House Bill No. 1148 continues to require the department to provide personal care services to eligible Medicaid recipients residing in their own homes. Under current law, the provision will expire on June 30, 2005.

House Bill No. 1172 makes changes to child support enforcement provisions and provides a continuing appropriation of funds received from counties or Indian tribes for centralized administration of child support enforcement.

House Bill No. 1181 increases the funeral set-aside for Medicaid recipients from \$3,000 to \$5,000 and directs the department to seek a federal waiver to disregard funeral funds of a Medicaid recipient in any amount provided the funds were set-aside prior to April 2004.

House Bill No. 1190 includes provisions extending the moratorium on the expansion of basic care bed capacity until July 31, 2007.

House Bill No. 1191 includes provisions extending the moratorium on the expansion of long-term care bed capacity until July 31, 2007.

House Bill No. 1204 removes statutory provisions relating to making intergovernmental transfer payments under the Medicaid program.

House Bill No. 1217 requires the department to disregard assets when considering Medicaid eligibility for an individual owning a long-term care insurance policy.

House Bill No. 1252 changes nursing home inflationary rates used in determining nursing home payments, changes nursing home payment limits, and provides for rebasing every three years.

House Bill No. 1442 removes the requirement that each human service center establish an advisory council.

House Bill No. 1459 provides for the development of a system for managing the health care needs of medical assistance recipients.

House Bill No. 1460 provides a \$100,000 appropriation, of which \$50,000 is from the general fund to the Department of Human Services for obtaining actuarial services for the medical assistance program.

House Bill No. 1465 appropriates \$50,000 from the general fund to the department of Human Services for developing a Medicaid and Medicare prescription drug management program.

Senate Bill No. 2028 appropriates \$40,000 from the general fund to the Department of Human Services for contracting with an entity to coordinate a system for the provision of guardianship services to vulnerable adults who are ineligible for developmental disabilities case management services.

Senate Bill No. 2139 removes statutory provisions relating to making intergovernmental transfer payments under the Medicaid program.

Senate Bill No. 2221 appropriates \$30,000 from the general fund to the Department of Human Services for corporate guardianship petitioning costs for indigent individuals with developmental disabilities.

Senate Bill No. 2267 appropriates \$500,000 from the general fund for the senior citizen mill levy matching grant program.

Senate Bill No. 2301 provides for state administration of child support enforcement.

Senate Bill No. 2341 appropriates \$448,471 of special funds to the Department of Human Services for a mandatory drug treatment pilot project.

Senate Bill No. 2342 provides that developmental disabilities services providers receive the same inflationary increases for determining payment rates as nursing facilities.

Senate Bill No. 2395 appropriates \$135,000 from the general fund to the Department of Human Services for providing Russell-Silver Syndrome treatment services.

Senate Bill No. 2409 appropriates \$500,000 of federal temporary assistance for needy families (TANF) funds to the Department of Human Services for an alternatives-to-abortion services program.