

FISCAL NOTE

Requested by Legislative Council
04/08/2005

REVISION

Amendment to: Reengrossed
 HB 1252

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$12,350,269	\$0	\$13,323,297
Expenditures	\$0	\$0	\$7,543,824	\$12,350,269	\$9,188,001	\$13,323,297
Appropriations	\$0	\$0	\$3,977,809	\$6,003,885	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

FISCAL NOTE WAS REVISED TO INCLUDE THE EFFECT OF THE NEWLY RELEASED FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) OF 62.37% FOR FFY 2007. NUMBERS ORIGINALLY BASED ON FMAP OF 63.23% FOR FFY 2007. EFFECT IS ONLY CONSIDERED FOR THE INFLATIONARY INCREASE PROPOSED BY THIS BILL. THE NEWLY REVISED FMAP ACTUALLY IMPACTS THE LAST 10 MONTHS FOR THE 2005 - 2007 BIENNIIUM. WHEN CONSIDERING THE FMAP EFFECT FOR THE LAST 10 MONTHS OF THE BIENNIIUM ALONG WITH THE FMAP EFFECT ON THE INFLATION, THE GENERAL FUND APPROPRIATION NEEDED WOULD BE \$5,693,491.

This bill would create and enact a new section to chapter 50-24.1 of the NDCC relating to developmental disabilities service providers; would amend and reenact sections 50-24.4-06 and 50-24.4-10, subsection 1 of section 50-24.4-11, sections 50-24.4-13, 50-24.4-14, 50-24.4-16, 50-24.4-19, and 50-24.4-27 and subsection 3 of section 50-24.5-02 of the NDCC relating to nursing home rates and basic care rates; and would repeal section 50-24.4-09 of the NDCC relating to interim rates for nursing homes.

The department shall determine the budget for private, licensed developmental disability providers by inflating historical costs by the annual percentage developed for long-term care facilities.

For the rate year beginning 2006, the department would be required to establish limits for cost categories using the June 30, 2003 cost report year as the base period; the limits may not fall below the median of the most recent cost report. Until a new base period is established, the department would be required to adjust the limits annually by the inflation rate for nursing home services used to develop the legislative appropriation for the department. A new base period would need to be established at least every three years beginning with the cost report period June 30, 2006.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The department would receive Title XIX funds at the FMAP in effect during each federal fiscal year of the biennium; for 2005-2007 revenue would equal \$12,350,269; \$5,428,315 of this relates to long-term care facilities and \$6,921,954 relates to disability services providers. For 2007-2009 revenue would equal \$13,323,297; \$5,237,294 of this relates to long-term care facilities and \$8,086,003 relates to disability services providers.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The effect of this bill for 2005-2007 is to increase expenditures by \$19,894,093 in total; \$8,772,750 of the total relates to long-term care facilities and \$11,121,343 relates to disability services providers. The increased expenditures would be funded by general funds of \$7,543,824 and federal title XIX funds of \$12,350,269. For 2007-2009, total expenditures would increase to \$22,511,298 funded by general funds of \$9,188,001 and \$13,323,297 of federal title XIX funds; of this total \$8,397,136 relates to long-term care facilities and \$14,114,162 relates to disability services providers.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The department's appropriation as included in the budget to the Senate would need to be increased by \$5,061,722, with \$2,022,353 being general funds, to account for the increase in the inflation factors from 2%/2% to 3.52%/3.92% for disability services providers. The appropriation would also need to be increased by \$4,919,972, with \$1,955,456 being general funds to restore the inflation factors at nursing homes to 3.52%/3.92%. The remainder of the fiscal impact of the bill was included in the budget to the Senate.

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Agency: Human Services
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