



# Budget Basics

Prepared by the North Dakota Legislative Council  
Part 8 | October 2022

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

The Department of Human Services (DHS) merged with the State Department of Health (DOH) in September 2022 to create the Department of Health and Human Services (DHHS) pursuant to the provisions of House Bill No. 1247 (2021). The Department of Human Services administers several programs that aid individuals. The department provides in-person services through eight regional human service centers, the State Hospital, and the Life Skills and Transition Center (LSTC).

### DEPARTMENT BUDGET Legislative Appropriations

Below is an overview of legislative appropriations for DHS since the 2015-17 biennium.

Biennium	General Fund	Federal Funds	Special Funds	Total
(Amounts Shown in Millions)				
2015-17	\$1,281.6	\$2,142.0	\$122.5	\$3,546.1
2017-19	\$1,339.2	\$2,228.3	\$345.6	\$3,913.1
2019-21	\$1,462.6	\$2,645.4	\$368.8	\$4,476.8
2021-23 <sup>1</sup>	\$1,579.0	\$2,978.7	\$368.6	\$4,926.3

<sup>1</sup>Includes only the DHS portion of DHHS. After the merger, the DOH portion of the budget totals \$180.9 million, of which \$43.8 million is from the general fund for the 2021-23 biennium.

### Major Budget Areas

The Department of Human Service's budget is divided into the following four budget areas:

Area <sup>1</sup>	Major Programs and Purposes
Management	Administrative and information technology costs
Program and policy	Grants and administrative costs for programs, including medical services, developmental disability services, children and family services, behavioral health services, aging services, economic assistance programs, and vocational rehabilitation
Field services	Operating and maintenance costs of human service centers, the State Hospital, and LSTC
County social services	Costs relating to the state takeover of county social service costs

<sup>1</sup>Excludes the public health area of DHHS, which has been added after the merger with DOH in September 2022.

### MEDICAID PROGRAM

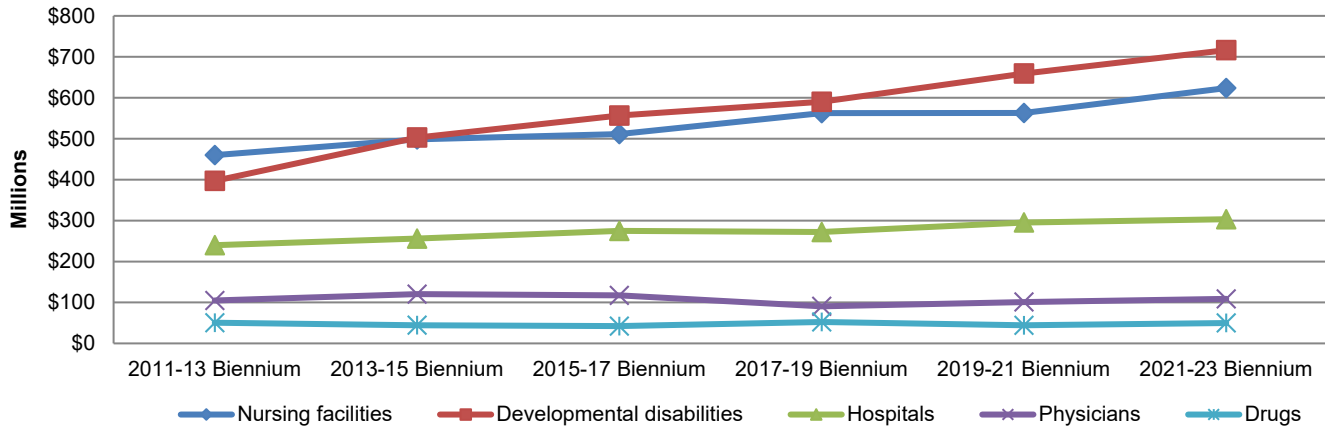
The Medicaid program provides health coverage to qualifying individuals. During state fiscal year 2022, an estimated 90,390 North Dakotans received assistance through either the traditional Medicaid program, Medicaid Expansion program, or children's health insurance program.

### Federal Medical Assistance Percentage

The federal medical assistance percentage (FMAP) is the rate used to determine matching funds required by states for the Medicaid program. The federal medical assistance percentage is determined by comparing each state's 3-year average per capita income to the national 3-year average per capita income. The minimum FMAP a state may have is 50 percent. For federal fiscal year 2023 (October 2022 through September 2023), North Dakota's FMAP rate is 51.55 percent. Certain medical assistance programs, including the Medicaid Expansion program and children's health insurance program, use an enhanced FMAP rate which is 90 percent for the Medicaid Expansion program and 66.09 percent for the children's health insurance program for fiscal year 2023.

### Major Medicaid Costs

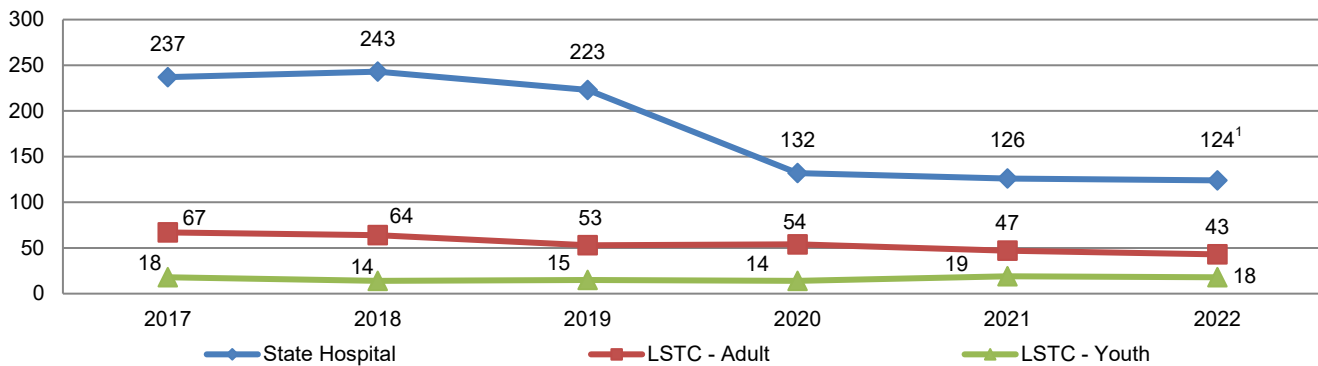
The chart below details major Medicaid costs since the 2011-13 biennium.



### STATE HOSPITAL AND LIFE SKILLS AND TRANSITION CENTER

The Department of Human Services operates the State Hospital in Jamestown and LSTC in Grafton. The State Hospital provides inpatient mental health and addiction treatment services. The Life Skills and Transition Center provides residential and other services to individuals with an intellectual disability.

The schedule below details the average daily census of the State Hospital and LSTC.



<sup>1</sup>Effective July 1, 2019, a total of 60 beds for the Tompkins Rehabilitation and Corrections Center were transferred to the Department of Corrections and Rehabilitation.

### COUNTY SOCIAL AND HUMAN SERVICES PROJECT

Senate Bill No. 2124 (2019) provides for the delivery of social services from human service zones rather than counties. The bill authorized the transfer of 140 employees from counties to DHS. The 2021 Legislative Assembly authorized 3 additional FTE positions to provide for a total of 143 FTE state employee positions for the county social and human services project during the 2021-23 biennium. During the November 2021 special legislative session, an additional 16 FTE positions for foster care licensing were transferred from human service center zones to state employment.

Senate Bill No. 2015 (2019) transferred \$173.7 million from the tax relief fund to the human service finance fund and Senate Bill No. 2012 (2019) appropriated the funds to DHS for payments to human service zones. The 2021 Legislative Assembly appropriated a total of \$189.9 million in funds, including \$187.2 million from the tax relief fund, \$1.5 million from the DHS operating fund, and \$1.2 million from the general fund to DHS for payments to human service zones during the 2021-23 biennium.