

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1012

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of various divisions of the department of health and human services; to amend and reenact sections 50-06-06.6, 50-06-42, 50-24.5-02.3, and 50-33-05 of the North Dakota Century Code, relating to leases of department of health and human services property, substance use disorder treatment program, basic care payment rates, and state of residence for child care assistance; to provide for a transfer; to authorize a line of credit; to provide legislative intent; to provide for a legislative management study; to provide an application; to provide an exemption; ~~and~~ to provide for a report; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from other funds derived from special funds and federal funds, to the department of health and human services for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

~~— Subdivision 1.~~

BUSINESS OPERATIONS

	<u>Adjustments or</u>		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$25,763,358	\$0	\$25,763,358

1	Operating expenses	155,308,399	0	155,308,399
2	Capital assets	108,934	0	108,934
3	Grants	11,812,627	0	11,812,627
4	Total all funds	192,993,318	0	192,993,318
5	Less other funds	118,894,310	0	118,894,310
6	Total general fund	\$74,099,008	\$0	\$74,099,008

7 — Subdivision 2.

BEHAVIORAL HEALTH

9		Adjustments or		
10		Base Level	Enhancements	Appropriation
11	Salaries and wages	\$8,792,675	\$0	\$8,792,675
12	Operating expenses	79,381,458	0	79,381,458
13	Grants	40,476,298	0	40,476,298
14	Behavioral health clinics	196,383,945	0	196,383,945
15	State hospital	94,826,973	0	94,826,973
16	Opioid addiction prevention	2,000,000	0	2,000,000
17	Total all funds	421,861,349	0	421,861,349
18	Less other funds	113,955,941	0	113,955,941
19	Total general fund	\$307,905,408	0	\$307,905,408

20 — Subdivision 3.

HUMAN SERVICES

22		Adjustments or		
23		Base Level	Enhancements	Appropriation
24	Salaries and wages	\$168,325,918	\$0	\$168,325,918
25	Operating expenses	88,885,469	0	88,885,469
26	Capital assets	10,000	0	10,000
27	Grants	621,189,007	0	621,189,007
28	Life skills and transition center	44,992,263	0	44,992,263
29	Grants - medical assistance	742,793,564	0	742,793,564
30	County social services	197,663,661	0	197,663,661
31	Total all funds	1,863,859,882	0	1,863,859,882

1	Less other funds	1,240,409,529	0	1,240,409,529
2	Total general fund	\$623,450,353	0	\$623,450,353
3	— Subdivision 4:			
4	MEDICAL SERVICES			
5			Adjustments or	
6		Base Level	Enhancements	Appropriation
7	Salaries and wages	\$21,008,344	\$0	\$21,008,344
8	Operating expenses	70,807,977	0	70,807,977
9	Grants	1,651,004	0	1,651,004
10	Grants — medical assistance	2,682,778,803	0	2,682,778,803
11	Total all funds	2,776,246,128	0	2,776,246,128
12	Less other funds	1,818,029,530	0	1,818,029,530
13	Total general fund	\$958,216,598	0	\$958,216,598
14	— Subdivision 5:			
15	PUBLIC HEALTH			
16			Adjustments or	
17		Base Level	Enhancements	Appropriation
18	Salaries and wages	\$60,415,388	\$0	\$60,415,388
19	Operating expenses	37,721,213	0	37,721,213
20	Capital assets	1,469,780	0	1,469,780
21	Grants	81,718,145	0	81,718,145
22	Tobacco prevention	13,063,162	0	13,063,162
23	Women, infants, and children	19,900,000	0	19,900,000
24	— food payments			
25	Cares Act/COVID-19	83,909,182	0	83,909,182
26	Total all funds	\$298,196,870	0	298,196,870
27	Less other funds	250,440,690	0	250,440,690
28	Total general fund	\$47,756,180	\$0	\$47,756,180
29	TOTAL — SECTION 1			
30			Adjustments or	
31		Base Level	Enhancements	Appropriation

1	Grand total all funds	\$5,553,157,547	\$0	\$5,553,157,547
2	Grand total other funds	3,541,730,000	0	3,541,730,000
3	Grand total general fund	\$2,011,427,547	\$0	\$2,011,427,547
4	Full-time equivalent positions	2,483.83	0.00	2,483.83

5 Subdivision 1.

6 SALARIES AND WAGES BLOCK GRANT

7		<u>Adjustments or</u>		
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Salaries and wages block grant	\$0	\$596,284,775	\$596,284,775
10	Total all funds	0	596,284,775	596,284,775
11	Less other funds	0	286,720,150	286,720,150
12	Total general fund	\$0	\$309,564,625	\$309,564,625

13 Subdivision 2.

14 BUSINESS OPERATIONS

15		<u>Adjustments or</u>		
16		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17	Salaries and wages	\$25,763,358	(\$25,763,358)	\$0
18	Operating expenses	155,308,399	(77,023,770)	78,284,629
19	Capital assets	108,934	(108,934)	0
20	Grants	11,812,627	6,966,375	18,779,002
21	Total all funds	\$192,993,318	(\$95,929,687)	\$97,063,631
22	Less other funds	118,894,310	(71,526,221)	47,368,089
23	Total general fund	\$74,099,008	(\$24,403,466)	\$49,695,542

24 Subdivision 3.

25 BEHAVIORAL HEALTH

26		<u>Adjustments or</u>		
27		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
28	Salaries and wages	\$8,792,675	(\$8,792,675)	\$0
29	Operating expenses	79,381,458	23,888,138	103,269,596
30	Grants	40,476,298	21,889,322	62,365,620
31	Behavioral health clinics	196,383,945	(139,978,713)	56,405,232

1	State hospital	94,826,973	256,053,182	350,880,155
2	Opioid addiction prevention	2,000,000	6,000,000	8,000,000
3	Total all funds	\$421,861,349	\$159,059,254	\$580,920,603
4	Less other funds	113,955,941	285,267,537	399,223,478
5	Total general fund	\$307,905,408	(\$126,208,283)	\$181,697,125

6 Subdivision 4.

7 HUMAN SERVICES

8			Adjustments or	
9		Base Level	Enhancements	Appropriation
10	Salaries and wages	\$168,325,918	(\$168,325,918)	\$0
11	Operating expenses	88,885,469	108,258,236	197,143,705
12	Capital assets	10,000	0	10,000
13	Grants	621,189,007	94,393,260	715,582,267
14	Life skills and transition center	44,992,263	(29,784,605)	15,207,658
15	Grants - medical assistance	742,793,564	7,655,079	750,448,643
16	County social services	197,663,661	6,928,621	204,592,282
17	Total all funds	\$1,863,859,882	\$19,124,673	\$1,882,984,555
18	Less other funds	1,240,409,529	(13,961,485)	1,226,448,044
19	Total general fund	\$623,450,353	\$33,086,158	\$656,536,511

20 Subdivision 5.

21 MEDICAL SERVICES

22			Adjustments or	
23		Base Level	Enhancements	Appropriation
24	Salaries and wages	\$21,008,344	(\$21,008,344)	\$0
25	Operating expenses	70,807,977	92,364,562	163,172,539
26	Grants	1,651,004	1,806,800	3,457,804
27	Grants - medical assistance	2,682,778,803	6,500,467	2,689,279,270
28	Total all funds	\$2,776,246,128	\$79,663,485	\$2,855,909,613
29	Less other funds	1,818,029,530	(7,372,459)	1,810,657,071
30	Total general fund	\$958,216,598	\$87,035,944	\$1,045,252,542

31 Subdivision 6.

1	<u>PUBLIC HEALTH</u>			
2		<u>Adjustments or</u>		
3		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
4	Salaries and wages	\$60,415,388	(\$60,415,388)	\$0
5	Operating expenses	37,721,213	17,853,669	55,574,882
6	Capital assets	1,469,780	2,215,838	3,685,618
7	Grants	81,718,145	4,245,496	85,963,641
8	Tobacco prevention	13,063,162	(22,607)	13,040,555
9	Women, infants, and children	19,900,000	1,100,000	21,000,000
10	food payments			
11	Cares Act/COVID-19	83,909,182	1,845,373	85,754,555
12	Total all funds	\$298,196,870	(\$33,177,619)	\$265,019,251
13	Less other funds	250,440,690	(20,626,287)	229,814,403
14	Total general fund	\$47,756,180	(\$12,551,332)	\$35,204,848

15	<u>Subdivision 7.</u>			
16	<u>TOTAL - SECTION 1</u>			
17		<u>Adjustments or</u>		
18		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
19	Grand total all funds	\$5,553,157,547	\$725,024,881	\$6,278,182,428
20	Grand total other funds	3,541,730,000	458,501,235	4,000,231,235
21	Grand total general fund	\$2,011,427,547	\$266,523,646	\$2,277,951,193
22	Full-time equivalent positions	2,483.83	204.52	2,688.35

23	SECTION 2. ONE TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO			
24	SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding			
25	items included in section 1 of this Act which are not included in the entity's base budget for the			
26	2027-29 biennium and which the entity shall report to the appropriations committees of the			
27	seventieth legislative assembly regarding the use of this funding:			
28	<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
29	Technology projects	\$0	\$10,263,000	\$10,263,000
30	Human service centers and life skills	0	1,052,480	1,052,480
31	and transition center projects			

1	Retire mainframe	0	15,000,000	15,000,000
2	Child care programs	13,272,500	0	13,272,500
3	Housing programs	0	1,000,000	1,000,000
4	State laboratory move and equipment	0	2,962,304	2,962,304
5	Partial hospitalization day treatment	0	2,000,000	2,000,000
6	Developmental disabilities eligibility	200,000	200,000	400,000
7	assessment tool for kids			
8	Toxicology equipment	151,500	100,000	251,500
9	New state hospital	0	330,000,000	330,000,000
10	Behavioral health facility grant	0	12,960,000	12,960,000
11	Cultural community center grant	0	1,000,000	1,000,000
12	Adaptive recreation grant	200,000	0	200,000
13	Intermediate care facility grant	3,457,736	0	3,457,736
14	Juvenile justice diversion services	750,000	0	750,000
15	Animal shelter grant	0	300,000	300,000
16	Statewide health strategies	0	750,000	750,000
17	Critical access hospital networking	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
18	Total	\$18,031,736	\$379,587,784	\$397,619,520

SECTION 3. FUNDING TRANSFERS - EXEMPTION - AUTHORIZATION - REPORT.

Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items within subdivisions 1, 2, 3, 4, ~~and 5~~, and 6 of section 1 of this Act and any other appropriation authority for the department of health and human services approved by the sixty-ninth legislative assembly, for the biennium beginning July 1, 2025, and ending June 30, 2027, as requested by the department of health and human services. The department of health and human services shall notify the legislative council of any transfer made pursuant to this section. The department of health and human services shall report to the budget section after June 30, 2026, any transfer made in excess of \$50,000 and to the appropriations committees of the seventieth legislative assembly regarding any transfers made pursuant to this section.

SECTION 4. FULL-TIME EQUIVALENT POSITION BLOCK GRANT PROGRAM - REPORT. Section 1 of this Act includes funding for a full-time equivalent position block grant

1 program. This funding as approved by the sixty-ninth legislative assembly is available for
2 defraying the expense of full-time equivalent positions as determined by the department of
3 health and human services. Notwithstanding any other provision of law, the department is
4 authorized to increase or decrease authorized full-time equivalent positions subject to the
5 availability of funds and the provisions of this section. The department of health and human
6 services may not increase full-time equivalent positions for the purpose of transferring human
7 service zone employees to state employment. Pursuant to section 3 of this Act, the department
8 is authorized to transfer appropriation authority of up to the underfunded amount of \$30,000,000
9 to the salaries and wages block grant line item. The department of health and human services
10 shall report to the office of management and budget and legislative council any adjustments to
11 full-time equivalent positions.

12 **SECTION 5. DEPARTMENT OF HEALTH AND HUMAN SERVICES - SALARIES AND**
13 **WAGES BLOCK GRANT - VACANT POSITIONS - REPORT.** The department of health and
14 human services shall report to the budget section quarterly during the 2025-26 interim regarding
15 the status of its salaries and wages block grant and vacant positions and employee turnover.
16 The report must include:

- 17 1. The legislative appropriation for salaries and wages allocated by the department to
18 major department programs by funding source and the number of full-time equivalent
19 positions the department is allocating to each major program based on the legislative
20 appropriation;
- 21 2. Any changes to salaries and wages funding or full-time equivalent positions allocated
22 to major department programs;
- 23 3. Any new full-time equivalent positions added, the cost of the position for the remainder
24 of the biennium, and the cost to continue funding the position in the subsequent
25 biennium by funding source;
- 26 4. Any full-time equivalent positions removed and related funding;
- 27 5. The number of full-time equivalent positions that become vacant and the number filled
28 each month;
- 29 6. The number of vacant full-time equivalent positions at the end of each month;
- 30 7. Salaries and wages savings resulting from vacant positions and employee turnover
31 each month by funding source; and

- 1 8. The use of salaries and wages savings for other purposes for each month by funding
2 source.

3 **SECTION 6. BEHAVIORAL HEALTH FACILITY GRANT - STRATEGIC INVESTMENT**
4 **AND IMPROVEMENTS FUND - APPLICATION.**

- 5 1. Section 1 of this Act includes the sum of \$12,960,000 from the strategic investment
6 and improvements fund for a behavioral health facility grant pursuant to this section.
- 7 2. A grant of \$12,960,000 must be provided to establish a behavioral health facility in the
8 northeast human service region. The grant recipient must provide matching funds of
9 \$3,240,000 to establish the facility.
- 10 3. The department shall require an entity receiving funding under this section to operate
11 the facility for at least ten years and require the grant amount to be repaid if the entity
12 does not operate the facility for at least ten years.
- 13 4. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient,
14 the grant award, or payments made under this section.

15 **SECTION 7. COMMUNITY CULTURAL CENTER GRANT - STRATEGIC INVESTMENT**
16 **AND IMPROVEMENTS FUND - APPLICATION.** Section 1 of this Act includes the sum of
17 \$1,000,000 from the strategic investment and improvements fund for the purpose of providing a
18 one-time community cultural center grant in the west central human service region. An entity
19 may apply for a grant under this section if the entity certifies to the department it has secured at
20 least fifty percent of funds needed to complete the project, the project will be completed within
21 two years of receiving the grant funds, and the grants funds will be used only for costs of
22 constructing a community cultural center. The requirements of chapter 54-44.4 do not apply to
23 the selection of a grant recipient, the grant award, or payments made under this section.

24 **SECTION 8. JUVENILE JUSTICE DIVERSION SERVICES AND PROGRAMS - TASK**
25 **FORCE - REPORT.** Section 1 of this Act includes the sum of \$750,000 from the general fund for
26 juvenile justice diversion services and programs. The department of health and human services
27 must use the funding for services to youth at risk of juvenile justice involvement but who have
28 not committed delinquent acts as defined in chapter 27-20.4.

29 The department shall establish a task force with representation from divisions in the
30 department, human service zones, the department of public instruction, elementary and
31 secondary schools, and members of the legislative assembly, to review juvenile justice diversion

services and program. The department shall report its findings and recommendations to the legislative management and children's cabinet.

SECTION 9. ANIMAL SHELTER GRANT - COMMUNITY HEALTH TRUST FUND.

Section 1 of this Act includes the sum of \$300,000 from the community health trust fund for a grant for the construction of an animal shelter. The department of health and human services may award a grant for the construction of an animal shelter to an organization that provides twenty dollars of nonstate matching funds for every dollar of grant funds received. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.

SECTION 10. STATEWIDE HEALTH STRATEGIES - COMMUNITY HEALTH TRUST

FUND. Section 1 of this Act includes the sum of \$750,000 of one-time funding from the community health trust fund for the statewide health strategies initiative. The department of health and human services may spend the funding upon securing dollar-for-dollar matching funds.

SECTION 11. OTHER FUNDS - INSURANCE TAX DISTRIBUTION FUND. The other funds line item in subdivision 5 of section 1 of this Act includes the sum of \$1,125,000 from the insurance tax distribution fund for rural emergency medical services grants.

SECTION 12. OTHER FUNDS - COMMUNITY HEALTH TRUST FUND. The other funds line items in section 1 of this Act includes the sum of \$38,713,522 from the community health trust fund for the following purposes:

Loan repayment programs	\$594,500
Tobacco and vaping programs	11,599,698
Cancer and women's way programs	909,824
Behavior risk state survey	200,000
Domestic violence programs	4,250,000
Local public health grants	3,275,000
988 crisis hotline	1,867,500
Various information technology system upgrades	2,967,000
Grants to rural ambulances	7,000,000
Law enforcement rural crisis support program	1,000,000
Development of partial hospitalization/intensive day treatment	2,000,000

1	Critical access hospital networking	2,000,000
2	Animal shelter grant	300,000
3	Statewide health strategies	<u>750,000</u>
4	Total	\$38,713,522

5 **SECTION 7. OTHER FUNDS -- COMMUNITY HEALTH TRUST FUND.** The other funds line
6 item in subdivision 2 of section 1 of this Act includes the sum of \$1,867,500 from the community
7 health trust fund for the 988 crisis hotline program and subdivision 5 of section 1 of this Act
8 includes the sum of \$27,072,324 from the community health trust fund for the following
9 programs:

10	Behavioral risk factor survey	\$200,000
11	Behavioral health loan repayment	234,500
12	Domestic violence offender treatment	1,000,000
13	Domestic violence prevention	1,000,000
14	Women's way	329,500
15	Dentist's loan repayment	360,000
16	Local public health state aid	3,275,000
17	Rural emergency medical and ambulance services grants	7,000,000
18	Cancer programs	580,324
19	Forensic examiner contract	1,000,000
20	Tobacco cessation grants	500,000
21	Youth vaping prevention grants	300,000
22	Tobacco prevention and control	5,043,000
23	Tobacco prevention and control grants to local public health units	<u>6,250,000</u>
24	Total community health trust fund	\$27,072,324

25 **SECTION 13. OTHER FUNDS - HUMAN SERVICE FINANCE FUND.** The other funds line
26 item items in ~~subdivision 3~~ of section 1 of this Act includes the sum of
27 ~~\$226,950,000~~ \$239,112,030 from the human service finance fund for state-paid economic
28 assistance and social and human services.

29 ~~**SECTION 9. OTHER FUNDS -- HEALTH CARE TRUST FUND.**~~ The other funds line item in
30 subdivision 4 of section 1 of this Act includes the sum of \$500,000 from the health care trust
31 fund for basic care facility bad debt expense.

~~SECTION 10. OTHER FUNDS - CHARITABLE GAMING OPERATING FUND. The other funds line item in subdivision 2 of section 1 of this Act includes the sum of \$500,000 from the charitable gaming operating fund for costs of gambling disorder prevention services.~~

SECTION 14. OTHER FUNDS - OPIOID SETTLEMENT FUND. The other funds line item in subdivision 2 of section 1 of this Act includes the sum of \$8,000,000 from the opioid settlement fund for opioid remediation and abatement efforts.

SECTION 15. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line items in section 1 of this Act includes the sum of \$227,474,784 from the strategic investment and improvements fund for the following purposes:

Retiring technology from the mainframe	\$7,500,000
Move into the new state laboratory and purchase security equipment	2,962,304
Capital projects in human service centers and life skills and transition center	1,052,480
Housing initiative programs	1,000,000
Technology projects at the state hospital	1,000,000
New state hospital	200,000,000
Behavioral health facility grant	12,960,000
Community cultural center grant	<u>1,000,000</u>
Total	\$227,474,784

SECTION 16. OTHER FUNDS - BANK OF NORTH DAKOTA LINE OF CREDIT - STATE HOSPITAL PROJECT. The other funds line item in subdivision 2 of section 1 of this Act includes \$130,000,000 from a Bank of North Dakota line of credit. The department of health and human services may borrow up to \$130,000,000 through a line of credit from the Bank of North Dakota during the biennium beginning July 1, 2025, and ending June 30, 2027, for costs associated with the construction of a new state hospital. The interest rate on the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. If the department accesses the line of credit, it shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 17. LABORATORY BUILDING STEERING COMMITTEE. The department of health and human services shall maintain the laboratory building steering committee to oversee the design and construction of the laboratory building project, for the biennium beginning July 1, 2025, and ending June 30, 2027, or until work is completed, whichever occurs earlier. The

1 committee must include representation from the department of health and human services,
2 department of environmental quality, office of management and budget, the governor's office,
3 and the legislative assembly. The legislative assembly representation must include one member
4 of the senate appointed by the senate majority leader, one member of the house appointed by
5 the house majority leader, and one member of the minority party from either the senate or the
6 house appointed by the minority leaders of the senate and the house.

7 **SECTION 18. NEW STATE HOSPITAL - STEERING COMMITTEE.** The department of
8 health and human services shall establish a new state hospital facility steering committee to
9 oversee the design and construction of a new state hospital facility, for the biennium beginning
10 July 1, 2025, and ending June 30, 2027. The committee must include one member of the
11 senate appointed by the senate majority leader, one member of the house appointed by the
12 house majority leader, and one member of the minority party from either the senate or the
13 house appointed by the minority leaders of the senate and the house.

14 **SECTION 19. CAPITAL PAYMENTS.** During the biennium beginning July 1, 2025, and
15 ending June 30, 2027, the department of health and human services is authorized to expend
16 funds for the payment of special assessments at the state hospital, southeast human service
17 center, and life skills and transition center. Pursuant to section 3 of this Act, the director of the
18 office of management and budget may transfer appropriation authority between line items within
19 section 1 of this Act and any remaining appropriation authority for the department of health and
20 human services approved by the sixty-ninth legislative assembly. The department of health and
21 human services may transfer funds for the payment of special assessments at the state
22 hospital, southeast human service center, and life skills and transition center ahead of the
23 special needs assessments schedule. Notwithstanding section 54-27-12, the department of
24 health and human services may spend funds for the payment of special assessments at the
25 state hospital and life skills and transition center.

26 **SECTION 20. CAPITAL PROJECTS - EMERGENCY COMMISSION AND BUDGET**
27 **SECTION APPROVAL.** During the biennium beginning July 1, 2025, and ending June 30, 2027,
28 pursuant to section 3 of this Act, the director of the office of management and budget may
29 transfer appropriation authority between line items within section 1 of this Act and any remaining
30 appropriation authority for the department of health and human services approved by the sixty-
31 ninth legislative assembly for capital projects and maintenance pertaining to operation of its

1 facilities, including demolition projects. Notwithstanding section 54-27-12, the department of
2 health and human services may spend up to \$10,000,000 for capital projects and maintenance
3 pertaining to operation of its facilities, including demolition projects, under this section and may
4 seek emergency commission and budget section approval to spend more than \$10,000,000
5 under this section.

6 **SECTION 21. PERMANENT SUPPORTIVE HOUSING GRANTS.** Section 1 of this Act
7 includes the sum of \$4,672,536 from the general fund for permanent supportive housing grants.
8 The department of health and human services shall develop a funding methodology to distribute
9 the funding to qualified entities that utilize best practices for permanent supportive housing,
10 provide recovery-oriented and person-centered services, submit process and outcome
11 measures to the department of health and human services, and authorize the department of
12 health and human services to conduct onsite visits to review program operations.

13 **SECTION 22. EXPENDITURES MAY NOT EXCEED APPROPRIATION - MEDICAL**
14 **ASSISTANCE EXPANSION PROGRAM - APPLICATION.**

- 15 1. Section 1 of this Act includes the sum of \$662,099,340, of which \$66,209,934 is from
16 the general fund, for the medical assistance expansion program, for the biennium
17 beginning July 1, 2025, and ending June 30, 2027. The expenditures for individuals
18 eligible for the medical assistance expansion program may not exceed this amount.
- 19 2. The department of health and human services may exceed appropriations for
20 increases in medical assistance expansion program caseload, for the addition of
21 coverage consistent with the traditional Medicaid 1915(i) state plan, utilization rates,
22 and reduction in federal medical assistance percentage.
- 23 3. The managed care organization under contract with the department of health and
24 human services to manage the medical assistance expansion program shall reimburse
25 providers within the same provider type and specialty at consistent levels and with
26 consistent methodology and may not provide incentive, quality, or supplemental
27 payments to providers, unless part of a value-based program approved by the
28 department of health and human services. The managed care organization shall
29 reimburse all North Dakota substance use providers of American society of addiction
30 medicine level 2.5 at consistent levels and with consistent methodology. The managed
31 care organization may consider urban and rural providers as different provider types.

1 4. The managed care organization and the department of health and human services
2 shall ensure payments to Indian or Tribal 638 health care providers, federally qualified
3 health centers, and rural health clinics meet the federally required minimum levels of
4 reimbursement. Critical access hospitals may not be paid less than one hundred
5 percent of Medicare allowable costs and human service centers may not be paid less
6 than one hundred percent of the current traditional Medicaid rate. Behavioral health
7 services involving partial hospitalization, intensive outpatient, professional services,
8 and residential behavioral health services provided in facilities that are not institutions
9 for mental diseases are not subject to the provisions in subsection 6.

10 5. The department of health and human services shall ensure providers within the same
11 provider type and specialty are reimbursed at consistent levels and with consistent
12 methodology and shall ensure the capitation rates under risk contracts are actuarially
13 sound and are adequate to meet managed care organization contractual requirements
14 regarding availability of services, assurance or adequate capacity and services, and
15 coordination and continuity of care.

16 6. Except for the provisions in subsection 4, managed care organization premium
17 payments must be built using the assumption that rates paid to providers under the
18 medical assistance expansion program may not exceed one hundred forty-five percent
19 of Medicare reimbursement rates paid to providers on January 1, 2025.

20 **SECTION 23. HUMAN SERVICE CENTERS - CERTIFIED COMMUNITY BEHAVIORAL**
21 **HEALTH CLINICS - FULL-TIME EQUIVALENT POSITIONS - REPORT.** The department of
22 health and human services shall continue the process of the human service centers becoming a
23 certified community behavioral health clinic to provide continuous community-based behavioral
24 health services for children and adults. The department of health and human services shall
25 pursue additional federal funding as available. Subject to the availability of generated income,
26 the department of health and human services may add full-time equivalent positions for the
27 clinics to provide direct services for the period beginning with the effective date of this Act and
28 ending June 30, 2027. The department of health and human services shall report to the office of
29 management and budget and legislative council each time a position is added.

30 **SECTION 24. INTERMEDIATE CARE FACILITY MORATORIUM.** The department of health
31 and human services may not add any new licensed intermediate care facility for individuals with

1 intellectual disabilities beds to the state's licensed bed capacity between July 1, 2025, and
2 June 30, 2027.

3 **SECTION 25. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
4 appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended
5 appropriation authority may be continued into the biennium beginning July 1, 2025, and ending
6 June 30, 2027:

- 7 1. The sum of \$3,674,757 appropriated from the general fund and the sum of
8 \$25,918,566 appropriated from federal funds for the Medicaid management
9 information system modularization technology project in chapter 12 of the 2021
10 Session Laws;
- 11 2. The sum of \$14,411,218 appropriated from the general fund and the sum of
12 \$14,411,218 appropriated from federal funds for the child welfare technology project in
13 chapter 12 of the 2021 Session Laws;
- 14 3. The sum of \$20,366,271 appropriated from the community health trust fund and the
15 sum of \$39,534,525 appropriated from federal funds for the child support computer
16 replacement project in chapter 44 of the 2023 Session Laws;
- 17 4. The sum of \$10,989,217 appropriated from the strategic investment and
18 improvements fund for the procurement and grants management system in chapter 44
19 of the 2023 Session Laws;
- 20 5. The sum of \$4,150,000 appropriated from the general fund for defraying the expenses
21 of additional human service centers to begin the process of becoming a certified
22 community behavioral health clinic to provide continuous community-based behavioral
23 health services for children and adults in chapter 44 of the 2023 Session Laws;
- 24 6. The sum of \$18,941,847 appropriated to the department of health and human services
25 in chapter 549 of the 2021 Special Session Laws;
- 26 7. The sum of \$55,120,000 appropriated from the federal state fiscal recovery fund for a
27 public health laboratory capital project in chapter 4 of the 2023 Session Laws;
- 28 8. The sum of \$5,000,000 appropriated from the general fund for the purpose of
29 employer-led child care cost-share program in chapter 446 of the 2023 Session Laws;
- 30 9. The sum of \$986,555 appropriated from the general fund for the purpose of
31 streamlining background checks project in chapter 446 of the 2023 Session Laws;

10. The sum of \$2,223,981 appropriated from the federal state fiscal recovery fund for the implementation of a virtual behavioral health crisis care program for rural law enforcement in chapter 44 of the 2023 Session Laws; and

11. The sum of \$500,000 appropriated from the general fund and the sum of \$500,000 appropriated from federal funds for the purpose of program integrity audits in chapter 44 of the 2023 Session Laws.

12. The sum of \$1,950,000 appropriated from the general fund to the department of health and human services for a northwest human service region behavioral health facility grant in chapter 44 of the 2023 Session Laws.

SECTION 26. LEGISLATIVE INTENT - UTILIZATION RATE ADJUSTMENT. It is the intent of the sixty-ninth legislative assembly that the department of health and human services seek a deficiency appropriation from the seventieth legislative assembly for any expenditures that exceed appropriated amounts as a result of underfunding, utilization rates, value-based purchasing for nursing facilities, reduction in federal medical assistance percentage, and unexpected contract cost increases that exceed ten percent, during the biennium beginning July 1, 2025, and ending June 30, 2027, if funding is not sufficient to pay actual expenses.

SECTION 27. LEGISLATIVE INTENT - PROVIDER RATE INCREASE. Except as otherwise noted, section 1 of this Act includes funding for human service provider inflation increases of two percent for each year of the biennium beginning July 1, 2025, and ending June 30, 2027. The provider inflation increase in this section does not apply to nursing facilities.

SECTION 28. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES PROVIDER ACCREDITATION REQUIREMENT. It is the intent of the sixty-ninth legislative assembly that the department of health and human services eliminate its administrative rule requirement that providers of developmental disabilities services be accredited as a condition of being eligible for receiving payments for services from the department of health and human services.

SECTION 29. LEGISLATIVE INTENT - MEDICAL ASSISTANCE. It is the intent of the sixty-ninth legislative assembly that the department of health and human services review the amount, duration, coverage, utilization rates, medical necessity, and scope of medical assistance services, and may implement any adjustments the department determines appropriate.

1 **SECTION 30. FEDERAL FUNDING APPEAL LIMITATION.** Except as otherwise
2 specifically provided by federal law, a person may not appeal a denial, revocation, reduction in
3 services or payment, or the termination of a program or service by the department of health and
4 human services due to the unavailability of federal coronavirus funding received under federal
5 law resulting from the federal coronavirus pandemic emergency declarations, for the biennium
6 beginning July 1, 2025, and ending June 30, 2027.

7 **SECTION 31. DEPARTMENT OF HEALTH AND HUMAN SERVICES - LONG-TERM**
8 **STRUCTURED RESIDENCES PLAN - REPORT.** During the 2025-26 interim, the department of
9 health and human services shall review options and develop a plan to establish long-term
10 structured residences. The department shall review necessary changes to statutes, rules,
11 policies, and the estimated fiscal impact of establishing the residences. A long-term structured
12 residence must be a highly structured therapeutic residential mental health treatment facility
13 that is staffed continuously and designed to treat adults under chapters 12.1-04.1 and 25-03.1
14 who have severe and persistent mental illness and who have reached the maximum benefit
15 from the mental health resources available elsewhere in the community or hospital. The
16 department shall present a report to the legislative management by October 1, 2026, regarding
17 its plan to establish long-term structured residences.

18 **SECTION 32. AMENDMENT.** Section 50-06-06.6 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **50-06-06.6. Department may lease real and personal property.**

21 The commissioner of the department or commissioner's designee may lease ~~surplus farm-~~
22 ~~and pastureland at the state hospital and the life skills and transition center. The commissioner-~~
23 ~~or designee also may enter into further leases of~~ real or personal property at the life skills and
24 transition center or the state hospital upon a specific finding that the granting of each such
25 leasehold interest will result in a net economic gain for the department, taking into account all
26 identifiable costs. Any lease of space for the purpose of providing child care services must meet
27 requirements as determined by the department. The commissioner of the department or
28 commissioner's designee may prescribe the terms and conditions of any leases entered into
29 pursuant to this section and may renew existing leases. ~~Any~~The term of any lease ~~entered into-~~
30 ~~must be subject to renewal or cancelable each biennium~~may not exceed ninety-nine years.

SECTION 33. AMENDMENT. Section 50-06-42 of the North Dakota Century Code is amended and reenacted as follows:

50-06-42. Substance use disorder treatment voucher system - Mental health treatment voucher system for incarcerated individuals.

1. The department shall establish and administer, within the limits of legislative appropriations, a voucher system to address underserved areas and gaps in the state's substance abuse treatment system and to assist in the payment of addiction treatment services and medical costs provided by licensed substance abuse treatment programs, excluding regional human service centers and hospital- or medical clinic-based programs for medical management of withdrawal.

a. An out-of-state licensed substance abuse treatment program located within a bordering state may participate in the voucher program to serve an underserved area of this state pursuant to the rules adopted by the department. The department shall develop rules to include processes and requirements for an out-of-state provider to receive reimbursement only for outpatient and community-based services upon a provider completing an assessment of need and receiving approval from the department.

2.b. Services eligible for the voucher program include only those levels of care recognized by the American society of addiction medicine, with particular emphasis given to underserved areas and programs. The department shall ensure that a licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers collects and reports process and outcome measures.

3.c. The department shall develop requirements and provide training and technical assistance to a licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers. A licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers shall provide evidence-based services.

4.d. The department shall allocate funding appropriated for the substance use disorder treatment voucher as follows:

~~a.~~ ~~No~~

(1) Except as provided in paragraphs 3 and 4, no more than ~~forty-five~~ fifty

percent of the appropriated amount may be allocated for residential substance use disorder services administered by licensed substance abuse treatment programs with more than sixteen beds.

~~b.~~(2) The remaining appropriation must be allocated for residential programs with sixteen or fewer beds, nonresidential outpatient, and ancillary substance use disorder services administered by licensed substance abuse treatment programs.

(3) The department, during the last quarter of the biennium, may reallocate projected unused funds that were allocated under paragraph 2 to residential facilities outlined in paragraph 1.

(4) The department may reimburse a licensed substance abuse treatment program with more than sixteen beds the incurred direct medical costs of an eligible individual who does not have resources to cover the medical costs. The department may develop rules and may not exceed the total amount appropriated for medical cost reimbursement.

2. The department shall establish and administer, within the limits of legislative appropriations, a voucher system to address underserved areas and gaps in the state's mental health treatment system for individuals detained or confined in a county jail or detention center or regional corrections center and to assist in the payment of mental health treatment services provided by a licensed mental health professional acting within their scope of practice, excluding a regional human service center.

a. Services eligible for the voucher program include only diagnostic assessment and mental health therapy for individuals with a mental health concern detained or confined in a county jail or detention center or regional corrections center. The department shall ensure that a licensed mental health professional accepting vouchers collects and reports process and outcome measures.

b. The department shall develop requirements and provide training and technical assistance to licensed mental health professionals accepting vouchers. A licensed mental health professional shall provide evidence-based services.

SECTION 34. AMENDMENT. Section 50-24.5-02.3 of the North Dakota Century Code is amended and reenacted as follows:

50-24.5-02.3. Basic care payment rates.

1. The department shall determine limits for the care of residents of basic care facilities that qualify as vendors of an aged, blind, and disabled persons program and for implementing provisions of this chapter based on data demonstrating the most recent costs that must be incurred for the care of residents in efficiently and economically operated basic care facilities. The department shall determine the limits every four years by July first, beginning with July 1, 2023.
2. The department shall establish the limits by using the median rates from the most recent data available. The direct care limit must be the median plus eighteen percent. The indirect care limit must be the median plus twelve percent.
3. For the rate year beginning July 1, 2023, the department shall increase rates and limits three and one-half percent for inflation. For the rate year beginning July 1, 2024, the department shall increase rates and limits three and one-half percent for inflation.
4. The department shall provide a rate increase in the amount of five dollars per day for the period beginning July 1, 2023, and ending June 30, ~~2025~~2027, after which the increase is not effective. This rate increase may not be included in any calculation of inflation increase.
5. Within the limits of legislative appropriations, the department shall establish an uncompensated care expense of three hundred sixty-five days.

SECTION 35. AMENDMENT. Section 50-33-05 of the North Dakota Century Code is amended and reenacted as follows:

50-33-05. State of residence.

Only child care assistance units physically residing within the boundaries of the state are eligible for child care assistance, unless the individual is employed by an early childhood program within the boundaries of the state and the individual has been approved for the state's child care assistance child care workforce benefit.

SECTION 36. HOUSING AVAILABILITY ASSESSMENT - COLLABORATION WITH HOUSING FINANCE AGENCY. The department of health and human services shall collaborate with the North Dakota housing finance agency and other appropriate stakeholders to assess the

availability of housing for individuals requiring extraordinary health care support services, for the biennium beginning July 1, 2025, and ending June 30, 2027. Based on the results of the assessment, if necessary, the department shall develop a plan to expand access to housing providing the least restrictive environment for individuals requiring extraordinary health care support services.

SECTION 37. BEHAVIORAL HEALTH CLINICS, NORTH DAKOTA STATE HOSPITAL, AND LIFE SKILLS AND TRANSITION CENTER FUNDING. Section 1 of this Act includes funding for the behavioral health clinics, North Dakota state hospital, and life skills and transition center as follows:

1. Behavioral health clinics:

a. Salaries and wages	\$156,967,103
b. Operating and capital	<u>64,131,965</u>
c. Total	\$221,099,068

2. State hospital:

a. Salaries and wages	\$68,775,551
b. Operating and capital	<u>350,880,155</u>
c. Total	\$419,655,706

3. Life skills and transition center:

a. Salaries and wages	\$55,540,213
b. Operating and capital	<u>15,207,658</u>
c. Total	\$70,747,871

SECTION 38. LEGISLATIVE MANAGEMENT STUDY - STUDENT TRUANCY AND ABSENTEEISM. The legislative management shall consider studying, during the 2025-26 interim, truancy and student absenteeism in kindergarten through grade twelve public schools. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement its recommendations, to the seventieth legislative assembly.

SECTION 39. LEGISLATIVE MANAGEMENT STUDY - OBESITY HEALTH IMPLICATIONS. The legislative management shall consider studying, during the 2025-26 interim, the health implications of obesity on the residents of the state and options to increase access to prevention and treatments for obesity. If conducted, the study must review costs associated with obesity including comorbidities, treatments available for obesity, obesity

1 diagnosis guidelines including use of body mass index compared with percentage of body fat,
2 and examining the difference between being an individual who is healthy and overweight as
3 compared to an obese individual. The legislative management shall report its findings and
4 recommendations, together with any legislation necessary to implement its recommendations,
5 to the seventieth legislative assembly.

6 **SECTION 40. LEGISLATIVE MANAGEMENT REPORT - BEHAVIORAL HEALTH**

7 **FACILITY GRANTS.** During the 2025-26 interim the department of health and human services
8 shall provide reports to the legislative management regarding the award of grant funding to
9 increase the number of behavioral health beds in the state.

10 **SECTION 41. EFFECTIVE DATE.** Section 33 of this Act becomes effective on July 1, 2026.