

April 15, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1012

Introduced by

Appropriations Committee

In place of the amendments (25.0156.02028) adopted by the Senate, Reengrossed House Bill No. 1012 is amended by amendment (25.0156.02029) as follows:

1 A BILL for an Act to provide an appropriation for defraying the expenses of various divisions of
2 the department of health and human services; to create and enact a new section to chapter
3 6-09 of the North Dakota Century Code, relating to an extraordinary medical needs housing
4 loan fund; to amend and reenact sections 50-06-06.6, 50-06-42, 50-24.5-02.3, ~~and~~ 50-33-05,
5 and subsection 1 of 50-36-03 of the North Dakota Century Code and subsection 6 of the new
6 section to chapter 54-07 of the North Dakota Century Code created in section 1 of Senate Bill
7 No. 2176, as approved by the sixty-ninth legislative assembly, relating to leases of department
8 of health and human services property, substance use disorder treatment program, basic care
9 payment rates, ~~and~~ state of residence for child care assistance, opioid settlement advisory
10 committee, and children's cabinet; to provide for a transfer; to authorize a line of credit; to
11 provide legislative intent; to provide for a legislative management study; to provide an
12 application; to provide an exemption; to provide for a report; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

14 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
15 as may be necessary, are appropriated out of any moneys in the general fund in the state
16 treasury, not otherwise appropriated, and from other funds derived from special funds and
17 federal funds, to the department of health and human services for the purpose of defraying the
18 expenses of its various divisions, for the biennium beginning July 1, 2025, and ending June 30,
19 2027, as follows:

1 ~~Subdivision 1.~~

2 ~~SALARIES AND WAGES BLOCK GRANT~~

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

9 ~~Subdivision 2.~~

10 ~~BUSINESS OPERATIONS~~

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

20 ~~Subdivision 3.~~

21 ~~BEHAVIORAL HEALTH~~

22		Adjustments or		
23		Base Level	Enhancements	Appropriation
24	Salaries and wages	\$8,792,675	(\$8,792,675)	\$0
25	Operating expenses	79,381,458	23,888,138	103,269,596
26	Grants	40,476,298	21,889,322	62,365,620
27	Behavioral health clinics	196,383,945	(139,978,713)	56,405,232
28	State hospital	94,826,973	256,053,182	350,880,155
29	Opioid addiction prevention	<u>2,000,000</u>	<u>6,000,000</u>	<u>8,000,000</u>
30	Total all funds	\$421,861,349	\$159,059,254	\$580,920,603

1	Less other funds	<u>113,955,941</u>	<u>285,267,537</u>	<u>399,223,478</u>
2	Total general fund	<u>\$307,905,408</u>	<u>(\$126,208,283)</u>	<u>\$181,697,125</u>

3 — Subdivision 4:

4 HUMAN SERVICES

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

17 — Subdivision 5:

18 MEDICAL SERVICES

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

28 — Subdivision 6:

29 PUBLIC HEALTH

30			Adjustments or	
31		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>

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1	Salaries and wages	\$60,415,388	(\$60,415,388)	\$0
2	Operating expenses	37,721,213	17,853,669	55,574,882
3	Capital assets	1,469,780	2,215,838	3,685,618
4	Grants	81,718,145	4,245,496	85,963,641
5	Tobacco prevention	13,063,162	(22,607)	13,040,555
6	Women, infants, and children	19,900,000	1,100,000	21,000,000
7	—food payments			
8	Cares Act/COVID-19	83,909,182	1,845,373	85,754,555
9	Total all funds	\$298,196,870	(\$33,177,619)	\$265,019,251
10	Less other funds	250,440,690	(20,626,287)	229,814,403
11	Total general fund	\$47,756,180	(\$12,551,332)	\$35,204,848
12	—Subdivision 7:			
13	TOTAL -- SECTION 1			
14	—Adjustments or			
15	—Base Level	Enhancements	Appropriation	
16	Grand total all funds	\$5,553,157,547	\$725,024,881	\$6,278,182,428
17	Grand total other funds	3,541,730,000	458,501,235	4,000,231,235
18	Grand total general fund	\$2,011,427,547	\$266,523,646	\$2,277,951,193
19	Full-time equivalent positions	2,483.83	204.52	2,688.35

Subdivision 1.

SALARIES AND WAGES BLOCK GRANT

22	Adjustments or			
23	Base Level	Enhancements	Appropriation	
24	Salaries and wages block grant	\$0	\$619,977,466	\$619,977,466
25	Total all funds	\$0	\$619,977,466	\$619,977,466
26	Less other funds	0	291,449,112	291,449,112
27	Total general fund	\$0	\$328,528,354	\$328,528,354

Subdivision 2.

BUSINESS OPERATIONS

30	Adjustments or			
31	Base Level	Enhancements	Appropriation	

1	Salaries and wages	\$25,763,358	(\$25,763,358)	\$0
2	Operating expenses	155,308,399	(77,023,770)	78,284,629
3	Capital assets	108,934	(108,934)	0
4	Grants	11,812,627	6,966,375	18,779,002
5	Total all funds	\$192,993,318	(\$95,929,687)	\$97,063,631
6	Less other funds	118,894,310	(71,526,221)	47,368,089
7	Total general fund	\$74,099,008	(\$24,403,466)	\$49,695,542

8 Subdivision 3.

9 BEHAVIORAL HEALTH

10		Adjustments or		
11		Base Level	Enhancements	Appropriation
12	Salaries and wages	\$8,792,675	(\$8,792,675)	\$0
13	Operating expenses	79,381,458	23,912,416	103,293,874
14	Grants	40,476,298	9,179,322	49,655,620
15	Behavioral health clinics	196,383,945	(139,346,713)	57,037,232
16	State hospital	94,826,973	(73,946,818)	20,880,155
17	Opioid addiction prevention	2,000,000	6,000,000	8,000,000
18	Total all funds	\$421,861,349	(\$182,994,468)	\$238,866,881
19	Less other funds	113,955,941	(47,060,463)	66,895,478
20	Total general fund	\$307,905,408	(\$135,934,005)	\$171,971,403

21 Subdivision 4.

22 HUMAN SERVICES

23		Adjustments or		
24		Base Level	Enhancements	Appropriation
25	Salaries and wages	\$168,325,918	(\$168,325,918)	\$0
26	Operating expenses	88,885,469	109,987,099	198,872,568
27	Capital assets	10,000	0	10,000
28	Grants	621,189,007	69,520,524	690,709,531
29	Life skills and transition center	44,992,263	(29,784,605)	15,207,658
30	Grants - medical assistance	742,793,564	7,655,079	750,448,643
31	County social services	197,663,661	6,928,621	204,592,282

1	Total all funds	\$1,863,859,882	(\$4,019,200)	\$1,859,840,682
2	Less other funds	1,240,409,529	(22,887,367)	1,217,522,162
3	Total general fund	\$623,450,353	\$18,868,167	\$642,318,520

4 Subdivision 5.

5 MEDICAL SERVICES

6			Adjustments or	
7		Base Level	Enhancements	Appropriation
8	Salaries and wages	\$21,008,344	(\$21,008,344)	\$0
9	Operating expenses	70,807,977	92,364,562	163,172,539
10	Grants	1,651,004	1,006,800	2,657,804
11	Grants - medical assistance	2,682,778,803	(5,879,073)	2,676,899,730
12	Total all funds	\$2,776,246,128	\$66,483,945	\$2,842,730,073
13	Less other funds	1,818,029,530	(7,525,129)	1,810,504,401
14	Total general fund	\$958,216,598	\$74,009,074	\$1,032,225,672

15 Subdivision 6.

16 PUBLIC HEALTH

17			Adjustments or	
18		Base Level	Enhancements	Appropriation
19	Salaries and wages	\$60,415,388	(\$60,415,388)	\$0
20	Operating expenses	37,721,213	(31,434,070)	6,287,143
21	Capital assets	1,469,780	1,287,838	2,757,618
22	Grants	81,718,145	(11,577,165)	70,140,980
23	Tobacco prevention	13,063,162	(22,607)	13,040,555
24	Women, infants, and children	19,900,000	1,100,000	21,000,000
25	food payments			
26	Cares Act/COVID-19	83,909,182	1,845,373	85,754,555
27	Total all funds	\$298,196,870	(\$99,216,019)	\$198,980,851
28	Less other funds	250,440,690	(83,320,870)	167,119,820
29	Total general fund	\$47,756,180	(\$15,895,149)	\$31,861,031

30 Subdivision 7.

31 TOTAL - SECTION 1

		Adjustments or	
	Base Level	Enhancements	Appropriation
Grand total all funds	\$5,553,157,547	\$304,302,037	\$5,857,459,584
Grand total other funds	3,541,730,000	59,129,062	3,601,859,062
Grand total general fund	\$2,011,427,547	\$245,172,975	\$2,256,600,522
Full-time equivalent positions	2,483.83	204.52	2,688.35

SECTION 2. ONE TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Technology projects	\$0	\$10,263,000	\$10,263,000
Human service centers and life skills —and transition center projects	0	1,052,480	1,052,480
Retire mainframe	0	15,000,000	15,000,000
Child care programs	13,272,500	0	13,272,500
Housing programs	0	1,000,000	1,000,000
State laboratory move and equipment	0	2,962,304	2,962,304
Partial hospitalization day treatment	0	2,000,000	2,000,000
Developmental disabilities eligibility —assessment tool for kids	200,000	200,000	400,000
Toxicology equipment	151,500	100,000	251,500
New state hospital	0	330,000,000	330,000,000
Behavioral health facility grant	0	12,960,000	12,960,000
Cultural community center grant	0	1,000,000	1,000,000
Adaptive recreation grant	200,000	0	200,000
Intermediate care facility grant	3,457,736	0	3,457,736
Juvenile justice diversion services	750,000	0	750,000
Animal shelter grant	0	300,000	300,000
Statewide health strategies	0	750,000	750,000

1	Critical access hospital networking	0	2,000,000	2,000,000
2	Total	\$18,031,736	\$379,587,784	\$397,619,520
3	<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
4	<u>Technology projects</u>	<u>\$0</u>	<u>\$4,548,930</u>	<u>\$4,548,930</u>
5	<u>Human service centers and life skills</u>	<u>0</u>	<u>1,684,480</u>	<u>1,684,480</u>
6	<u>and transition center projects</u>			
7	<u>Retire mainframe</u>	<u>0</u>	<u>15,000,000</u>	<u>15,000,000</u>
8	<u>Child care programs</u>	<u>9,272,500</u>	<u>0</u>	<u>9,272,500</u>
9	<u>Housing programs</u>	<u>0</u>	<u>2,500,000</u>	<u>2,500,000</u>
10	<u>State laboratory move and equipment</u>	<u>0</u>	<u>2,962,304</u>	<u>2,962,304</u>
11	<u>Partial hospitalization day treatment</u>	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
12	<u>Developmental disabilities eligibility</u>	<u>200,000</u>	<u>200,000</u>	<u>400,000</u>
13	<u>assessment tool for kids</u>			
14	<u>Toxicology equipment</u>	<u>151,500</u>	<u>100,000</u>	<u>251,500</u>
15	<u>Behavioral health facility grant</u>	<u>0</u>	<u>5,000,000</u>	<u>5,000,000</u>
16	<u>Cultural community center grant</u>	<u>0</u>	<u>300,000</u>	<u>300,000</u>
17	<u>Intermediate care facility grant</u>	<u>0</u>	<u>4,400,000</u>	<u>4,400,000</u>
18	<u>Juvenile justice diversion services</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>
19	<u>Critical access hospital networking</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
20	<u>Basic care \$5 daily rate</u>	<u>4,067,056</u>	<u>1,474,184</u>	<u>5,541,240</u>
21	<u>Infant and toddler care provider support</u>	<u>13,500,000</u>	<u>0</u>	<u>13,500,000</u>
22	<u>Child welfare technology project line</u>	<u>0</u>	<u>8,411,218</u>	<u>8,411,218</u>
23	<u>of credit</u>			
24	<u>Medical housing for individuals</u>	<u>200,000</u>	<u>0</u>	<u>200,000</u>
25	<u>with extraordinary medical needs</u>			
26	<u>Total</u>	<u>\$27,391,056</u>	<u>\$50,081,116</u>	<u>\$77,472,172</u>

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, 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 program. This funding as approved by the sixty-ninth legislative assembly is available for defraying the expense of full-time equivalent positions as determined by the department of health and human services. Notwithstanding any other provision of law, the department is authorized to increase or decrease authorized full-time equivalent positions subject to the availability of funds and the provisions of this section. The department of health and human services may not increase full-time equivalent positions for the purpose of transferring human service zone employees to state employment. Pursuant to section 3 of this Act, the department is authorized to transfer appropriation authority of up to the underfunded amount of ~~\$30,000,000~~\$6,307,309 to the salaries and wages block grant line item. The department of health and human services shall report to the office of management and budget and legislative council any adjustments to full-time equivalent positions.

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

1. The legislative appropriation for salaries and wages allocated by the department to major department programs by funding source and the number of full-time equivalent positions the department is allocating to each major program based on the legislative appropriation;
2. Any changes to salaries and wages funding or full-time equivalent positions allocated to major department programs;

3. Any new full-time equivalent positions added, the cost of the position for the remainder of the biennium, and the cost to continue funding the position in the subsequent biennium by funding source;
4. Any full-time equivalent positions removed and related funding;
5. The number of full-time equivalent positions that become vacant and the number filled each month;
6. The number of vacant full-time equivalent positions at the end of each month;
7. Salaries and wages savings resulting from vacant positions and employee turnover each month by funding source; and
8. The use of salaries and wages savings for other purposes for each month by funding source.

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

1. Section 1 of this Act includes the sum of ~~\$12,960,000~~ \$5,000,000 from the strategic investment and improvements fund for a behavioral health facility grant pursuant to this section.
2. ~~A grant of \$12,960,000 must be provided to establish a behavioral health facility in the northeast human service region. The grant recipient must provide matching funds of \$3,240,000 to establish the facility.~~
- ~~3.~~ The department shall require an entity receiving funding under this section to operate the facility for at least ten years and require the grant amount to be repaid if the entity does not operate the facility for at least ten years.
- ~~4.~~ 3. 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 7. INFANT AND TODDLER CARE PROVIDER SUPPORT DIRECT PAYMENT -
ONE-TIME - REPORT.** Section 1 of this Act includes the sum of \$13,500,000 of one-time funding from the general fund for direct payments to licensed child care providers to support high-quality early childhood care for infants and toddlers. The department shall administer the direct payment program and include the following provisions:

1. To qualify for a direct payment under this section, a direct payment recipient must:
 - a. Be a licensed child care facility within the state of North Dakota;

b. Be enrolled in the state's bright and early quality rating system at a two-star, three-star, or four-star rating level; and

c. Provide care for children from birth through three years of age.

2. Eligible providers may receive up to \$300 per month for each child from birth through seventeen months of age and up to \$180 per month for each child from eighteen through thirty-six months of age.

3. The department shall distribute the direct payments on a quarterly basis. Direct payments may not be used for non-child care-related expenses or debt repayment.

4. Direct payment recipients shall submit annual reports to the department detailing fund usage, enrollment statistics, and other information requested by the department.

5. The department shall provide reports to the legislative management and to the appropriations committees of the seventieth legislative assembly on direct payments and the effectiveness of the program.

SECTION 8. INTERMEDIATE CARE FACILITY MEDICALLY AND BEHAVIORALLY

COMPLEX SERVICES GRANT - APPLICATION. Section 1 of this Act includes the sum of \$4,400,000 of one-time funding from the community health trust fund for providing a one-time grant to a licensed intermediate care facility in the south central human service region for providing services to children or young adults with medically and behaviorally complex conditions. To be eligible to receive the grant under this section, a licensed intermediate care facility must provide early intervention, clinical, and residential services, provide community and home support, education, recreation and leisure activities, and assistive technology; and provide services in at least eight communities for individuals with intellectual or developmental disabilities. The grant funds awarded may be used only for the costs of providing services to children and young adults with medically and behaviorally complex conditions. 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 9. SPECIAL HEALTH CARE NEEDS GRANT - APPLICATION. Section 1 of this Act includes the sum of \$50,000 from the general fund for providing a grant to a provider in the south central human service region for statewide education, information, training, and peer support to families with children with special health care needs, medically complex

conditions, or a disability. 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. CRISIS SERVICES GRANTS - APPLICATION. Section 1 of this Act includes the sum of \$585,000 from the general fund for providing crisis services grants. The grants include the sum of \$300,000 for crisis organizations that provide crisis services to young adults who are at risk of being homeless or experiencing other serious adverse life events and the sum of \$285,000 to a volunteer-based ecumenical ministry organization. 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 11. MEDICAL HOUSING FOR INDIVIDUALS WITH EXTRAORDINARY MEDICAL NEEDS - ONE-TIME FUNDING.

1. Section 1 of this Act includes the sum of \$200,000 from the general fund for the preliminary design consultation and project administration of developing housing for individuals with disabilities that have extraordinary medical needs and for rent subsidies for individuals residing in these housing facilities, for the biennium beginning July 1, 2025, and ending June 30, 2027.
2. The department of health and human services shall collaborate with the North Dakota housing finance agency, individuals with disabilities, caregivers, and families to solicit proposals for the development of accessible housing for individuals with disabilities that have extraordinary medical needs, for the biennium beginning July 1, 2025, and ending June 30, 2027. The department shall solicit proposals from public entities, for-profit organizations, and nonprofit organizations to design, construct, maintain, and operate the housing facility. Proposals must:
 - a. Ensure that services in the facility may be provided separately from the facility ownership interests;
 - b. Ensure that individuals residing in the facility may choose among independent living service providers; and
 - c. Comply with the federal home and community-based settings rules as defined under 42 CFR 441.301(c)(4).

SECTION 12. COMMUNITY CULTURAL CENTER GRANT - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - APPLICATION. Section 1 of this Act includes the sum of

1 ~~\$1,000,000~~\$300,000 from the strategic investment and improvements fund for the purpose of
2 providing a one-time community cultural center programming grant in the west central human
3 service region. An entity may apply for a grant under this section if the entity certifies to the
4 department ~~it has secured at least fifty percent of funds needed to complete the project, the~~
5 ~~project will be completed within two years of receiving the grant funds, and the grants funds will~~
6 ~~be used only for costs of constructing a~~the funds will be used for programs within the
7 community cultural center. The requirements of chapter 54-44.4 do not apply to the selection of
8 a grant recipient, the grant award, or payments made under this section.

9 **SECTION 13. JUVENILE JUSTICE DIVERSION SERVICES AND PROGRAMS - TASK**

10 **FORCE - REPORT.** Section 1 of this Act includes the sum of ~~\$750,000~~\$500,000 of one-time
11 funding from the ~~general~~community health trust fund for juvenile justice diversion services and
12 programs. The department of health and human services must use the funding for services to
13 youth at risk of juvenile justice involvement but who have not committed delinquent acts as
14 defined in chapter 27-20.4.

15 The department shall establish a task force with representation from divisions in the
16 department, human service zones, the department of public instruction, elementary and
17 secondary schools, and members of the legislative assembly, to review juvenile justice diversion
18 services and program. The department shall report its findings and recommendations to the
19 legislative management and children's cabinet.

20 ~~**SECTION 9. ANIMAL SHELTER GRANT - COMMUNITY HEALTH TRUST FUND.**~~

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

27 ~~**SECTION 10. STATEWIDE HEALTH STRATEGIES - COMMUNITY HEALTH TRUST**~~

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

1 **SECTION 14. OTHER FUNDS - INSURANCE TAX DISTRIBUTION FUND.** The other
2 funds line item in subdivision 5 of section 1 of this Act includes the sum of \$1,125,000 from the
3 insurance tax distribution fund for rural emergency medical services grants.

4 **SECTION 15. OTHER FUNDS - COMMUNITY HEALTH TRUST FUND.** The other funds
5 line items in section 1 of this Act includes the sum of ~~\$38,713,522~~\$41,431,522 from the
6 community health trust fund for the following purposes:

7	Loan repayment programs	\$594,500
8	Tobacco and vaping programs	11,599,698
9	<u>Tobacco prevention and control grants to local public health units</u>	<u>6,250,000</u>
10	<u>Tobacco prevention and control</u>	<u>4,549,698</u>
11	<u>Tobacco cessation grants</u>	<u>500,000</u>
12	<u>Youth vaping prevention grants</u>	<u>300,000</u>
13	Cancer and women's way programs	909,824
14	Behavior risk state survey	200,000
15	<u>Youth crisis stabilization</u>	<u>1,500,000</u>
16	<u>Intermediate care facility grant</u>	<u>4,400,000</u>
17	Domestic violence programs	4,250,000
18	Local public health grants	3,275,000
19	988 crisis hotline	1,867,500
20	Various information technology system upgrades	2,967,000
21	<u>Various information technology system upgrades</u>	<u>1,335,000</u>
22	Grants to rural ambulances	7,000,000
23	Law enforcement rural crisis support program	1,000,000
24	Development of partial hospitalization/intensive day treatment	2,000,000
25	<u>Juveline justice services</u>	<u>500,000</u>
26	Critical access hospital networking	2,000,000
27	<u>Critical access hospital networking</u>	<u>1,000,000</u>
28	Animal shelter grant	300,000
29	Statewide health strategies	750,000
30	Total	\$38,713,522
31	<u>Total</u>	<u>\$41,431,522</u>

1 **SECTION 16. OTHER FUNDS - HUMAN SERVICE FINANCE FUND.** The other funds line
2 items in section 1 of this Act includes the sum of ~~\$239,412,030~~\$242,112,030 from the human
3 service finance fund for state-paid economic assistance and social and human services.

4 **SECTION 17. OTHER FUNDS - OPIOID SETTLEMENT FUND.** The other funds line item in
5 section 1 of this Act includes the sum of \$8,000,000 from the opioid settlement fund for opioid
6 remediation and abatement efforts.

7 **SECTION 18. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS**

8 **FUND.** The other funds line items in section 1 of this Act includes the sum of

9 ~~\$227,474,784~~\$18,446,784 from the strategic investment and improvements fund for the
10 following purposes:

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

20	<u>Retiring technology from the mainframe</u>	<u>\$5,000,000</u>
21	<u>New state laboratory move-in costs and security equipment purchases</u>	<u>2,962,304</u>
22	<u>Capital projects in certified community behavioral health clinics</u>	<u>1,684,480</u>
23	<u>and life skills and transition center</u>	
24	<u>Housing initiative programs</u>	<u>2,500,000</u>
25	<u>Technology projects at the state hospital</u>	<u>1,000,000</u>
26	<u>Behavioral health facility grant</u>	<u>5,000,000</u>
27	<u>Community cultural center grant</u>	<u>300,000</u>
28	<u>Total</u>	<u>\$18,446,784</u>

29 **SECTION 19. OTHER FUNDS - BANK OF NORTH DAKOTA LINE OF CREDIT - ~~STATE-~~**

30 **~~HOSPITAL~~CHILD WELFARE TECHNOLOGY PROJECT.** The other funds line item in

31 subdivision 2 of section 1 of this Act includes ~~\$130,000,000~~the sum of \$8,411,218 from a Bank

1 of North Dakota line of credit. The department of health and human services may borrow up to
2 ~~\$130,000,000~~\$8,411,218 through a line of credit from the Bank of North Dakota during the
3 biennium beginning July 1, 2025, and ending June 30, 2027, for costs associated with ~~the~~
4 ~~construction of a new state hospital~~a child welfare technology project. The interest rate on the
5 line of credit may not exceed the prevailing interest rate charged to North Dakota governmental
6 entities. If the department accesses the line of credit, it shall request a deficiency appropriation
7 from the seventieth legislative assembly to repay the line of credit.

8 **SECTION 20. LABORATORY BUILDING STEERING COMMITTEE.** The department of
9 health and human services shall maintain the laboratory building steering committee to oversee
10 the design and construction of the laboratory building project, for the biennium beginning July 1,
11 2025, and ending June 30, 2027, or until work is completed, whichever occurs earlier. The
12 committee must include representation from the department of health and human services,
13 department of environmental quality, office of management and budget, the governor's office,
14 and the legislative assembly. The legislative assembly representation must include one member
15 of the senate appointed by the senate majority leader, one member of the house appointed by
16 the house majority leader, and one member of the minority party from either the senate or the
17 house appointed by the minority leaders of the senate and the house.

18 **SECTION 21. NEW STATE HOSPITAL - STEERING COMMITTEE.** The department of
19 health and human services shall establish a new state hospital facility steering committee to
20 oversee the design and construction of a new state hospital facility, for the biennium beginning
21 July 1, 2025, and ending June 30, 2027. The committee must include representation from the
22 department of health and human services, office of management and budget, the governor's
23 office, and the legislative assembly. The legislative assembly representation must include one
24 member of the senate appointed by the senate majority leader, one member of the house
25 appointed by the house majority leader, and one member of the minority party from either the
26 senate or the house appointed by the minority leaders of the senate and the house.

27 **SECTION 22. CAPITAL PAYMENTS.** During the biennium beginning July 1, 2025, and
28 ending June 30, 2027, the department of health and human services is authorized to expend
29 funds for the payment of special assessments at the state hospital, southeast human service
30 center, and life skills and transition center. Pursuant to section 3 of this Act, the director of the
31 office of management and budget may transfer appropriation authority between line items within

1 section 1 of this Act and any remaining appropriation authority for the department of health and
2 human services approved by the sixty-ninth legislative assembly. The department of health and
3 human services may transfer funds for the payment of special assessments at the state
4 hospital, southeast human service center, and life skills and transition center ahead of the
5 special needs assessments schedule. Notwithstanding section 54-27-12, the department of
6 health and human services may spend funds for the payment of special assessments at the
7 state hospital and life skills and transition center.

8 **SECTION 23. CAPITAL PROJECTS - EMERGENCY COMMISSION AND BUDGET**

9 **SECTION APPROVAL.** During the biennium beginning July 1, 2025, and ending June 30, 2027,
10 pursuant to section 3 of this Act, the director of the office of management and budget may
11 transfer appropriation authority between line items within section 1 of this Act and any remaining
12 appropriation authority for the department of health and human services approved by the sixty-
13 ninth legislative assembly for capital projects and maintenance pertaining to operation of its
14 facilities, including demolition projects. Notwithstanding section 54-27-12, the department of
15 health and human services may spend up to \$10,000,000 for capital projects and maintenance
16 pertaining to operation of its facilities, including demolition projects, under this section and may
17 seek emergency commission and budget section approval to spend more than \$10,000,000
18 under this section.

19 **SECTION 24. PERMANENT SUPPORTIVE HOUSING GRANTS.** Section 1 of this Act
20 includes the sum of \$4,672,536 from the general fund for permanent supportive housing grants.
21 The department of health and human services shall develop a funding methodology to distribute
22 the funding to qualified entities that utilize best practices for permanent supportive housing,
23 provide recovery-oriented and person-centered services, submit process and outcome
24 measures to the department of health and human services, and authorize the department of
25 health and human services to conduct onsite visits to review program operations.

26 **SECTION 25. EXPENDITURES MAY NOT EXCEED APPROPRIATION - MEDICAL**
27 **ASSISTANCE EXPANSION PROGRAM - APPLICATION.**

- 28 1. Section 1 of this Act includes the sum of \$662,099,340, of which \$66,209,934 is from
29 the general fund, for the medical assistance expansion program, for the biennium
30 beginning July 1, 2025, and ending June 30, 2027. The expenditures for individuals
31 eligible for the medical assistance expansion program may not exceed this amount.

2. The department of health and human services may exceed appropriations for increases in medical assistance expansion program caseload, for the addition of coverage consistent with the traditional Medicaid 1915(i) state plan, utilization rates, and reduction in federal medical assistance percentage.
3. The managed care organization under contract with the department of health and human services to manage the medical assistance expansion program shall reimburse providers within the same provider type and specialty at consistent levels and with consistent methodology and may not provide incentive, quality, or supplemental payments to providers, unless part of a value-based program approved by the department of health and human services. The managed care organization shall reimburse all North Dakota substance use providers of American society of addiction medicine level 2.5 at consistent levels and with consistent methodology. The managed care organization may consider urban and rural providers as different provider types.
4. The managed care organization and the department of health and human services shall ensure payments to Indian or Tribal 638 health care providers, federally qualified health centers, and rural health clinics meet the federally required minimum levels of reimbursement. Critical access hospitals may not be paid less than one hundred percent of Medicare allowable costs and human service centers may not be paid less than one hundred percent of the current traditional Medicaid rate. Behavioral health services involving partial hospitalization, intensive outpatient, professional services, and residential behavioral health services provided in facilities that are not institutions for mental diseases are not subject to the provisions in subsection 6.
5. The department of health and human services shall ensure providers within the same provider type and specialty are reimbursed at consistent levels and with consistent methodology and shall ensure the capitation rates under risk contracts are actuarially sound and are adequate to meet managed care organization contractual requirements regarding availability of services, assurance or adequate capacity and services, and coordination and continuity of care.
6. Except for the provisions in subsection 4, managed care organization premium payments must be built using the assumption that rates paid to providers under the

medical assistance expansion program may not exceed one hundred forty-five percent of Medicare reimbursement rates paid to providers on January 1, 2025.

SECTION 26. HUMAN SERVICE CENTERS - CERTIFIED COMMUNITY BEHAVIORAL

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

SECTION 27. INTERMEDIATE CARE FACILITY MORATORIUM. The department of health and human services may not add any new licensed intermediate care facility for individuals with intellectual disabilities beds to the state's licensed bed capacity between July 1, 2025, and June 30, 2027.

SECTION 28. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended appropriation authority may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$3,674,757 appropriated from the general fund and the sum of \$25,918,566 appropriated from federal funds for the Medicaid management information system modularization technology project in chapter 12 of the 2021 Session Laws;
2. The sum of ~~\$14,411,218~~ \$6,000,000 appropriated from the general fund and the sum of \$14,411,218 appropriated from federal funds for the child welfare technology project in chapter 12 of the 2021 Session Laws;
3. The sum of \$20,366,271 appropriated from the community health trust fund and the sum of \$39,534,525 appropriated from federal funds for the child support computer replacement project in chapter 44 of the 2023 Session Laws;

- 1 4. The sum of \$10,989,217 appropriated from the strategic investment and
- 2 improvements fund for the procurement and grants management system in chapter 44
- 3 of the 2023 Session Laws;
- 4 5. The sum of \$4,150,000 appropriated from the general fund for defraying the expenses
- 5 of additional human service centers to begin the process of becoming a certified
- 6 community behavioral health clinic to provide continuous community-based behavioral
- 7 health services for children and adults in chapter 44 of the 2023 Session Laws;
- 8 6. The sum of \$18,941,847 appropriated to the department of health and human services
- 9 in chapter 549 of the 2021 Special Session Laws;
- 10 7. The sum of \$55,120,000 appropriated from the federal state fiscal recovery fund for a
- 11 public health laboratory capital project in chapter 4 of the 2023 Session Laws;
- 12 8. The sum of ~~\$5,000,000~~\$1,000,000 appropriated from the general fund for the purpose
- 13 of employer-led child care cost-share program in chapter 446 of the 2023 Session
- 14 Laws;
- 15 9. The sum of \$986,555 appropriated from the general fund for the purpose of
- 16 streamlining background checks project in chapter 446 of the 2023 Session Laws;
- 17 10. The sum of ~~\$2,223,981~~\$1,000,000 appropriated from the federal state fiscal recovery
- 18 fund for the implementation of a virtual behavioral health crisis care program for rural
- 19 law enforcement in chapter 44 of the 2023 Session Laws; and
- 20 11. The sum of \$500,000 appropriated from the general fund and the sum of \$500,000
- 21 appropriated from federal funds for the purpose of program integrity audits in
- 22 chapter 44 of the 2023 Session Laws.
- 23 12. The sum of \$1,950,000 appropriated from the general fund to the department of health
- 24 and human services for a northwest human service region behavioral health facility
- 25 grant in chapter 44 of the 2023 Session Laws.

26 **SECTION 29. LEGISLATIVE INTENT - UTILIZATION RATE ADJUSTMENT.** It is the intent
27 of the sixty-ninth legislative assembly that the department of health and human services seek a
28 deficiency appropriation from the seventieth legislative assembly for any expenditures that
29 exceed appropriated amounts as a result of underfunding, utilization rates, value-based
30 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 30. 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 29. 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 31. 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~~ report any findings and recommendations to the seventieth legislative assembly.

SECTION 32. FEDERAL FUNDING APPEAL LIMITATION. Except as otherwise specifically provided by federal law, a person may not appeal a denial, revocation, reduction in services or payment, or the termination of a program or service by the department of health and human services due to the unavailability of federal coronavirus funding received under federal law resulting from the federal coronavirus pandemic emergency declarations, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 33. DEPARTMENT OF HEALTH AND HUMAN SERVICES - LONG-TERM STRUCTURED RESIDENCES PLAN - REPORT. During the 2025-26 interim, the department of health and human services shall review options and develop a plan to establish long-term structured residences. The department shall review necessary changes to statutes, rules, policies, and the estimated fiscal impact of establishing the residences. A long-term structured residence must be a highly structured therapeutic residential mental health treatment facility that is staffed continuously and designed to treat adults under chapters 12.1-04.1 and 25-03.1 who have severe and persistent mental illness and who have reached the maximum benefit from the mental health resources available elsewhere in the community or hospital. The

department shall present a report to the legislative management by October 1, 2026, regarding its plan to establish long-term structured residences.

SECTION 34. A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

Extraordinary medical needs housing loan fund - Continuing appropriation.

1. The Bank of North Dakota shall administer a loan program to provide loans for new construction projects to provide housing for individuals with disabilities that have extraordinary medical needs. A construction project may include a land purchase and the construction costs of the project. The applicant must comply with project requirements as approved by the department of health and human services and the North Dakota housing finance agency.

2. The extraordinary medical needs housing loan fund is a special fund maintained in the state treasury from which the Bank shall provide loans under this section. The fund consists of revenues transferred under legislative authorization, interest upon moneys in the fund, and collections of interest and principal on loans made from the fund. All moneys in the fund are appropriated on a continuing basis to the Bank for the purpose of providing loans under this section.

3. The developer of the housing facility for individuals with disabilities that have extraordinary medical needs may submit an application to the Bank for a loan. The application must:

a. Provide detail on the proposed construction project and its compliance with the department of health and human services and the North Dakota housing finance agency requirements;

b. Demonstrate the need and long-term viability of the project; and

c. Include financial information the Bank determines appropriate to verify eligibility.

4. A loan approved under this section:

a. May not exceed three million three hundred thousand dollars for a project;

b. Must have an interest rate that does not exceed two percent; and

c. Must have a repayment schedule of no longer than twenty years.

5. A recipient of a loan under this section shall complete the financed construction project within twenty-four months of the approval of the loan. Failure to comply with this subsection may result in forfeiture of the entire loan received under this section.

6. The Bank shall deposit in the fund all principal and interest paid on the loans made from the fund. The Bank may deduct from interest payments a service fee for costs of administering the loan program. The fund must be audited annually pursuant to section 6-09-29 and the cost of the audit and any other actual costs incurred by the Bank on behalf of the fund must be paid from the fund.

SECTION 35. AMENDMENT. Section 50-06-06.6 of the North Dakota Century Code is amended and reenacted as follows:

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

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

SECTION 36. 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.

~~4.~~ 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.

1 | ~~a.1.~~ An out-of-state licensed substance abuse treatment program located within a
2 | bordering state may participate in the voucher program to serve an underserved area
3 | of this state pursuant to the rules adopted by the department. The department shall
4 | develop rules to include processes and requirements for an out-of-state provider to
5 | receive reimbursement only for outpatient and community-based services upon a
6 | provider completing an assessment of need and receiving approval from the
7 | department.

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

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

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

20 | ~~a.~~ No

21 | ~~(1)a.~~ Except as provided in paragraphs 3 and 4, no more than forty-fivefifty percent of
22 | the appropriated amount may be allocated for residential substance use disorder
23 | services administered by licensed substance abuse treatment programs with
24 | more than sixteen beds.

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

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

~~(4)d.~~ 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 37. 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 38. 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 39. AMENDMENT. Subsection 1 of section 50-36-03 of the North Dakota Century Code is amended and reenacted as follows:

1. The committee is composed of:
 - a. One member of the North Dakota association of counties appointed by the chairman of the legislative management, who shall serve a term of two years.
 - b. One member of the North Dakota league of cities appointed by the chairman of the legislative management, who shall serve a term of two years.
 - c. One member of the North Dakota state association of city and county health officials appointed by the chairman of the legislative management, who shall serve a term of two years.
 - d. One member who represents the highway patrol appointed by the highway patrol superintendent, who shall serve a term of two years.
 - e. The executive director of the department's division of behavioral health.
 - f. ~~The managing director of the office of recovery reinvented.~~ One member in recovery appointed by the governor.

- g. One member appointed by the governor who shall serve as a nonvoting member and as the presiding officer of the committee, who shall serve a term of two years.

SECTION 40. Subsection 6 of the new section to chapter 54-07 of the North Dakota Century Code, as created by section 1 of Senate Bill No. 2176, as approved by the sixty-ninth legislative assembly, is amended and reenacted as follows:

6. a. The office of the governor shall provide staffing and administrative services for the children's cabinet and coordinate with other designated working groups on children and family issues.

- b. The governor or the governor's designee serving on the cabinet may appoint a representative to serve in that official's capacity at a meeting if the governor or governor's designee is unable to attend.

SECTION 41. 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 42. 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 <u>\$177,840,942</u> |
| b. Operating and capital | 64,131,965 <u>56,945,408</u> |
| c. Total | \$221,099,068 <u>\$234,786,350</u> |

2. State hospital:

- | | |
|--------------------------|---|
| a. Salaries and wages | \$68,775,551 <u>\$70,477,378</u> |
| b. Operating and capital | 350,880,155 <u>20,880,155</u> |

1	c. Total	\$419,655,706 <u>\$91,357,533</u>
2	3. Life skills and transition center:	
3	a. Salaries and wages	\$55,540,213 <u>\$56,284,356</u>
4	b. Operating and capital	15,207,658 <u>15,207,658</u>
5	c. Total	\$70,747,871 <u>\$71,492,014</u>

6 **SECTION 43. LEGISLATIVE MANAGEMENT STUDY - STUDENT TRUANCY AND**

7 **ABSENTEEISM.** The legislative management shall consider studying, during the 2025-26
8 interim, truancy and student absenteeism in kindergarten through grade twelve public schools.
9 The legislative management shall report its findings and recommendations, together with any
10 legislation necessary to implement its recommendations, to the seventieth legislative assembly.

11 **SECTION 44. LEGISLATIVE MANAGEMENT STUDY - OBESITY HEALTH**

12 **IMPLICATIONS.** The legislative management shall consider studying, during the 2025-26
13 interim, the health implications of obesity on the residents of the state and options to increase
14 access to prevention and treatments for obesity. If conducted, the study must review costs
15 associated with obesity including comorbidities, treatments available for obesity, obesity
16 diagnosis guidelines including use of body mass index compared with percentage of body fat,
17 and examining the difference between being an individual who is healthy and overweight as
18 compared to an obese individual. The legislative management shall report its findings and
19 recommendations, together with any legislation necessary to implement its recommendations,
20 to the seventieth legislative assembly.

21 **SECTION 45. LEGISLATIVE MANAGEMENT STUDY - MATERNAL HEALTH**

22 **SERVICES - ACCESS AND WORKFORCE.**

- 23 1. During the 2025-26 interim, the legislative management shall consider studying
24 access to maternal health services. The study must include:
- 25 a. Consideration of the availability of prenatal and childbirth services, including
26 provider shortages and service use.
 - 27 b. Development of strategies to increase the number of obstetricians, family
28 doctors, and midwives providing maternal health services in this state.
 - 29 c. A review of coverage and reimbursement for doulas and midwives, including
30 training and certification needs.

d. Consideration of insurance and public policy options to improve maternal health outcomes, including through the Medicaid program.

e. Input from health care providers, insurers, public health officials, and maternal health experts.

2. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement its recommendations, to the seventieth legislative assembly.

SECTION 46. LEGISLATIVE INTENT - LIFE SKILLS AND TRANSITION CENTER. It is the intent of the sixty-ninth legislative assembly that during the 2025-26 interim, the department of health and human services review the facilities and land at the life skills and transition center to identify the portions of the life skills and transition center campus that are necessary for delivery of services and the portions of the campus that could be conveyed to a local government or related public or not-for-profit community development entity to redevelop to optimize local community development goals and the successful operation of the life skills and transition center. It is further the intent of the legislative assembly that the department of health and human services present any request to convey any portions of the campus to the seventieth legislative assembly.

SECTION 47. DISABILITY SERVICE ACCREDITATION STUDY - LEGISLATIVE MANAGEMENT REPORT. During the 2025-26 interim, the department of health and human services shall study accreditation requirements and provider costs for serving individuals with intellectual and developmental disabilities, including the cost of accreditation relative to the cost of providing services and reimbursement. The department shall report its findings and recommendations, together with any legislation necessary to implement recommendations to the legislative management by September 1, 2026.

SECTION 48. VALUE-BASED CARE INCENTIVE PROGRAM - PAYMENT WITHHOLD FOR NURSING FACILITIES - COLLABORATION WITH NORTH DAKOTA LONG TERM CARE ASSOCIATION. During the 2025-26 interim, the department of health and human services, in collaboration with the North Dakota long term care association, shall develop a payment withhold structure for value-based payments to provide funding for the value-based care incentive program for nursing facilities. The department shall implement the payment

1 withhold beginning July 1, 2027. The department may not implement a payment withhold before
2 July 1, 2027.

3 **SECTION 49. LEGISLATIVE MANAGEMENT STUDY- DISABILITY SERVICES.**

- 4 1. During the 2025-26 interim, the legislative management shall study the efficiency,
5 effectiveness, and outcomes of developmental disability services provided by the
6 department of health and human services. The study must include:
- 7 a. A review of the approval process, an analysis of accountability measures, an
8 assessment of gaps in services, and an evaluation of overall program
9 management.
- 10 b. An assessment of whether the department is effectively managing cases and
11 complying with federal law in the provision of support and services to individuals
12 with disabilities.
- 13 c. Input from advocates, clients from the disability community, zone directors,
14 service providers, and health care providers who serve individuals with
15 disabilities.
- 16 d. Collaboration with the cross-disability advisory council.
- 17 2. The legislative council may contract with a consultant with expertise in the provision of
18 developmental disability services to assist in the study.
- 19 3. The legislative management shall report its findings and recommendations, together
20 with any legislation necessary to implement its recommendations, to the seventieth
21 legislative assembly.

22 **SECTION 50. APPROPRIATION - COMMUNITY HEALTH TRUST FUND - LEGISLATIVE**
23 **COUNCIL - DISABILITY SERVICES - ONE-TIME FUNDING.** There is appropriated out of any
24 moneys in the community health trust fund, not otherwise appropriated, the sum of \$150,000, or
25 so much of the sum as may be necessary, to the legislative council for the purpose of
26 contracting for consulting services for a disability services study, for the biennium beginning
27 July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a
28 one-time funding item.

29 **SECTION 51. LEGISLATIVE MANAGEMENT REPORT - BEHAVIORAL HEALTH**
30 **FACILITY GRANTS.** During the 2025-26 interim the department of health and human services

1 shall provide reports to the legislative management regarding the award of grant funding to
2 increase the number of behavioral health beds in the state.

3 **SECTION 52. EFFECTIVE DATE.** Section ~~33~~36 of this Act becomes effective on July 1,
4 2026.

5 **SECTION 53. EFFECTIVE DATE.** Section 7 of this Act becomes effective on January 1,
6 2026.