Sixty-sixth Legislative Assembly of North Dakota
In Regular Session Commencing Thursday, January 3, 2019

SENATE BILL NO. 2012
(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of human services; to create and enact two new sections to chapter 50-06 of the North Dakota Century Code, relating to peer support specialist certification and the establishment of a community behavioral health program; to amend and reenact subsection 9 of section 50-06.4-10 and sections 50-24.1-31, 50-24.1-37, and 54-27-25 of the North Dakota Century Code, relating to the brain injury advisory council, optional medical assistance for children, the Medicaid expansion program, and tobacco settlement trust fund allocations; to provide a statement of legislative intent; to provide for transfers; to provide for a legislative management report; to provide for a legislative management study; to provide an exemption; to provide an effective date; to provide an expiration date; and to declare an emergency.

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 special funds derived from federal funds and other income, to the department of human services for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

MANAGEMENT

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$26,280,139	($6,057,639)	$20,222,500
Operating expenses	116,315,826	31,908,694	148,224,520
Capital assets	0	50,000	50,000
Grants	204,000	(204,000)	0
Total all funds	$142,799,965	$25,697,055	$168,497,020
Less estimated income	85,679,558	18,127,188	103,806,746
Total general fund	$57,120,407	$7,569,867	$64,690,274

Subdivision 2.

PROGRAM AND POLICY

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$62,782,944	$6,211,929	$68,994,873
Operating expenses	125,299,436	25,662,147	150,961,583
Capital assets	10,000	0	10,000
Grants	441,420,827	11,933,680	453,354,507
Grants - medical assistance	2,373,678,247	368,479,473	2,742,157,720
Total all funds	$3,003,191,454	$412,287,229	$3,415,478,683
Less estimated income	1,945,157,519	287,410,619	2,232,568,138
Total general fund	$1,058,033,935	$124,876,610	$1,182,910,545

Subdivision 3.

FIELD SERVICES

	Base Level	Adjustments or Enhancements	Appropriation
Human service centers	$196,049,489	$8,651,654	$204,701,143
Institutions	140,421,224	4,025,921	144,447,145
Total all funds	$336,470,713	$12,677,575	$349,148,288
Less estimated income	138,543,705	(4,458,085)	134,085,620
Total general fund	$197,927,008	$17,135,660	$215,062,668

Subdivision 4.

COUNTY SOCIAL SERVICE FINANCING

	Base Level	Adjustments or Enhancements	Appropriation
County social services	$0	$173,700,000	$173,700,000
Total special funds	$0	$173,700,000	$173,700,000

Subdivision 5.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	$1,313,081,350	$149,582,137	$1,462,663,487
Grand total special funds	2,169,380,782	474,779,722	2,644,160,504
Grand total all funds	$3,482,462,132	$624,361,859	$4,106,823,991
Full-time equivalent positions	2,162.23	68.00	2,230.23

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Medicaid expansion - fee schedule enhancement	$226,000,000	$0
County social service pilot program	160,700,000	0
Child care licensing and data system	3,000,000	0
Health information network and care coordination	40,800,000	0
Children's behavioral health services pilot project	150,000	0
Technology projects	0	13,785,658
Capital projects - life skills and transition center	0	4,277,165
Capital projects - state hospital	0	2,493,500
Medically complex children provider funding adjustment	0	977,603
Hyperbaric oxygen therapy grant	0	335,000
State hospital study	0	200,000
Total all funds	$430,650,000	$22,068,926
Less estimated income	404,500,000	20,556,323
Total general fund	$26,150,000	$1,512,603

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of human services shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. A new section to chapter 50-06 of the North Dakota Century Code is created and enacted as follows:

Peer support certification.

The behavioral health division shall establish and implement a program for the certification of peer support specialists. In developing the program, the division shall:

1. Define a peer support specialist;

2. Establish eligibility requirements for certification;

3. Establish application procedures and standards for the approval or disapproval of applications for certification;

4. Enter reciprocity agreements with other states as deemed appropriate to certify nonresident applicants registered under the laws of other states having requirements for peer support specialists; and

5. Establish continuing education and certification renewal requirements.

SECTION 4. A new section to chapter 50-06 of the North Dakota Century Code is created and enacted as follows:

Community behavioral health program.

1. The department of human services shall establish and implement a community behavioral health program to provide comprehensive community-based services for individuals who have serious behavioral health conditions.

2. In developing the program, the department shall:

   a. Establish a referral and evaluation process for access to the program.

   b. Establish eligibility criteria that includes consideration of behavioral health condition severity.

   c. Establish discharge criteria and processes.

   d. Develop program oversight and evaluation processes that include outcome and provider reporting metrics.

   e. Establish a system through which the department:

      (1) Contracts with and pays behavioral health service providers.

      (2) Supervises, supports, and monitors referral caseloads and the provision of services by contract behavioral health service providers.

      (3) Requires contract behavioral health service providers to accept eligible referrals and to provide individualized care delivered through integrated multidisciplinary care teams.

      (4) Provides payments to contract behavioral health service providers on a per-month per-referral basis based on a pay-for-performance model that includes consideration of identified outcomes and the level of services required.

SECTION 5. AMENDMENT. Subsection 9 of section 50-06.4-10 of the North Dakota Century Code is amended and reenacted as follows:

9. The department shall ~~provide the council with administrative~~contract with a private, nonprofit agency that does not provide brain injury services, to facilitate and provide support services to the council.

SECTION 6. AMENDMENT. Section 50-24.1-31 of the North Dakota Century Code is amended and reenacted as follows:

50-24.1-31. Optional medical assistance for families of children with disabilities.

The department of human services shall establish and implement a buyin program under the federal Family Opportunity Act enacted as part of the Deficit Reduction Act of 2005 [Pub. L. 109-171; 120 Stat. 4; 42 U.S.C. 1396] to provide medical assistance and other health coverage options to families of children with disabilities and whose net income does not exceed two hundred fifty percent of the federal poverty line.

SECTION 7. AMENDMENT. Section 50-24.1-37 of the North Dakota Century Code is amended and reenacted as follows:

50-24.1-37. Medicaid expansion - Legislative management report. (Effective January 1, 2014, through July 31, ~~2019~~2021 - Contingent repeal - See note)

1. The department of human services shall expand medical assistance coverage as authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-152] to individuals under sixty-five years of age with income below one hundred thirty-eight percent of the federal poverty ~~level, based on modified adjusted gross income~~line published by the federal office of management and budget applicable to the household size.

2. The department ~~of human services~~ shall inform new enrollees in the medical assistance expansion program that benefits may be reduced or eliminated if federal participation decreases or is eliminated.

3. The department shall implement the expansion by bidding through private carriers or utilizing the health insurance exchange.

4. The contract between the department and the private carrier must:

   a. Provide a reimbursement methodology for all medications and dispensing fees which identifies the minimum amount paid to pharmacy providers for each medication. The reimbursement methodology, at a minimum, must:

      (1) Be available on the department's website; and

      (2) Encompass all types of pharmacy providers regardless of whether the pharmacy benefits are being paid through the private carrier or contractor or subcontractor of the private carrier under this section.

   b. Provide full transparency of all costs and all rebates in aggregate.

   c. Allow an individual to obtain medication from a pharmacy that provides mail order service; however, the contract may not require mail order to be the sole method of service and must allow for all contracted pharmacy providers to dispense any and all drugs included in the benefit plan and allowed under the pharmacy provider's license.

   d. Ensure that pharmacy services obtained in jurisdictions other than this state and its three contiguous states are subject to prior authorization and reporting to the department for eligibility verification.

   e. Ensure the payments to pharmacy providers do not include a required payback amount to the private carrier or one of the private carrier's contractors or subcontractors which is not representative of the amounts allowed under the reimbursement methodology provided in subdivision a.

5. The contract between the department and the private carrier must provide the department with full access to provider reimbursement rates. The department shall consider provider reimbursement rate information in selecting a private carrier under this section. Before August first of each even-numbered year, the department shall submit a report to the legislative management regarding provider reimbursement rates under the medical assistance expansion program. This report may provide cumulative data and trend data but may not disclose identifiable provider reimbursement rates.

6. Provider reimbursement rate information received by the department under this section and any information provided to the department of human services or any audit firm by a pharmacy benefit manager under this section is confidential, except the department may use the reimbursement rate information to prepare the report to the legislative management as required under this section.

SECTION 8. AMENDMENT. Section 50-24.1-37 of the North Dakota Century Code is amended and reenacted as follows:

50-24.1-37. Medicaid expansion - Legislative management report. (Effective January 1, 2014, through July 31, ~~2019~~2021 - Contingent repeal - See note)

1. The department of human services shall expand medical assistance coverage as authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-152] to individuals under sixty-five years of age with income below one hundred thirty-eight percent of the federal poverty ~~level, based on modified adjusted gross income~~line published by the federal office of management and budget applicable to the household size.

2. The department ~~of human services~~ shall inform new enrollees in the medical assistance expansion program that benefits may be reduced or eliminated if federal participation decreases or is eliminated.

3. ~~The~~Except for pharmacy services, the department shall implement the expansion by bidding through private carriers or utilizing the health insurance exchange.

4. ~~The contract between the department and the private carrier must:~~

   ~~a. Provide a reimbursement methodology for all medications and dispensing fees which identifies the minimum amount paid to pharmacy providers for each medication. The reimbursement methodology, at a minimum, must:~~

      ~~(1) Be available on the department's website; and~~

      ~~(2) Encompass all types of pharmacy providers regardless of whether the pharmacy benefits are being paid through the private carrier or contractor or subcontractor of the private carrier under this section.~~

   ~~b. Provide full transparency of all costs and all rebates in aggregate.~~

   ~~c. Allow an individual to obtain medication from a pharmacy that provides mail order service; however, the contract may not require mail order to be the sole method of service and must allow for all contracted pharmacy providers to dispense any and all drugs included in the benefit plan and allowed under the pharmacy provider's license.~~

   ~~d. Ensure that pharmacy services obtained in jurisdictions other than this state and its three contiguous states are subject to prior authorization and reporting to the department for eligibility verification.~~

   ~~e. Ensure the payments to pharmacy providers do not include a required payback amount to the private carrier or one of the private carrier's contractors or subcontractors which is~~

~~not representative of the amounts allowed under the reimbursement methodology provided in subdivision a.~~

~~5.~~ The contract between the department and the private carrier must provide the department with full access to provider reimbursement rates. The department shall consider provider reimbursement rate information in selecting a private carrier under this section. Before August first of each even-numbered year, the department shall submit a report to the legislative management regarding provider reimbursement rates under the medical assistance expansion program. This report may provide cumulative data and trend data but may not disclose identifiable provider reimbursement rates.

~~6.~~5. Provider reimbursement rate information received by the department under this ~~section and any information provided to the department of human services or any audit firm by a pharmacy benefit manager under this~~ section is confidential, except the department may use the reimbursement rate information to prepare the report to the legislative management as required under this section.

SECTION 9. AMENDMENT. Section 54-27-25 of the North Dakota Century Code is amended and reenacted as follows:

54-27-25. Tobacco settlement trust fund - Interest on fund - Uses. (Effective through June 30, 2019)

1. There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under subsection IX(c)(1) of the master settlement agreement and consent agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Except as provided in subsection 2, moneys received by the state under subsection IX(c)(1) must be deposited in the fund. Interest earned on the fund must be credited to the fund and deposited in the fund. The principal and interest of the fund may be appropriated to the attorney general for the purpose of enforcing the master settlement agreement and any disputes with the agreement. All remaining principal and interest of the fund must be allocated as follows:

   a. Transfers to a community health trust fund to be administered by the state department of health. The state department of health may use funds as appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state. Transfers under this subsection must equal fifty-five percent of total annual transfers from the tobacco settlement trust fund. Transfers to the water development trust fund to be used to address the long-term water development and management needs of the state. Transfers under this subsection must equal forty-five percent of the total annual transfers from the tobacco settlement trust fund.

2. There is created in the state treasury a tobacco prevention and control trust fund. The fund consists of the tobacco settlement dollars obtained by the state under section IX(c)(2) of the agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Interest earned on the fund must be credited to the fund and deposited in the fund. Moneys received into the fund are to be used as appropriated by the legislative assembly.

3. Transfers to the funds under this section must be made within thirty days of receipt by the state.

Tobacco settlement trust fund - Interest on fund - Uses. (Effective after June 30, 2019)

1. There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under subsection IX(c)(1) of the master settlement agreement and consent agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Except as provided in subsection 2, moneys received by the state under subsection IX(c)(1) must be deposited in the fund. ~~Interest earned on the fund must be credited to the fund and deposited in the fund. The principal and interest of the fund may be appropriated to the attorney general for the purpose of enforcing the master settlement agreement and any disputes with the agreement. All remaining principal and interest of the fund must be allocated as follows:~~

   ~~a.~~ ~~Transfers~~Moneys in the fund must be transferred within thirty days of receipt by the state to a community health trust fund ~~to be administered by the state department of health. The state department of health may use funds as~~. Moneys in the fund may be appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state. ~~Transfers under this subsection must equal ten percent of total annual transfers from the tobacco settlement trust fund.~~

   ~~b. Transfers to the common schools trust fund to become a part of the principal of that fund. Transfers under this subsection must equal forty-five percent of total annual transfers from the tobacco settlement trust fund.~~

   ~~c. Transfers to the water development trust fund to be used to address the long-term water development and management needs of the state. Transfers under this subsection must equal forty-five percent of the total annual transfers from the tobacco settlement trust fund.~~

2. There is created in the state treasury a tobacco prevention and control trust fund. The fund consists of the tobacco settlement dollars obtained by the state under section IX(c)(2) of the agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Interest earned on the fund must be credited to the fund and deposited in the fund. Moneys received into the fund are to be used as appropriated by the legislative assembly.

~~3. Transfers to the funds under this section must be made within thirty days of receipt by the state.~~

SECTION 10. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. 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, and 3 of section 1 of this Act for the biennium beginning July 1, 2019, and ending June 30, 2021, as requested by the department of human services. The department of human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2020, any transfer made in excess of $50,000 and to the appropriations committees of the sixty-seventh legislative assembly regarding any transfers made pursuant to this section.

SECTION 11. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority from line items within subdivisions 1, 2, and 3 of section 1 of this Act to subdivision 4 of section 1 of this Act for the biennium beginning July 1, 2019, and ending June 30, 2021, as requested by the department of human services. The department of human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section

after June 30, 2020, any transfer made in excess of $50,000 and to the appropriations committees of the sixty-seventh legislative assembly regarding any transfers made pursuant to this section.

SECTION 12. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line items in subdivisions 1 and 3 of section 1 of this Act include the sum of $11,490,695 from the strategic investment and improvements fund for information technology and capital projects.

SECTION 13. ESTIMATED INCOME - HUMAN SERVICE FINANCE FUND. The estimated income line item in subdivision 4 of section 1 of this Act includes the sum of $173,700,000 from the human service finance fund for state-paid economic assistance and social and human services.

SECTION 14. ESTIMATED INCOME - TOBACCO PREVENTION AND CONTROL TRUST FUND. The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of $6,000,000 from the tobacco prevention and control trust fund for defraying expenses in the medical services division.

SECTION 15. ESTIMATED INCOME - COMMUNITY HEALTH TRUST FUND. The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of $32,400,000 from the community health trust fund for defraying expenses in the medical services division.

SECTION 16. ESTIMATED INCOME - HEALTH CARE TRUST FUND - NURSING HOME OPERATING MARGIN ADJUSTMENT. The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of $1,000,000 from the health care trust fund and $1,062,000 from other funds derived from federal funds. These funds must be used to increase the nursing facility operating margin up to 4.4 percent for the period beginning January 1, 2020, and ending June 30, 2021. Notwithstanding any other provision of law, the draft appropriations acts submitted to the legislative assembly for the 2021-23 biennium pursuant to section 54-44.1-06 may not contain a nursing facility operating margin in excess of 3.74 percent.

SECTION 17. EXPENDITURES MAY NOT EXCEED APPROPRIATION - MEDICAL ASSISTANCE EXPANSION PROGRAM.

1. Subdivision 2 of section 1 of this Act includes the sum of $567,367,511, of which $60,776,487 is from the general fund, for the medical assistance expansion program for the biennium beginning July 1, 2019, and ending June 30, 2021. The expenditures for individuals eligible for the medical assistance expansion program may not exceed this amount. For purposes of this section:

   a. Expenditures do not include those made for individuals identified as medically frail and who receive services through the traditional Medicaid program administered by the department of human services for which there is a separate appropriation of $5,185,101 included in subdivision 2 of section 1 of this Act.

   b. Expenditures do not include prescription drugs for the medical assistance expansion program population which is administered by the department of human services through its fee-for-service Medicaid program for which there is a separate appropriation of $52,548,356 included in subdivision 2 of section 1 of this Act.

   c. Expenditures do not include funding from the federal health insurance provider fee for which a separate appropriation of $9,619,987 is included in subdivision 2 of section 1 of this Act.

2. The department of human services may exceed appropriations for increases in medical assistance expansion program caseload and for the addition of coverage consistent with the traditional Medicaid 1915i state plan.

3. The managed care organization under contract with the department 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 offered to all eligible providers and approved by the department. The managed care organization may consider urban and rural providers as different provider types. Critical access hospitals may not be paid less than one hundred percent of Medicare allowable costs.

4. The managed care organization and the department of 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.

5. The department of 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 of adequate capacity and services, and coordination and continuity of care.

SECTION 18. PLACEMENT OF INDIVIDUALS IN INSTITUTIONS FOR MENTAL DISEASE - REPORT TO LEGISLATIVE MANAGEMENT. During the biennium beginning July 1, 2019, and ending June 30, 2021, the department of human services shall develop a statewide plan to address acute psychiatric and residential care needs. The statewide plan must address the following:

1. The size and use of the state hospital;

2. The potential need for state-operated or private acute facilities in areas of the state outside the city of Jamestown;

3. The potential to expand private providers' offering of acute psychiatric care and residential care to fulfill the identified need, including how the implementation of services authorized by the sixty-sixth legislative assembly affects the balance of inpatient, residential, and community-based services;

4. The impact of department efforts to adjust crisis services and other behavioral health services provided by the regional human service centers; and

5. The potential use of available Medicaid authorities, including waivers or plan amendments.

Prior to October 1, 2020, the department shall report to the legislative management on the statewide plan, along with any legislation required to implement the plan.

SECTION 19. REVISED PAYMENT METHODOLOGY FOR NURSING FACILITY SERVICES - REPORT TO LEGISLATIVE MANAGEMENT. The department of human services shall develop an implementation plan for a revised payment methodology for nursing facility services that must include recommendations for:

1. Methods of reimbursement for nursing facility cost categories including direct patient care, administrative expenses, and capital assets;

2. Considerations regarding establishing peer groups for payments based on factors such as geographical location or nursing facility size;

3. The feasibility and desirability of equalizing payments for nursing facilities in the same peer group, including the time frame for equalization; and

4. Payment incentives related to care quality or operational efficiency.

The executive director of the department of human services and representatives of the nursing home industry shall appoint a committee to advise the department on the development of the revised

payment methodology for nursing facility services. Before October 1, 2020, the department shall report to the legislative management regarding the plan to implement the revised payment methodology. The estimated costs related to the implementation of the revised payment methodology must be included in the department's 2021-23 biennium budget request submitted to the sixty-seventh legislative assembly.

SECTION 20. HYPERBARIC OXYGEN THERAPY PILOT PROGRAM GRANT. Subdivision 2 of subsection 1 of this Act includes the sum of $335,000 from the general fund for the purpose of providing a grant to an entity to develop a hyperbaric oxygen therapy pilot program.

SECTION 21. ADAPTIVE SKIING GRANT - EXEMPTION. Subdivision 2 of section 1 of this Act includes the sum of $200,000 from the general fund for a grant for an adaptive skiing program affiliated with a winter park that is located in a county of less than 10,000 individuals. The requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or payments made under this section.

SECTION 22. PERMANENT HOUSING PROGRAM GRANTS - EXEMPTION - REPORT TO LEGISLATIVE MANAGEMENT. Subdivision 3 of section 1 of this Act includes the sum of $925,000 from the general fund to provide grants to entities to provide services to individuals experiencing chronic homelessness in the northeast and southeast human service regions. The requirements of chapter 54-44.4 do not apply to the selection of grantees, the grant awards, or payments made under this section. The department of human services' oversight for these services is limited to receiving information relating to annual service numbers and the expenditure of appropriated funds for these services. The department shall develop and implement standardized processes for the distribution of the permanent housing grants.

The funds identified for permanent housing grants may be used only for services not reimbursed by other funding sources. The department of human services, in cooperation with the grant recipients, shall provide reports to the legislative management during the 2019-20 interim regarding the services provided by the programs, the nonidentifiable demographics of the individuals receiving services, and the other funding or reimbursement being used to support the programs.

SECTION 23. SCHOOL BEHAVIORAL HEALTH GRANTS. Subdivision 2 of section 1 of this Act includes the sum of $1,500,000 from the general fund for the purpose of providing behavioral health services and support grants to school districts to address student behavioral health needs. To be eligible to receive a student behavioral health grant, a school district must submit a plan to the department of human services detailing the school district's collaboration with other regional school districts regarding student behavioral health needs and the use of grant funding to develop student behavioral heath interventions. A school district may not use grant funding to duplicate or fund existing services. The department of human services shall provide student behavioral health grants only during the second year of the 2019-21 biennium.

SECTION 24. SCHOOL BEHAVIORAL HEALTH PROGRAM. Subdivision 2 of section 1 of this Act includes the sum of $300,000 from the general fund for a school behavioral health program. The department of human services shall use a portion of this funding for behavioral health pilot projects in a rural school and a tribal school.

SECTION 25. EXEMPTION. The amount appropriated for the replacement of the Medicaid management information system and related projects in chapter 50 of the 2007 Session Laws and chapter 38 of the 2011 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations approved under section 54-44.1-11 for continuation into the 2009-11 biennium, then the 2011-13 biennium, then the 2013-15 biennium, then the 2015-17 biennium, and then the 2017-19 biennium are available for the completion of the Medicaid management information system and related projects during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 26. EXEMPTION. The amount appropriated for the modification of the department of human services' eligibility systems in chapter 578 of the 2011 Special Session Session Laws is not

subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2013-15 biennium, then the 2015-17 biennium, and then the 2017-19 biennium are available for the completion of the modification of the eligibility systems project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 27. EXEMPTION. The amount appropriated for the development of the electronic health records system in chapter 12 of the 2013 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2015-17 biennium and then the 2017-19 biennium are available for the completion of the electronic health records system during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 28. EXEMPTION. The sum of $3,000,000 of federal funds appropriated for the development of the child care licensing and data system in chapter 11 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the completion of the child care licensing and data system during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 29. EXEMPTION. The sum of $40,800,000 of federal and other funds appropriated for the development of the health information network and care coordination project in chapter 11 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the completion of the health information network and care coordination project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 30. EXEMPTION. The amount appropriated for the development of the electronic visit verification project in chapter 11 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the completion of the electronic visit verification project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 31. EXEMPTION. The sum of $728,207 from the general fund appropriated for the department's operating expenses for the legal advisory unit in chapter 11 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be used for the Ireland lawsuit or its settlement during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 32. EXEMPTION. The sum of $150,000 from the general fund appropriated for the purpose of establishing a children's prevention and early intervention behavioral health services pilot project in chapter 333 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to be used for the completion of the children's prevention and early intervention behavioral health services pilot project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 33. CONVEYANCE OF LAND AUTHORIZED - STATE HOSPITAL - EXEMPTION. The state of North Dakota by and through the department of human services may convey real property associated with the state hospital in Stutsman County to the department of corrections and rehabilitation. The department of human services may convey building 2404, formerly known as the nursing residence building and Tompkins building, and surrounding property on the terms and conditions determined appropriate by the department of human services and the attorney general. Sections 54-01-05.2 and 54-01-05.5 do not apply to this conveyance.

SECTION 34. CAPITAL PROJECTS AND PAYMENTS. During the period beginning with the effective date of this Act, and ending June 30, 2021, the department of human services is authorized to expend funds for the following capital projects and payments:

1. The construction of a heating system and plant building at the state hospital;

2. The renovation of the cedar grove and maplewood buildings at the life skills and transition center, including the construction of a structure to connect the buildings;

3. The demolition of the refectory and pleasant view buildings at the life skills and transition center; and

4. The payment of special assessments at the state hospital.

SECTION 35. DEVELOPMENTAL DISABILITIES CASE MANAGEMENT. The department of human services shall provide case management services for individuals with a developmental disability within the ratio provided pursuant to North Dakota Administrative Code for the biennium beginning July 1, 2019, and ending June 30, 2021. If case management services for individuals with a developmental disability exceed the ratio requirement provided in the North Dakota Administrative Code, the department of human services may hire temporary staff or the department of human services may propose a change to North Dakota Administrative Code to meet the ratio requirement.

SECTION 36. BEHAVIORAL HEALTH PROVIDER PROCESS AND OUTCOME MEASURES. Behavioral health service providers that receive funding from the department of human services shall submit process and outcome measures to the department of human services for programs and services supported by state funding during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 37. TELEPHONE SUPPORT AND DIRECTORY SERVICES. The vendor of telephone and directory services, under contract with the department of human services, shall include private behavioral health service providers in the vendor's directory at no cost to the private behavioral health service providers during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 38. ADULT COMPANION SERVICES. The department of human services shall include adult companion services as an allowable service under the home and community-based services Medicaid waiver, effective for dates of service on or after January 1, 2020.

SECTION 39. ADULT RESIDENTIAL RATES - REBASING. The department of human services shall rebase adult residential rates, effective for dates of service on or after January 1, 2020. The department of human services shall request cost information from adult residential providers who are enrolled as Medicaid home and community-based waiver providers and serve clients who receive memory care services or have a traumatic brain injury.

SECTION 40. TARGETED CASE MANAGEMENT - SERIOUS EMOTIONAL DISTURBANCE. The department of human services shall expand the types of providers recognized as Medicaid providers of targeted case management for individuals with a serious emotional disturbance for dates of service beginning on or after October 1, 2019. If this expansion results in expenditures that exceed the amount appropriated to the department of human services for this service, the department shall request a deficiency appropriation from the sixty-seventh legislative assembly for any shortfall.

SECTION 41. TARGETED CASE MANAGEMENT - SERIOUS MENTAL ILLNESS. The department of human services shall expand the types of providers recognized as Medicaid providers of targeted case management for individuals with a serious mental illness for dates of service beginning on or after October 1, 2019. If this expansion results in expenditures that exceed the amount appropriated to the department of human services for this service, the department shall request a deficiency appropriation from the sixty-seventh legislative assembly for any shortfall.

SECTION 42. WITHDRAWAL MANAGEMENT. The department of human services shall include withdrawal management as a covered service in the Medicaid state plan during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 43. IMPLEMENTATION OF 1915i MEDICAID STATE PLAN. The department of human services shall implement and manage a 1915i Medicaid state plan amendment for children and adults, for the period beginning July 1, 2020, and ending June 30, 2021. The requirements of chapter 54-44.4 do not apply to the addition of coverage consistent with the traditional Medicaid 1915i state plan to the

managed care contract between the department of human services and the Medicaid expansion managed care organization. The department of human services and the Medicaid managed care organization shall ensure the appropriate contract amendment is adopted for coverage to begin July 1, 2020.

SECTION 44. HOME AND COMMUNITY-BASED SERVICES TARGETED POPULATION. The department of human services shall adopt rules, on or before January 1, 2021, establishing a process and requirements to involve public and private entities in identifying individuals who are at serious risk of accessing Medicaid-funded long-term care in a nursing facility and inform them about home and community-based services options.

SECTION 45. AUTISM SPECTRUM DISORDER TASK FORCE. The department of human services shall consult with the autism spectrum disorder task force at the November 2019 task force meeting to evaluate biennium autism spectrum disorder Medicaid waiver expenditures to date. Based on input from the task force, the department may expand the number of slots or increase the ages covered by the autism spectrum disorder Medicaid waiver for the remainder of the 2019-21 biennium.

SECTION 46. AUTISM SPECTRUM DISORDER VOUCHER PROGRAM. The department of human services shall propose changes to North Dakota administrative code to seek additional flexibility for the administration of the autism spectrum disorder voucher program to ensure more families can be served within available appropriations. The proposed administrative code changes should consider changes that include a voucher that is solely for technology support and one that is for in-home supports; adding case management or parent-to-parent support as an allowable service for voucher funds; and reducing the amount of time during which a household may use approved voucher funds.

SECTION 47. IMPLEMENTATION OF BEHAVIORAL HEALTH STUDY RECOMMENDATIONS - REPORT TO LEGISLATIVE MANAGEMENT. Before August 1, 2020, the department of human services shall provide a report to the legislative management regarding the implementation of the human services research institute report recommendations.

SECTION 48. LEGISLATIVE MANAGEMENT STUDY - HEALTH CARE DELIVERY SYSTEM. During the 2019-20 interim, the legislative management shall consider studying the delivery of health care in the state. The study must review the needs and future challenges of the North Dakota health care delivery system, including rural access to primary health care, the use of emergency medical services, strategies to better serve residents, and the role of health care services in the future development of the state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 49. LEGISLATIVE INTENT - UTILIZATION RATE ADJUSTMENTS. It is the intent of the sixty-sixth legislative assembly that the department of human services seek a deficiency appropriation from the sixty-seventh legislative assembly for any expenditures that exceed appropriated amounts as a result of reductions made in estimated utilization rates during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 50. EFFECTIVE DATE. Section 8 of this Act becomes effective on January 1, 2020.

SECTION 51. EXPIRATION DATE. Section 7 of this Act is effective through December 31, 2019, and after that date is ineffective.

SECTION 52. EMERGENCY. The sum of $6,770,665 in subdivision 3 of section 1 of this Act for capital projects at the state hospital and life skills and transition center and section 34 of this Act are declared to be an emergency measure.

President of the Senate	Speaker of the House
Secretary of the Senate	Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-sixth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2012 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 45 Nays 1 Absent 1

President of the Senate	Secretary of the Senate

This certifies that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 75 Nays 16 Absent 3

Speaker of the House	Chief Clerk of the House

Received by the Governor at _____M. on _____, 2019.

Approved at _____M. on _____, 2019.

Governor

Filed in this office this _____day of _____, 2019,

at _____ o'clock _____M.

Secretary of State