

**Testimony**  
**House Bill 1091 Department of Human Services**  
**Senate Human Services Committee**  
**Senator Judy Lee, Chairman**  
**February 16th, 2021**

Chairperson Lee, and members of the Senate Human Services Committee, I am Cory Pedersen, Director of the Children and Family Services Division with the Department of Human Services (Department). I am here today in support of House Bill 1091 as an amended bill introduced at the request of the Department.

This bill proposes changes to North Dakota Century Code chapters 50-06 and 50-11 relating to shelter care services, foster care for children, foster care approval and licensing of facilities, use of public funds, the use of an automated clearing house to facilitate payments, and to provide for delayed application for the implementation of an automated clearing house payment to a foster care provider.

The proposed change in Section 1 of this Bill is to amend subsection 1 of section 50-06-01.4 of the North Dakota Century Code regarding clarification of programs administered by Children and Family Services Division. Page 1, line 19, adds the ability for the Department to certify shelter care services. Shelter care is a service offered in various forms across North Dakota. Today, licensed foster parents are granted the authority by holding a license to provide family foster care for children to also provide emergency shelter care for up to 96 hours. Certification of shelters (single family dwellings offering shelter care for a group of children) will create options for short term placements across North Dakota, if foster homes are not immediately available. The need for short

term temporary shelter care services reimbursed by the Department has become increasingly heightened. In order for the Department to reimburse for the service, certification of that service is necessary. The certification will require safety standards to ensure the quality of care a child receives is adequate while temporarily placed in a shelter care setting. Certification will also require a time limit for placement, where children are not to remain in shelter care for greater than seven days unless circumstances exist that require the custodial agency to request an extension from the Department.

The proposed change in Section 2 of this Bill is to amend subsection 8 of section 50-11-00.1 of the North Dakota Century Code regarding the provision of family foster care. Page 3, line 8 adds language to the law for clarification and consistency specific to licensed or approved family foster homes for children. There are three provider types that meet the federal definition for a foster care placement, which allow for federal funding to support the placement costs; 1) licensed or approved family foster homes for children, 2) supervised independent living programs, or 3) qualified residential treatment programs.

The proposed changes in Section 3 of this Bill are to amend subsection 1 of section 50-11-02 of the North Dakota Century Code to add subdivisions (e) and (f) regarding terms and conditions for the Department to grant a license for the operation of a facility providing foster care. Page 3, lines 25 through 30 and page 4, lines 1 and 2 will provide clarification surrounding the ability for an applicant to reapply to become a foster parent if they were previously denied a license to provide family foster care for children or adults or if their previous license was revoked by the

department. The additions will provide parameters for reapplication and will offer consistency in managing requests from applicants statewide.

The proposed change in Section 4 of this Bill is to amend section 50-11-03.2 of the North Dakota Century Code regarding the use of public funds for the purchase of foster care. Page 4, lines 17 through 21 will allow the use of non-federal funds to reimburse the costs of shelter care placements for seven days so long as the shelter care services being provided are certified by the Department. The bill was amended to allow the Department to grant placement extensions beyond seven days as long as the entity has diligently pursued other placement options for the child. The Department supports the extension request as we understand there are circumstances that require additional time to ensure the health and safety of a child. Historically, the use of public funds has not been authorized to reimburse the daily rate. At this time, federal funds for foster care are not available for shelter care placements unless the shelter care service is offered by a licensed or approved facility. Shelters, for the purposes of short-term placement, do not meet the federal definition for foster care. Without the proposed certification by the Department, previously noted, shelter care settings will not be eligible for reimbursement with public funds.

Section 5 of this Bill proposes a new section be added to chapter 50-11 of the North Dakota Century Code and will allow the Department to provide payment to foster care providers using an automated clearing house to provide for electronic fund transfers. Page 4, lines 25 through 31 allows all licensed or approved family foster homes for children, supervised independent living programs, and qualified residential treatment programs for children to receive reimbursement using an automated clearing house.

Today, roughly 1,200 foster care providers receive foster care reimbursement at various times throughout the month. A majority of the providers have direct deposit set up with the Department. However, roughly 400 (33%) of the providers receive a paper check from the Department. The issuance of a paper check is a manual process which takes additional staff time to prepare and mail out. In addition, receipt of a paper check requires additional time on the part of the provider to go to the bank and cash the check timely. As a point of reference, the Department is proposing a comparable transition to electronic payment processing for Medicaid providers in Senate Bill No. 2085 and for subsidized adoption in Senate Bill No. 2088.

The proposed change in Section 6 of this Bill, located on page 5, lines 3 through 10 will stagger implementation for the automated clearing house for new foster care providers to be in effect January 1, 2022. The bill further delays implementation to January 1, 2023 for foster care providers licensed previous to December 31, 2021. The Department supports this delayed implementation in efforts to work with foster care providers, licensing workers and the Bank of North Dakota.

This concludes my testimony. I would be happy to answer any questions. Thank you.