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## HUMAN SERVICES COMMITTEE

Thursday, July 11, 2024  
Roughrider Room, State Capitol  
Bismarck, North Dakota

Representative Matthew Ruby, Chairman, called the meeting to order at 9:00 a.m.

**Members present:** Representatives Matthew Ruby, Karen A. Anderson, Jayme Davis, Kathy Frelich, Dwight Kiefert, Alisa Mitskog, Brandon Prichard, Karen M. Rohr, Mary Schneider, Greg Stemen, Michelle Strinden; Senators Sean Cleary, Kyle Davison, Dick Dever, Kathy Hogan, Judy Lee, Kent Weston

**Member absent:** Representative Mike Beltz

**Others present:** Jenifer Lauckner, Heather Wilson, and Carrie Sorenson, Quality Health Associates of North Dakota; Seth O'Neill, CAWS North Dakota; Courtney Monroe Ryckman, Abused Adult Resource Center; Liz Schneider, McLean Family Resource Center; Jill McDonald, Domestic Violence Crisis Center; Tina Bay and Jessica Thomasson, Department of Health and Human Services; Bill Bauman, Missouri Valley Family YMCA; Steve Smith, YMCA of the Northern Sky; Borgi Beeler, Kalix; Tim Eissinger, Anne Carlsen Center

See [Appendix A](#) for additional persons present.

**It was moved by Senator Dever, seconded by Representative Frelich, and carried on a voice vote that the minutes of the April 8, 2024, meeting be approved as distributed.**

Ms. Nikki Wegner, President, North Dakota Long Term Care Association, presented information ([Appendix B](#)) regarding the Centers for Medicare and Medicaid Services (CMS) proposed minimum staffing requirement changes for long-term care facilities. She noted the new staffing requirements include:

- A minimum 3.48 hours per resident day for total nurse staff;
- Specific minimum of 0.55 hours per resident day for registered nurses;
- Specific minimum of 2.45 hours per resident day for certified nursing assistants; and
- One registered nurse onsite 24 hours a day, 7 days a week.

She noted:

- 17 percent of the long-term care facilities in the state would meet the new minimum staffing requirements, and the proposed changes would cost long-term care facilities in the state an additional \$4.5 million annually.
- Six nursing homes closed in the state since January 2021.
- Legislation being considered by Congress which, if passed, might prohibit the finalization of the proposed changes.

Ms. Jenifer Lauckner, Ms. Heather Wilson, and Ms. Carrie Sorenson, Quality Improvement Specialists, Quality Health Associates of North Dakota, presented information ([Appendix C](#)) regarding gradual dose reduction in nursing homes. They provided priorities introduced by CMS to address concerns of overuse of antipsychotic medications. They noted:

- The percentage of long-stay residents in the state who received antipsychotic medication was 21.96 percent compared to the national average of 14.72 percent.

- The goal of gradual dose reductions is to reduce or discontinue the use of antipsychotic medications whenever possible, especially when not clinically necessary, to minimize potential side effects and improve the quality of life for residents.
- With gradual dose reductions, nursing homes are encouraged to use nonpharmacologic (i.e., intervention without medication) approaches and behavioral interventions to manage symptoms.
- The staff time and collaboration challenges to administer the gradual dose reduction processes, include:
  - Work-force shortages.
  - Limited access to specialized care, such as specialized psychiatrists and acute care beds.
  - Care gaps during transitions.
  - Shared decisionmaking, including the resident and family or guardians.
  - Work culture (i.e., staff turnover and access to training and education).
- These challenges can affect a long-term care facility's rating utilized by CMS to determine payment rates and incentives.
- Facilities with higher ratings may receive higher reimbursement rates or bonuses while those with lower ratings may face financial penalties or reduced payments.

Mr. Seth O'Neill, Executive Director, North Dakota Domestic and Sexual Violence Coalition, introduced Ms. Courtney Monroe Ryckman, Direct Services Supervisor, Abused Adult Resource Center; Ms. Liz Schneider, Executive Director, McLean Family Resource Center; Ms. Coiya Tompkins Inman, President, Community Violence Intervention Center; and Ms. Jill McDonald, Executive Director, Domestic Violence Crisis Center, to present information ([Appendix D](#)) regarding the status of domestic violence-related bills approved by the 68<sup>th</sup> Legislative Assembly. They noted almost 260,000 individuals in the state have been impacted by domestic or sexual violence in their lifetime. They provided an overview of the domestic and sexual violence prevention programs throughout the state. The following chart summarizes the 2023-25 biennium appropriation and the 2025-27 biennium budget request for domestic and sexual violence-related programs:

Program	Funding Source	2023-25 Request	2023-25 Appropriation	2025-27 Request
Domestic violence and sexual assault	General fund	\$10,000,000	\$4,596,285	\$10,820,160
	Community health trust fund	0	1,000,000	0
	Domestic violence prevention fund	0	340,000	0
Safe haven	General fund	2,200,000	425,000	2,380,435
Sexual violence prevention	General fund	4,000,000	200,000	4,328,064
Domestic violence intervention	Community health trust fund	1,425,000	1,000,000	1,568,923
Total		\$17,625,000	\$7,561,285	\$19,097,582

**STUDY OF PAYMENT RATES FOR INTERMEDIATE CARE FACILITIES**

Ms. Tina Bay, Director, Developmental Disabilities Division, Department of Health and Human Services, presented information ([Appendix E](#)) regarding payment rates for intermediate care facilities. She noted the developmental disabilities rate formula uses a series of factors to establish a base rate, including:

- Average hourly cost of direct service;
- Fringe benefits paid on top of base staffing costs paid directly to workers;
- Add-on for staff to cover any direct care vacation and sick days;
- Overhead costs related to direct care (i.e., not separately billable);
- Overhead costs not related to direct care (i.e., administrators, insurance, travel, and office expenses); and
- Vacancy inflator to account for days a bed is open due to a discharged resident with no intent to return.

She noted:

- The regular intermediate care facility hourly payment rate is \$49.12 per hour and the regular residential habilitation payment rate is \$40.42 per hour.
- The formula to determine the rates includes an adjustment to reduce rates to either 89.7 or 91.6 percent of calculated costs.

- Setting payment rates at 100 percent of calculated costs would result in a net increase of \$21.8 million in needed funding for regular intermediate care facility and \$23.1 million in needed funding for residential habilitation for the biennium.

Ms. Borgi Beeler, President, Kalix, commented regarding payment rates for intermediate care facilities and noted the state has provided sufficient funding for the developmental disabilities service industry.

Mr. Tim Eissinger, Chief Executive Officer, Anne Carlsen Center, commented regarding payment rates for intermediate care facilities and the legacy aspect of funded percentage.

### STUDY OF CHILD CARE PROGRAMS AND SERVICES

Mr. Bill Bauman, Executive Director, Missouri Valley Family YMCA, and Mr. Steve Smith, President, YMCA of the Northern Sky, presented information ([Appendix F](#)) regarding the impacts of child care on workforce development. They discussed the monthly income and costs per child at two YMCA youth development centers and noted the costs per child for children under 3 years of age are higher than the income generated from the age group. They explained the benefits and deficiencies of the child care assistance program, child care workforce benefit program, child care facility improvement grants, and the working parent child care relief program offered by the Department of Health and Human Services. They noted strategies to enhance the accessibility, affordability, and quality of child care in the state, include:

- Attracting and retaining qualified child care workforce by increasing child care worker pay and creating incentives for professional development.
- Reducing the waiting period for background checks for potential staff.
- Developing a child care funding model for various age groups similar to K-12 education.
- Expanding incentive programs for child care providers to expand capacity and serve rural communities.
- Creating a child care council to focus on sustainability models, grants, and regulatory reform for child care services.

Ms. Jessica Thomasson, Executive Director, Human Services Division, Department of Health and Human Services, presented information ([Appendix G](#)) regarding implementation progress of child care programs provided for in House Bill No. 1540 (2023). She noted:

- An additional \$42.3 million approved for the child care assistance program created a total investment of \$90.6 million for the program. This funding, plus the additional \$22 million approved in House Bill No.1540, created the opportunity for the state to serve more working families.
- The department completed a market rate and cost study to calculate the annual adjustments for child care assistance benefits.
- Effective July 2023, families with income at or below 30 percent of the state median income are no longer charged a copayment for child care expenses.
- Child care assistance program expenditures for the 1<sup>st</sup> year of the 2023-25 biennium totaled \$26 million, and the average assistance per child per month was \$609.
- Effective July 1, 2024, providers receive a monthly bonus payment equal to 30 percent of the state maximum rate for care to any infant or toddler of families receiving child care assistance.
- Effective November 2023, quality-rated child care providers with a Bright & Early North Dakota designation of Step 2, 3, or 4 receive quality bonus payments of 5 to 15 percent for each child in their care when the child's family is receiving child care assistance.
- Effective April 2024, the eligibility period for provider reapplication has been extended from 12 to 18 months.
- Effective June 2024, 100 percent of child care costs, for individuals who are employed by a licensed child care facility at least 25 hours per week up to the state maximum rate, will be covered.
- Through June 2024, 41 employers have chosen to participate in the working parent child care relief program offering a child care benefit to working parents.
- The department has implemented a series of grants and incentives intended to support child care facilities, including:

Quality improvement grants awarded to 142 child care providers who have attained or maintained a Step 2, 3, or 4 quality rating.

Inclusive care support grants awarded to 52 child care providers to help them create and maintain inclusive environments that can support children with disabilities or developmental delays to learn, grow, play, and develop with their peers.

Facility improvement grants awarded to 142 child care providers to revitalize child care facilities and support providers in meeting space-based licensing requirements with a disbursement of \$1.1 million for the 2023-25 biennium.

Grow child care grants awarded to six providers who created 80 spaces, supporting both child care startups and expansions.

Child Care Aware of North Dakota created a shared services alliance for child care providers that includes access to child care management software, curriculum resources, and a business intensive course through the North Dakota Women's Business Center.

- Training stipends totaling \$161,200 have been awarded to 231 child care workers who completed above and beyond training.
- Future enhancements will provide incentives to child care workers who are advancing on career pathways and maintaining their professional designations while providing direct care to children in licensed child care facilities.

### OTHER REPORTS

Mr. Cory Pedersen, Executive Director, Children and Family Services Division, Department of Health and Human Services, presented information ([Appendix H](#)) on child welfare services and child abuse concerns across the state. He noted:

- The mission of the North Dakota child welfare system is safe children and strong families.
- The major child protection services functions within the system are delivered by human service zones through:
  - A hotline to report suspected abuse or neglect.
  - Screening and determining need for response.
  - Conducting assessments.
  - Safety and risk and family functioning assessments.
  - Assigning cases to response track.
- The state has averaged 946 confirmed cases of child abuse or neglect each year over the last 5 years.

Mr. Pedersen provided information regarding the foster care and adoption child welfare redesign pursuant to Section 7 of Senate Bill No. 2080 (2023). He noted:

- Adoption redesign sought to streamline the process of adopting children from foster care with a goal of adoption finalization to occur within 60 days of termination of parental rights in 80 percent of those cases.
- Four specific constraint areas in the adoption process that were identified for improvement are:
  - Termination of parental rights/legal issues;
  - Relative search/active efforts;
  - Referral paperwork process/custodial team meeting; and
  - Adoption home study/foster care licensing.
- Catholic Charities North Dakota manages the adoption program contract for the state.

Mr. Pedersen provided information regarding the case management redesign. He noted the goal of the redesign is to increase the opportunity for parents and children to live and be well together by designing case management practices to be more timely, effective, and evidence based. The case management redesign began on May 30, 2024, and is estimated to become operational in December 2025.

Ms. Thomasson presented information ([Appendix I](#)) regarding the progress of the pay for success program pursuant to Section 1 of House Bill No. 1480 (2023). She noted:

- The goals for the pay for success program include reducing foster care numbers, reducing institutional placements, reducing length of stay in out-of-home settings, reducing out-of-state placements, reducing substance abuse as an abuse and neglect factor, reducing severity of school-based behaviors, and increasing evidence-based supports for children.
- Neglect accounted for 60 percent of reports of suspected abuse or neglect, and 85 percent of child neglect reports involved families with income less than 200 percent of the federal poverty level.
- The pay for success program will help families address their most basic financial needs and provide greater stability.
- The Department of Health and Human Services was appropriated \$2.5 million for the pay for success program.

### **OTHER BUSINESS**

Committee members suggested bill drafts be prepared for future committee review relating to:

- Background checks for programs administered by the Department of Health and Human Services.
- Intermediate care facility and residential habilitation rate adjustments.

Chairman Ruby announced the next committee meeting is tentatively scheduled for September 2024.

No further business appearing, Chairman Ruby adjourned the meeting at 3:54 p.m.

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Brady A. Larson  
Assistant Legislative Budget Analyst and Auditor

ATTACH: 9