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## HUMAN SERVICES COMMITTEE

Wednesday, September 25, 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, Mike Beltz, Jayme Davis, Kathy Frelich, Mary Schneider, Michelle Strinden; Senators Sean Cleary, Kyle Davison, Dick Dever, Kathy Hogan, Judy Lee, Kent Weston

**Members absent:** Representatives Dwight Kiefert, Alisa Mitskog, Brandon Prichard, Karen M. Rohr, Greg Stemen

**Others present:** Senator Tim Mathern, Fargo, member of the Legislative Management

Sarah Aker, Tina Bay, Daniel Cramer and Jessica Thomasson, Department of Health and Human Services; Scott Davis, Tatanka Consulting Group; Raumi Kudrna and Reed Reyman, CHI St. Alexius Health; Kim Kuhlmann, Community HealthCare Association of the Dakotas; Jennifer Lav, National Health Law Program; Erin Leveton and Jillian Salmon, Alvarez and Marsal Holdings, LLC; Carlotta McCleary, Mental Health Advocacy Network; Nancy Miller, Benedictine Sisters of Annunciation Monastery; Andrea Pfennig, Greater North Dakota Chamber; Rebecca Quinn, Center for Rural Health; Kurt Snyder, Heartview Foundation; Nikki Wegner, North Dakota Long Term Care Association; and Veronica Zietz, North Dakota Protection and Advocacy Project

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

**It was moved by Senator Hogan, seconded by Representative Strinden, and carried on a voice vote that the minutes of the July 11, 2024, meeting be approved as distributed.**

Ms. Veronica Zietz, Executive Director, North Dakota Protection and Advocacy Project, introduced Ms. Jennifer Lav, Senior Attorney, National Health Law Program, who presented information ([Appendix B](#)) regarding the Institutions for Mental Disease (IMD) exclusion and the use of Section 1115 Demonstration Waivers. She reviewed:

- The administrative requirements associated with an IMD waiver.
- Alternative strategies to provide and pay for residential services.
- The IMD exclusion in Medicaid prohibits federal dollars from being used to pay for services for individuals under age 65 in IMDs.

Ms. Sarah Aker, Executive Director, Medical Services Division, Department of Health and Human Services, presented information ([Appendix C](#)) on the IMD waiver in North Dakota. She reviewed:

- The different payment scenarios based on the facility and available programs.
- The gaps in payment and service delivery.
- Options for closing the gaps.

In response to questions from committee members, Ms. Aker noted barriers encountered when dispersing funds.

Mr. Reed Reyman, President, CHI St. Alexius Health, Bismarck, presented information ([Appendix D](#)) regarding the establishment of a behavioral health hospital unit within the hospital and CHI's partnership with Lifepoint Health. He provided a behavioral health overview for the Bismarck market and noted St. Alexius' internal demand for behavioral health beds compared to the unmet bed need in the market.

Ms. Raumi Kudrna, Vice President of Patient Care Services, CHI St. Alexius Health, Bismarck, presented information regarding options to increase the number of behavioral health beds using the hospital-in-hospital model.

In response to questions from committee members, Ms. Kudrna addressed how CHI St. Alexius Health will work to address staffing shortages.

Mr. Reyman presented information regarding the estimated construction costs for the facility renovation. The projected construction costs are \$15.3 million and plans are to request funding for the project from the 2025 Legislative Assembly.

Sister Nancy Miller, Director of Mission Integration, Benedictine Sisters of Annunciation Monastery, discussed the commitment of CHI St. Alexius Health and the sisters to the community regarding mental health.

Ms. Nikki Wegner, President, North Dakota Long Term Care Association, presented information ([Appendix E](#)) regarding the care of individuals requiring both psychiatric and skilled nursing services and the facilities available for this specific type of treatment in North Dakota. Ms. Wegner noted:

- The Centers for Medicare and Medicaid Services is working to reduce the use of antipsychotic medications in skilled nursing facilities.
- 21 percent of the state's population is aged 60 and older and the demand for long-term care services continues to increase, while the workforce is decreasing.
- A younger age population is entering long-term care facilities.

Ms. Rebecca Quinn, Associate Director, Center for Rural Health, presented information ([Appendix F](#)) regarding the behavioral health and long-term care needs in North Dakota. She noted:

- The younger population with cognitive decline require 24-hour supervision and behavioral management.
- There is a need for a full continuum of long-term care for behavioral health needs including intermediate care facilities.
- There are neurobehavioral options available to address patients with criminal justice history, substance use disorder, and sex offender registry.
- There are a variety of facility-based and community-based options.

Dr. Daniel Cramer, Clinical Director, Regional Human Service Centers, Department of Health and Human Services, provided an overview regarding reimbursement rates and the benefits of different levels of care.

Mr. Scott Davis, Chief Executive Officer, Tatanka Consulting Group, provided testimony ([Appendix G](#)) regarding support of Medicaid waivers in the context of tribal addiction treatment centers. Mr. Davis noted the federal Center for Medicare and Medicaid Services is allowing tribal waivers in other states for residential treatment beds.

Mr. Kurt Snyder, Executive Director, Heartview Foundation, provided testimony ([Appendix H](#)) regarding opposition to IMD waivers. He noted:

- The focus should be on community outpatient services.
- IMD waivers will encourage larger facilities and increase the workforce shortage issues.
- The Heartview Foundation offers outpatient and smaller inpatient facilities with the majority of services provided at outpatient facilities.

Ms. Carlotta McCleary, Executive Director, Mental Health America of North Dakota and the North Dakota Federation of Families for Children's Mental Health, speaking on behalf of the Mental Health Advocacy Network, provided testimony ([Appendix I](#)) regarding support for the new State Hospital and the certified community behavioral health clinics providing community-based mental health services. She noted:

- There is an increasing demand for community services for children with mental health needs.
- The Mental Health Advocacy Network opposes the IMD exclusion waiver.

In response to questions from committee members, Mr. Snyder provided information regarding staffing for the Heartview Foundation.

Ms. Tina Bay, Director, Developmental Disabilities Division, Department of Health and Human Services, presented information ([Appendix J](#)) regarding rate increases for developmental disabilities providers.

Chairman Ruby noted bill draft [25.0388.01000] regarding appropriations for a developmental disability provider payment rate review and adjustments to developmental disability provider payment rates is being updated and likely will be introduced during the 2025 legislative session.

Ms. Jillian Salmon, Project Manager and Ms. Erin Leveton, Project Leader, Alvarez and Marsal Holdings, LLC, presented information ([Appendix K](#)) regarding the history of the children's cross-disability waiver and the Cross-Disability Advisory Council. They noted the council recommends:

- Expanding the target population for the new cross-disability waiver.
- Ensuring no children lose services because of the development of the new waiver.
- Requesting case managers to support the new waiver.
- Seeking feedback from waiver participants to determine what is working well for children with disabilities and their families.
- Encouraging services to help children and families gain independence and navigate transitions with services like family training, skill building, and discovery to put adolescents on a path to community integration and employment.
- Incorporating technology to provide services and self-direction of services.

Ms. Salmon reviewed the type of start-up costs and the anticipated ongoing program operation costs based on options for services.

Ms. Leveton provided a three phase plan with each phase estimated to span 2 years for implementing the recommended changes to the cross-disability children's waiver program.

Ms. Jessica Thomasson, Executive Director, Human Services, Department of Health and Human Services, presented information ([Appendix L](#)) regarding an update on the Child Care Assistance Program and services. She noted:

- The child care worker benefit made an impact on 255 child care providers, 520 child care workers, and 1,051 children, and providers have seen an increase in applications for employees with the program.
- An average of 5,028 children have benefited each month in total from the Child Care Assistance Program.
- Ms. Thomasson reviewed the availability of child care by county and the targeted capacity for child care spaces and provided maps of several cities showing the location of licensed child care providers.
- Provided information on the communication efforts to providers, families, and employers.

Ms. Andrea Pfennig, Director of Government Affairs, Greater North Dakota Chamber, presented information regarding child care programs and services. She addressed:

- Barriers related to income limits.
- Multiple state border issues.
- Taxation of benefits.
- Administrative burdens for larger employers.

She noted the chamber members are appreciative of the efforts of the Legislative Assembly and noted the positive feedback on the programs.

Ms. Kim Kuhlmann, North Dakota Policy and Partnerships Manager, Community HealthCare Association of the Dakotas, presented information ([Appendix M](#)) regarding community health centers providing low-cost services for health and dental services.

In response to questions from committee members, Ms. Kuhlmann noted there is a shortage of dentists in North Dakota willing to serve Medicaid patients or to provide services at health centers.

Committee Members discussed dental therapists as an option to expand dental services.

Representative Strinden, as Chair of the Children's Cabinet, noted:

- The Children's Cabinet is making progress on improving services through its strategic planning sessions.
- Meeting minutes are available under the Child and Family Services menu in the Children's Cabinet on the Department of Health and Human Services website.
- As required under North Dakota Century Code Section 50-06-43.1, the cabinet will provide an annual report to Legislative Management.

Ms. Aker presented information ([Appendix N](#)) regarding the Medicaid Expansion provider rates and the data utilized from Medicaid. She reviewed the uniform payment schedule and the base rates associated with the schedule.

Ms. Aker presented information ([Appendix O](#)) regarding the tribal care coordination fund and the funding provided from federal and state sources.

In response to questions from committee members, Ms. Aker provided additional information on the tribal health care coordination fund.

Ms. Aker presented information ([Appendix P](#)) regarding the children's health insurance program state plan and reviewed the expenditures for the 2023-25 biennium through August 1, 2024. Ms. Aker provided a chart showing the enrollment in the program and also reviewed the pharmacy drug rebates.

At the request of Chairman Ruby, Senator Hogan presented information ([Appendix Q](#)) regarding background checks for programs administered by the Department of Health and Human Services. She reviewed the work being done regarding the requirements for background checks and identified areas that need to be improved for consistency.

**It was moved by Senator Cleary, seconded by Representative Beltz, and carried on a voice vote that the Chairman and the Legislative Council staff be requested to prepare a report and to present the report to the Legislative Management and that the committee adjourn sine die.**

No further business appearing, Chairman Ruby adjourned the committee sine die at 3:21 p.m.

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Keith Mantz  
Fiscal Analyst

ATTACH:17