



BUDGET SECTION - HUMAN RESOURCES DIVISION

Wednesday, September 18, 2024
Roughrider Room, State Capitol
Bismarck, North Dakota

Representative Jon O. Nelson, Chairman, called the meeting to order at 1:00 p.m.

Members present: Representatives Jon O. Nelson, Bert Anderson, Gary Kreidt, Alisa Mitskog*, Emily O'Brien*, Greg Stemen, Michelle Strinden; Senators Kyle Davison, Dick Dever, Curt Kreun*, Tim Mathern

Member absent: Senator Randy A. Burckhard

Others present: Sarah Aker, Laura Anderson, Donna Aukland, Daniel Cramer, Lachesha Graham, Lyndon Jahner, and Pam Sagness, Department of Health and Human Services; Char Ferrell, Northwest Human Service Center; Mark Honzay and Todd Medd, JLG Architects; Jessica Odermann, Badlands Human Service Center; Aaron Olson and Eduardo Yabut, State Hospital; and Joanna Slominski, Mortenson Company

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

**Attended remotely*

It was moved by Senator Mathern, seconded by Senator Kreun, and carried on a voice vote that the minutes of the June 19, 2024, meeting be approved as distributed.

Chairman Nelson noted the focus of the meeting will be on the Department of Health and Human Services budget.

Ms. Pam Sagness, Executive Director, Behavioral Health Division, Department of Health and Human Services, introduced Mr. Aaron Olson, the new Superintendent of the State Hospital.

In response to a request from Chairman Nelson, Ms. Sagness provided information regarding the interaction between behavioral health services and the judicial system in the state. She reviewed:

- The progress and collaborative efforts regarding the behavioral health services being provided.
- The concerns regarding different levels of care provided during different time frames.

Ms. Sagness noted certified community behavioral health clinic (CCBHC) models are being designed to meet level-of-care and time frame needs.

Mr. Olson and Ms. Donna Aukland, Chief Financial Officer, Department of Health and Human Services, provided information ([Appendix B](#)) regarding the new State Hospital project.

Mr. Olson reviewed the planning timeline.

Ms. Aukland noted unexpected costs that occurred during the planning phase.

Ms. Aukland presented a summary of Sections 5 and 18 of Senate Bill No. 2012 (2023) regarding funding transfers and the definition of an "emergency" from North Dakota Century Code Section 54-16-00.1.

It was moved by Senator Davison, seconded by Representative Strinden, and carried on a roll call vote to recommend supporting the transfer, within the Department of Health and Human Services' budget, of up to \$5 million to continue the State Hospital preconstruction work. Representatives Nelson, Anderson, Kreidt, Mitskog, O'Brien, Stemen, and Strinden and Senators Davison, Dever, and Kreun voted "aye." Senator Mathern voted "nay."

Mr. Olson presented plans showing the proposed site and architectural renderings of the proposed new State Hospital building and noted it is proposed to be 320,000 square feet with 125 inpatient rooms and 40 sex offender treatment and evaluation rooms.

In response to a question from a committee member, Ms. Sagness and Dr. Eduardo Yabut, Medical Director, State Hospital, noted reducing discharge barriers and utilizing intermediate care facilities are needed to provide complete mental health care.

Ms. Aukland presented updated information ([Appendix C](#)) on the department's 2023-25 biennium budget and anticipated budget for the 2025-27 biennium. She reviewed a bill structure for the new biennium, including the breakdown of the appropriations between the subdivisions for each department within the Department of Health and Human Services.

Ms. Aukland reviewed programs funded from the general fund.

Committee members discussed possible changes that may be needed if Initiated Constitutional Measure No. 4, to prohibit property taxes, is approved.

Ms. Sagness presented a video featuring CCBHCs. She presented information ([Appendix D](#)) on the development of the CCBHCs, including the certification process.

Dr. Daniel Cramer, Clinical Director, Regional Human Service Centers, Department of Health and Human Services, presented the timeline and process for conversion of human service centers to CCBHC facilities. He reviewed the various justice components involved when working with law enforcement and the Department of Corrections and Rehabilitation, including detoxification services. He noted:

- The importance of a "front door experience" that ensures all individuals entering a CCBHC facility feel welcomed and supported and that their needs will be met with the appropriate services.
- All regional human service centers are working toward certification.

Ms. Jessica Odermann, Regional Director, Badlands Human Service Center, presented information on the changes being made for transition to the CCBHC format. She noted:

- Two clinical care coordinators have been hired at the center to assist in the goal of treating all individuals with an open access process for a front door experience and to ensure all individuals have access to services regardless of severity or need.
- Two functional family therapists were hired and trained.
- Additional work with the Dickinson Public School District is needed to improve student access to services.
- The center has expanded its group offerings and is working to expand substance use disorder treatment.
- The center has increased its commitment to training its staff to be military aware and culturally competent.

Ms. Char Ferrell, Regional Director, Northwest Human Service Center, presented information regarding changes in the process to transition the Northwest Human Service Center to the CCBHC format. She reviewed the issues regarding the northwest region's workforce shortage.

Ms. Laura Anderson, Policy Director, Behavioral Health Division, Department of Health and Human Services, presented information indicating that about 30 percent of the budget has been obligated or planned to fund the CCBHC transition.

Ms. Lachesha Graham, Manager, Addiction Treatment and Recovery, Behavioral Health Division, Department of Health and Human Services, presented information ([Appendix E](#)) on the substance use disorder voucher (SUD) program. She noted:

- The program began in July 2016 and has served approximately 8,500 individuals.
- There are 40 providers across the state with 6 providers that serve jail inmates in five communities and 1 provider that serves the State Penitentiary inmates.

Ms. Sarah Aker, Medicaid Director, Department of Health and Human Services, presented information ([Appendix F](#)) on Medicaid Expansion enrollment trends, managed care payment methodology, and current expenditures and projections for the 2023 and 2024 calendar years. She provided a chart showing the budgeted

number of Medicaid recipients and cost per recipient compared to the actual and projected costs per recipient for the remaining portion of the biennium. She noted:

- The actual Medicaid payment rates for calendar year 2024 will be adjusted once the capitation rate is finalized.
- The uncertainty in the capitation rate was caused by the public health emergency Medicaid disenrollment that started in April of 2023.
- The disenrollment process has affected the utilization rates, delaying the annual rate rebase.

Senator Mathern presented testimony ([Appendix G](#)) and a bill draft [[25.0114.03000](#)] regarding providing mental health services via community-based regional services rather than from a centralized state hospital. He noted he plans to continue the bill draft discussion for possible introduction during the session.

It was moved by Senator Dever, seconded by Senator Davison, and carried on a voice vote that the Legislative Council staff prepare a summary of the division's activities for the 2023-24 interim for inclusion in the Budget Section's report to the Legislative Management.

No further business appearing, Chairman Nelson adjourned the meeting at 4:00 p.m.

Keith Mantz
Fiscal Analyst

Brady A. Larson
Assistant Legislative Budget Analyst and Auditor

ATTACH:7