

February 5, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO**

**SENATE BILL NO. 2399**

Introduced by

Senators Lee, Larson, Roers

Representatives Mitskog, M. Ruby

(Approved by the Delayed Bills Committee)

1 A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota  
2 Century Code, relating to medical assistance reimbursement of psychiatric residential treatment  
3 facilities; and to provide for a legislative management report.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 50-24.1 of the North Dakota Century Code is created  
6 and enacted as follows:

7 **Reimbursement of psychiatric residential treatment facilities.**

8 ~~1. As used in this section:~~

9 ~~a. "Direct care costs" are the costs incurred by a licensed psychiatric residential~~  
10 ~~treatment facility to provide care for residents of the facility, including the costs~~  
11 ~~incurred by the facility to meet licensure and accreditation requirements.~~

12 ~~b. "Emergent costs" are direct care costs incurred by a licensed psychiatric~~  
13 ~~residential treatment facility that are:~~

14 ~~(1) Nonrecurring costs that will be offset in the next cost-analysis period; or~~

15 ~~(2) Not considered in the submitted cost report, which enhance treatment~~  
16 ~~efficacy, reflect changes in requirements for licensure or accreditation,~~  
17 ~~address workforce changes, or are necessary to ensure resident safety,~~  
18 ~~which will not be offset in the next cost-analysis period.~~

19 ~~2. The department shall establish amend the rules and procedures for medical assistance~~  
20 ~~reimbursement of psychiatric residential treatment facilities for direct care costs to a licensed~~

1 ~~psychiatric residential treatment facility consistent with this section, including the applicable~~  
2 ~~costs related to clinical supervisors, medical directors, engagement of families in care,~~  
3 ~~therapeutic leave days, and an administrative costs cap.~~

4 ~~3. The department shall establish a procedure for a psychiatric residential treatment~~  
5 ~~facility to request reimbursement for emergent costs.~~

6 ~~a. Within thirty days of receipt of a request for reimbursement of emergent costs,~~  
7 ~~the department shall:~~

8 ~~(1) Thoroughly review the request;~~

9 ~~(2) Request additional information, if necessary; and~~

10 ~~(3) Provide a notice of decision to the psychiatric residential treatment facility.~~

11 ~~b. If the department denies the request, the department shall provide a detailed~~  
12 ~~basis for the denial in the notice of decision.~~

13 ~~c. If the department approves the request and determines the emergent costs will~~  
14 ~~be reimbursed, the department shall issue payment to the requesting facility~~  
15 ~~within sixty days of receipt of the request.~~

16 ~~4. By August first of each even-numbered year, the department shall submit a report to~~  
17 ~~the legislative management regarding medical assistance reimbursement of~~  
18 ~~psychiatric residential treatment facilities for direct care costs and emergent costs,~~  
19 ~~including information and data about the decisions made in response to requests for~~  
20 ~~emergent costs.~~

21 **SECTION 2. DEPARTMENT OF HEALTH AND HUMAN SERVICES - MEDICAL**  
22 **ASSISTANCE REIMBURSEMENT - LEGISLATIVE MANAGEMENT REPORT.** The department  
23 shall submit a report to the legislative management by October 1, 2026, regarding changes to  
24 medical assistance reimbursement of psychiatric residential treatment facilities for direct care  
25 costs, including the applicable costs related to clinical supervisions, medical directors,  
26 engagement of families in care, therapeutic leave days, and an administrative cost cap and  
27 progress towards value-based care.