



Neutral Testimony for

HB 1012

January 27, 2025

Greetings Chairman Nelson and Members of the committee,

My name is Tim Gienger, Senior Director of Residential Partnerships at Dakota Boys and Girls Ranch. Dakota Boys and Girls Ranch provides two levels of residential treatment to kids from all over the great state of North Dakota, Psychiatric Residential Treatment Facilities (PRTF) and Qualified Residential Treatment Facilities (QRTP).

Some of my testimony today, provided on the heels of the testimony you heard from the Department of Human Services over the last two weeks, is in support of what the department reported. And, some of it will bring to light the impact these policies, created with the money appropriated, have had on North Dakota children and families.

Psychiatric Residential Treatment Facilities provide a medical level of care for children who are suffering from psychiatric issues, most often brought on by horrendous trauma. These children may be living with bio parents, adoptive or foster parents, or family members. The vast majority of children served by Ranch PRTFs in Minot, Fargo, and Bismarck, are not in public custody or wards of the state but are from families privately asking for medical care. These are kids from your local communities—children who are hurting and who often draw heavily on the resources of local law enforcement, hospitals, schools, and human service agencies.

Dakota Boys and Girls Ranch also operates a Qualified Residential Treatment Program (QRTP) on its Minot campus. QRTP is a federally defined level of foster care and operates similarly to our PRTF's. We are currently licensed for 12 beds.

As you can imagine, these kids have high needs, which comes at a cost. We, and other North Dakota PRTF's are committed to providing high quality care and treatment to these children, but the financial cost is not sustainable. Until now, the Dakota Boys and Girls Ranch Foundation has been able to underwrite the best-in-class care and treatment these children need. We budget for a \$2.5 million shortfall each year and rely heavily on the foundation to make up the difference. That means that in a good year, the foundation grants \$2.5 million to the Ranch to care for North Dakota kids. Last year, the foundation granted \$7.5 million to the Ranch. While our foundation has been strong, we have depleted the unrestricted funds and another year like that is not sustainable. Last year, we cared for 135 North Dakota children. What will happen to those children if we cannot provide them with the mental and behavioral health care they desperately need?

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Rate Setting

The PRTF rate setting process was developed 30 years ago, a time when the economy was less volatile, children had fewer challenges, and we didn't have electronic health records, HIPPA regulations, and cybersecurity issues to manage. Accreditation, audits, billing, and the cost report have all become more complicated, requiring significant increases in staffing to meet regulations and best practices. These additional requirements, as well as erratic costs, specifically labor costs, put the burden on private providers to underwrite the increased costs of caring for the state's most vulnerable children and to manage cash flow until the new rates are put into place at least 16 months after the service is provided.

At the same time, North Dakota children come into PRTF's with much more challenging behaviors. In the last ten years, we have closed the state hospital, reduced QRTP and Life Skills and Transition Center beds, and refrained from placing kids in out-of-state facilities. The children with the most challenging behaviors have had to go somewhere, and private providers like the Ranch have picked up the slack. To do this, and keep our children and staff safe, we have had to increase staffing levels, including professional staff. We are also providing increased training, both to meet updated licensure requirements and to ensure our staff are prepared to meet the needs of the kids who come through our doors.

We had several meetings with Medical Services to address these issues and went through the administrative rules process with minimal success. A Senate Bill is being introduced this session to address the language written in the Century Code and to align this process with current practice while staying within federal Medicaid guidelines.

Parents accessing Medicaid

Some of the families we work with need to access Medicaid to cover the cost of their child's treatment. Parents are frustrated with Medical Services' new automated and centralized system. They tell us they want a consistent contact who can answer some of their ongoing questions regarding Medicaid. When we call to check coverages and claims, we are running into the same issues. Every time we call, we talk to a different person, and we rarely find someone who understands residential treatment coverage so get bounced around. We used to be assigned a point person who was responsive and able to answer our questions in a timely manner.

Behavioral Health Navigator/One Assessment

You heard Pam Sagness' testimony last week regarding the Behavioral Health Navigators. On July 1, 2024, DHHS implemented the One Assessment process, making it mandatory for the behavioral health navigators to be involved in admitting kids into a PRTF. Prior to July 2024, families would contact us directly, we would help them gather the information and records they needed for the Universal application and submit the information to Maximus to determine if the PRTF level of care was appropriate. We used this process with thousands of kids over the years, and a child was rarely

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denied Medicaid services after we determined them to be eligible. I believe we had a 10-year stretch with no denials, so it is safe to say we had an almost 100% success rate when we screened them.

In June of 2024, we had 48 kids in PRTF care, which put us at capacity. By August 2024, our census dropped to 35 and we have struggled to get above 40 since the implementation of the One Assessment process, which includes the requirement that all applications go through the behavioral health navigator.

Pam reported last week that the navigators helped 304 people from October 2023-December 2024. Since July 1, 2024, 499 families/custodians have contacted us. We have referred 214 of those to the navigators. During that time, 98 kids who would have been admitted into PRTF treatment were not admitted. Frustrated families report that their children were not admitted into care for a variety of reasons.

The creation of behavioral health navigator positions has caused an undue burden on children and families who are trying to seek services. The services they so desperately need are available, however overregulation by the department is creating unnecessary barriers that make it difficult for children and families to receive care.

Voluntary Treatment Program

Last biennium, \$453,424 was appropriated for the voluntary treatment program (VTP). This year, the request is a little over \$1.3 million, which is a step in the right direction. These VTP funds are vital for families trying to access the QRTP level of care for their children.

System of Care Grant

The Ranch received funds from the System of Care Grant, which has allowed us to create a pilot project for aftercare services for children in our Bismarck PRTF program. Aftercare serves families for six months after their child is discharged from our treatment program, ensuring they are receiving the services they need to be successful in their home and at school. We ask that aftercare services be included in the PRTF rate so all children who receive PRTF treatment have the support they need to be successful.

Solutions

Rate strategy was identified in Sara Aker's testimony for medical services. It would be beneficial for us to work with medical services to find a rate structure that fits with today's PRTF operations.

The Ranch receives more family and referral contacts than the navigators and is able to provide navigation services that meet families' technology, literacy, and transportation needs. Perhaps funds should be appropriated to the Ranch for that service, which would allow DHHS to provide navigation services for a different population. Removing the requirement to go through DHHS' navigators would remove unnecessary government interference, thereby ensuring that children and families are connected to the right service at the right time and without undue delays. Families trying to access

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services for their children are in crisis. They need help navigating the process so they can access services for their children in a timely manner.

I am not suggesting we provide services for children who don't need them, but that we remove barriers and unnecessary hoops for families whose children need the PRTF level of care. Families are being required to use technology they don't have. They are being asked to understand things that are not possible for them to understand, especially when they are in a state of crisis. They are being asked to access services that aren't available to them before they can be approved for the services they need. They are being asked to resubmit information because they used an outdated form, even though the information requested is the same. They are being asked to call during hours that don't work for them, and to recall information that is unrecallable and unnecessary.

These are just a few of the barriers families have had to endure. They get frustrated and often give up. Since July 1 of 2024, the State of North Dakota has made it harder for families to get their children the help they need. We owe it to them to do better. I recommend that the department revert to its previous way of admitting kids into the PRTF level of care, thereby removing the state-run barriers that make it difficult to impossible for children to access care.

Tim Gienger, LCSW

Senior Director of Residential Partnerships

Dakota Boys and Girls Ranch

1227 N. 35th St, Bismarck, ND 58501

t.gienger@dakotaranch.org

Lobbyist #1573

(701) 527.8152

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