

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

A BILL for an Act to provide an appropriation for defraying the expenses of various divisions of the department of health and human services; to provide an exemption; ~~and~~ to provide a statement of legislative intent; to provide for a report; to provide for a transfer; and to provide an application.

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium and the 2025-27 biennium one-time funding items included in the appropriation section of this Act:

<u>One-Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
Public health laboratory capital project	\$55,120,000	\$0
Technology projects	71,000,000	10,263,000
Human service centers and life skills and transition center projects	735,154	1,684,480
State hospital design	12,500,000	0
Service grants	585,000	0
Cross-disability advisory council	1,400,000	0
Behavioral health facility grants	1,950,000	0
Basic care payment study	600,000	0
Health care task force	750,000	0
Operating inflation	20,564,344	0
Program integrity audits	4,500,000	0
Pregnant parenting residential	1,000,000	0
Law enforcement telehealth	2,650,000	0
Retire mainframe	0	15,000,000
Child care programs	0	17,272,500
Housing programs	0	14,500,000
State lab move and equipment	0	2,962,304
Partial hospitalization day treatment	0	2,000,000
DD eligibility assessment tool for kids	0	400,000
One-time toxicology equipment	0	251,500
New State Hospital	0	300,000,000

Total all funds	<u>\$173,354,498</u>	<u>\$364,333,784</u>
Less estimated income	<u>158,872,326</u>	<u>346,709,784</u>
Total general fund	\$14,482,172	\$17,624,000

SECTION 2.3. FUNDING TRANSFERS - EXEMPTION - AUTHORIZATION - REPORT.

Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items within subdivisions 1, 2, 3, 4, and 5 of section 1 of this Act and any remaining appropriation authority for the department of health and human services approved by the sixty-ninth legislative assembly for the biennium beginning July 1, 2025, and ending June 30, 2027, as requested by the department of health and human services. The department of health and human services shall notify the legislative council of any transfer made pursuant to this section. The department of health and human services shall report to the budget section after June 30, 2026, any transfer made in excess of \$50,000 and to the appropriations committees of the seventieth legislative assembly regarding any transfers made pursuant to this section.

SECTION 4. FULL-TIME EQUIVALENT POSITION BLOCK GRANT PROGRAM - REPORT. Section 1 of this Act includes funding for a full-time equivalent position block grant program. This funding, along with salaries and wages funding appropriated by the sixty-ninth legislative assembly, is available to fund full-time equivalent positions as determined by the department of health and human services. Notwithstanding any other provision of law, the department of health and human services is authorized to increase or decrease authorized full-time equivalent positions subject to the availability of funds and the provisions of this section. The department of health and human services may not increase full-time equivalent positions for the purpose of transferring human service zone employees to state employment. Pursuant to section 3 of this Act, the department of health and human services is authorized to transfer appropriation authority between line items within subdivisions 1, 2, 3, 4, and 5 of section 1 of this Act up to the underfunded amount of \$ _____ and to transfer funding to and from the salaries and wages block grant line item. The department of health and human services shall report to the office of management and budget and legislative council any adjustments to full-time equivalent positions. The department of health and human services shall provide reports to the legislative management regarding the use of funding for the program.

SECTION 3.5. OTHER FUNDS - INSURANCE TAX DISTRIBUTION FUND. The other funds line item in subdivision 5 of section 1 of this Act includes the sum of \$1,125,000 from the insurance tax distribution fund for rural emergency medical services grants

SECTION 4.6. OTHER FUNDS - COMMUNITY HEALTH TRUST FUND. The other funds line ~~item~~items in ~~subdivision 2 of~~ section 1 of this Act includes the sum of ~~\$1,867,500~~ \$39,529,678 from the community health trust fund ~~for the 988 crisis hotline program and subdivision 5 of section 1 of this Act includes the sum of \$27,072,324 from the community health trust fund~~ for the following ~~programs~~purposes:

Behavioral risk factor survey	\$200,000
Behavioral health loan repayment	234,500
Domestic violence offender treatment	1,000,000
Domestic violence prevention	1,000,000
Women's way	329,500
Dentist's loan repayment	360,000
Local public health state aid	3,275,000
Rural emergency medical and ambulance services grants	7,000,000
Cancer programs	580,324
Forensic examiner contract	1,000,000
Tobacco cessation grants	500,000
Youth vaping prevention grants	300,000
Tobacco prevention and control	5,043,000
Tobacco prevention and control grants to local public health units	<u>6,250,000</u>
Total community health trust fund	<u>\$27,072,324</u>

1. The sum of \$594,500 for loan repayment programs;
2. The sum of \$11,599,698 for tobacco and vaping programs;
3. The sum of \$909,824 for cancer and women's way programs;
4. The sum of \$200,000 for behavior risk state survey;
5. The sum of \$4,250,000 for domestic violence programs;
6. The sum of \$3,275,000 for local public health grants;
7. The sum of \$1,867,500 for 988 crisis hotline;
8. The sum of \$2,866,156 for forensic examiner at UND;
9. The sum of \$2,967,000 for various information technology system upgrades;

10. The sum of \$7,000,000 for grants to rural ambulances;
11. The sum of \$2,000,000 for law enforcement rural crisis support program; and
12. The sum of \$2,000,000 for development of partial hospitalization/intensive day treatment.

SECTION 5.7. OTHER FUNDS - HUMAN SERVICE FINANCE FUND. The other funds line ~~item~~items in ~~subdivision 3 of~~section 1 of this Act includes up to the sumamount of ~~\$226,950,000~~\$238,112,030 from the human services finance fund to state-paid economic assistance and social and human services.

~~**SECTION 6. OTHER FUNDS - HEALTH CARE TRUST FUND.** The other funds line item in subdivision 4 of section 1 of this Act includes the sum of \$500,000 from the health care trust fund for basic care facility bad debt expense.~~

~~**SECTION 7. OTHER FUNDS - CHARITABLE GAMING OPERATING FUND.** The other funds line item in subdivision 2 of section 1 of this Act includes the sum of \$500,000 from the charitable gaming operating fund for costs of gambling disorder prevention services.~~

SECTION 8. OTHER FUNDS - OPIOID SETTLEMENT FUND. The other funds line item in ~~subdivision 2 of~~section 1 of this Act includes the sum of \$8,000,000 from the opioid settlement fund for opioid remediation and abatement efforts.

SECTION 9. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of \$37,646,784 from the strategic investment and improvements fund for the following purposes:

1. The sum of \$7,500,000 for retiring technology from the mainframe;
2. The sum of \$2,962,304 to move into the new state lab and purchase security equipment;
3. The sum of \$1,684,480 for capital projects in human service centers and life skills and transition center;
4. The sum of \$14,500,000 for housing initiative programs; and
5. The sum of \$1,000,000 for technology projects at the state hospital.

SECTION 10. LABORATORY BUILDING STEERING COMMITTEE. The department of health and human services shall maintain the laboratory building steering committee to oversee the design and construction of the laboratory building project for the biennium beginning July 1, 2025, and ending June 30, 2027, or until work is completed, whichever occurs earlier. The committee must include representation from the department of health and human services,

department of environmental quality, office of management and budget, the governor's office, and the legislative assembly. The legislative assembly representation must include one member of the senate appointed by the senate majority leader, one member of the house appointed by the house majority leader, and one member of the minority party from either the senate or the house appointed by the minority leaders of the senate and the house.

SECTION 11. CAPITAL PAYMENTS. During the biennium beginning July 1, 2025, and ending June 30, 2027, the department of health and human services is authorized to expend funds for the payment of special assessments at the state hospital, southeast human service center, and life skills and transition center. Pursuant to section 3 of this Act, the director of the office of management and budget may transfer appropriation authority between line items within section 1 of this Act and any remaining appropriation authority for the department of health and human services approved by the sixty-ninth legislative assembly. The department of health and human services may transfer funds for the payment of special assessments at the state hospital, southeast human service center, and life skills and transition center ahead of the special assessments schedule. Notwithstanding section 54-27-12, the department of health and human services may spend funds for the payment of special assessments at the state hospital and life skills and transition center.

SECTION 12. CAPITAL PROJECTS - EMERGENCY COMMISSION APPROVAL. During the biennium beginning July 1, 2025, and ending June 30, 2027, pursuant to section 3 of this Act, the director of the office of management and budget may transfer appropriation authority between line items within section 1 of this Act and any remaining appropriation authority for the department of health and human services approved by the sixty-ninth legislative assembly for capital projects and maintenance pertaining to operation of its facilities, including demolition projects. Notwithstanding section 54-27-12, the department of health and human services may spend up to \$10,000,000 for capital projects and maintenance pertaining to operation of its facilities, including demolition projects, under this section and may seek emergency commission approval to spend more than \$10,000,000 under this section.

SECTION 13. PERMANENT SUPPORTIVE HOUSING GRANTS. Section 1 of this Act includes the sum of \$4,672,536 from the general fund for permanent supportive housing grants. The department of health and human services shall develop a funding methodology to distribute the funding to qualified entities that utilize best practices for permanent supportive housing, provide recovery-oriented and person-centered services, submit process and outcome

measures to the department of health and human services, and authorize the department of health and human services to conduct onsite visits to review program operations.

SECTION 14. EXPENDITURES MAY NOT EXCEED APPROPRIATION – MEDICAL ASSISTANCE EXPANSION PROGRAM - APPLICATION.

1. Section 1 of this Act includes the sum of \$662,099,340, of which \$66,209,934 is from the general fund, for the medical assistance expansion program for the biennium beginning July 1, 2025, and ending June 30, 2027. The expenditures for individuals eligible for the medical assistance expansion program may not exceed this amount.
2. The department of health and human services may exceed appropriations for increases in medical assistance expansion program caseload, for the addition of coverage consistent with the traditional Medicaid 1915(i) state plan, utilization rates, and reduction in federal medical assistance percentage.
3. The managed care organization under contract with the department of health and human services to manage the medical assistance expansion program shall reimburse providers within the same provider type and specialty at consistent levels and with consistent methodology and may not provide incentive, quality, or supplemental payments to providers, unless part of a value-based program approved by the department of health and human services. The managed care organization shall reimburse all North Dakota substance use providers of American society of addiction medicine level 2.5 at consistent levels and with consistent methodology. The managed care organization may consider urban and rural providers as different provider types.
4. The managed care organization and the department of health and human services shall ensure payments to Indian or Tribal 638 health care providers, federally qualified health centers, and rural health clinics meet the federally required minimum levels of reimbursement. Critical access hospitals may not be paid less than one hundred percent of Medicare allowable costs and human service centers may not be paid less than one hundred percent of the current traditional Medicaid rate. Behavioral health services involving partial hospitalization, intensive outpatient, professional services, and residential behavioral health services

provided in facilities that are not institutions for mental diseases are not subject to the provisions in subsection 6.

5. The department of health and human services shall ensure providers within the same provider type and specialty are reimbursed at consistent levels and with consistent methodology and shall ensure the capitation rates under risk contracts are actuarially sound and are adequate to meet managed care organization contractual requirements regarding availability of services, assurance of adequate capacity and services, and coordination and continuity of care.
6. Except for the provisions in subsection 4, managed care organization premium payments must be built using the assumption that rates paid to providers under the medical assistance expansion program may not exceed one hundred forty-five percent of Medicare reimbursement rates paid to providers on January 1, 2025.

SECTION 15. HUMAN SERVICE CENTERS - CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS - FULL-TIME EQUIVALENT POSITIONS - REPORT. The department of health and human services shall continue the process of the human service centers becoming a certified community behavioral health clinic to provide continuous community-based behavioral health services for children and adults. The department of health and human services shall pursue additional federal funding as available. Subject to the availability of generated income, the department of health and human services may add full-time equivalent positions for field services to provide direct services for the period beginning with the effective date of this Act and ending June 30, 2027. The department of health and human services shall report to the office of management and budget and legislative council each time a position is added.

SECTION 16. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$3,674,757 appropriated from the general fund and the sum of \$25,918,566 appropriated from federal funds for the Medicaid management information system modularization technology project in chapter 12 of the 2021 Session Laws;
2. The sum of \$14,411,218 appropriated from the general fund and the sum of \$14,411,218 appropriated from federal funds for the child welfare technology project in chapter 12 of the 2021 Session Laws;

3. The sum of \$20,366,271 appropriated from the community health trust fund and the sum of \$39,534,525 appropriated from federal funds for the child support computer replacement project in chapter 44 of the 2023 Session Laws;
4. The sum of \$10,989,217 appropriated from the strategic investment and improvement fund for the procurement and grants management system in chapter 44 of the 2023 Session Laws;
5. The sum of \$4,150,000 appropriated from the general fund for defraying the expenses of additional human service centers to begin the process of becoming a certified community behavioral health clinic to provide continuous community-based behavioral health services for children and adults in chapter 44 of the 2023 Session Laws;
6. The sum of \$18,941,847 appropriated to the department of health and human services in chapter 549 of the 2021 Special Session Session Laws;
7. The sum of \$55,120,000 appropriated from the federal state fiscal recovery fund for a public health laboratory capital project in chapter 4 of the 2023 Session Laws;
8. The sum of \$5,000,000 appropriated from the general fund for the purpose of employer-led child care cost-share program in chapter 446 of the 2023 Session Laws;
9. The sum of \$986,555 appropriated from the general fund for the purpose of streamlining background checks project in chapter 446 of the 2023 Session Laws;
10. The sum of \$2,223,981 appropriated from the federal state fiscal recovery fund for the implementation of a virtual behavioral health crisis care program for rural law enforcement in chapter 44 of the 2023 Session Laws; and
11. The sum of \$500,000 appropriated from the general fund and the sum of \$500,000 appropriated from federal funds for the purpose of program integrity audits in chapter 44 of the 2023 Session Laws.

SECTION 17. LEGISLATIVE INTENT - UTILIZATION RATE ADJUSTMENT. It is the intent of the sixty-ninth legislative assembly that the department of health and human services seeks a deficiency appropriation from the seventieth legislative assembly for any expenditures that exceed appropriated amounts as a result of underfunding, utilization rates, value-based purchasing for nursing facilities, reduction in federal medical assistance percentage, and

unexpected contract cost increases that exceed ten percent, during the biennium beginning July 1, 2025, and ending June 30, 2027, if funding is not sufficient to pay actual expenses.

SECTION 18. LEGISLATIVE INTENT - PROVIDER RATE INCREASE. Except as otherwise noted, section 1 of this Act includes funding for human service provider inflation increases of one and one half percent for each year of the biennium beginning July 1, 2025, and ending June 30, 2027. The provider inflation increase in this section does not apply to nursing facilities.

SECTION 19. FEDERAL FUNDING APPEAL LIMITATION. Except as otherwise specifically provided by federal law, a person may not appeal a denial, revocation, reduction in services or payment, or the termination of a program or service by the department of health and human services due to the unavailability of federal coronavirus funding received under federal law resulting from the federal coronavirus pandemic emergency declaration for the biennium beginning July 1, 2025, and ending June 30, 2027.