

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO**

**HOUSE BILL NO. 1012**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of various divisions of  
2 the department of health and human services; to amend and reenact sections 50-06-06.6,  
3 50-06-42, 50-24.5-02.3, and 50-33-05 of the North Dakota Century Code, relating to leases of  
4 department of health and human services property, substance use disorder treatment program,  
5 basic care payment rates, and state of residence for child care assistance; to provide for a  
6 transfer; to authorize a line of credit; to provide legislative intent; to provide for a legislative  
7 management study; to provide an application; to provide an exemption; and to provide for a  
8 report; and to provide an effective date.

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

10 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
11 as may be necessary, are appropriated out of any moneys in the general fund in the state  
12 treasury, not otherwise appropriated, and from other funds derived from special funds and  
13 federal funds, to the department of health and human services for the purpose of defraying the  
14 expenses of its various divisions, for the biennium beginning July 1, 2025, and ending June 30,  
15 2027, as follows:

16 Subdivision 1.

BUSINESS OPERATIONS

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20 Salaries and wages	\$25,763,358	\$0	\$25,763,358

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1	Operating expenses	155,308,399	0	155,308,399
2	Capital assets	108,934	0	108,934
3	Grants	<u>11,812,627</u>	<u>0</u>	<u>11,812,627</u>
4	Total all funds	192,993,318	0	192,993,318
5	Less other funds	<u>118,894,310</u>	<u>0</u>	<u>118,894,310</u>
6	Total general fund	\$74,099,008	\$0	\$74,099,008

7 Subdivision 2.

8 BEHAVIORAL HEALTH

9			Adjustments or	
10		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11	Salaries and wages	\$8,792,675	\$0	\$8,792,675
12	Operating expenses	79,381,458	0	79,381,458
13	Grants	40,476,298	0	40,476,298
14	Behavioral health clinics	196,383,945	0	196,383,945
15	State hospital	94,826,973	0	94,826,973
16	Opioid addiction prevention	<u>2,000,000</u>	<u>0</u>	<u>2,000,000</u>
17	Total all funds	421,861,349	0	421,861,349
18	Less other funds	<u>113,955,941</u>	<u>0</u>	<u>113,955,941</u>
19	Total general fund	\$307,905,408	0	\$307,905,408

20 Subdivision 3.

21 HUMAN SERVICES

22			Adjustments or	
23		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
24	Salaries and wages	\$168,325,918	\$0	\$168,325,918
25	Operating expenses	88,885,469	0	88,885,469
26	Capital assets	10,000	0	10,000
27	Grants	621,189,007	0	621,189,007
28	Life skills and transition center	44,992,263	0	44,992,263
29	Grants - medical assistance	742,793,564	0	742,793,564
30	County social services	<u>197,663,661</u>	<u>0</u>	<u>197,663,661</u>
31	Total all funds	1,863,859,882	0	1,863,859,882

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1	Less other funds	<u>1,240,409,529</u>	0	<u>1,240,409,529</u>
2	Total general fund	\$623,450,353	0	\$623,450,353
3	Subdivision 4.			
4		MEDICAL SERVICES		
5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Salaries and wages	\$21,008,344	\$0	\$21,008,344
8	Operating expenses	70,807,977	0	70,807,977
9	Grants	1,651,004	0	1,651,004
10	Grants - medical assistance	<u>2,682,778,803</u>	0	<u>2,682,778,803</u>
11	Total all funds	2,776,246,128	0	2,776,246,128
12	Less other funds	<u>1,818,029,530</u>	0	<u>1,818,029,530</u>
13	Total general fund	\$958,216,598	0	\$958,216,598
14	Subdivision 5.			
15		PUBLIC HEALTH		
16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Salaries and wages	\$60,415,388	\$0	\$60,415,388
19	Operating expenses	37,721,213	0	37,721,213
20	Capital assets	1,469,780	0	1,469,780
21	Grants	81,718,145	0	81,718,145
22	Tobacco prevention	13,063,162	0	13,063,162
23	Women, infants, and children	19,900,000	0	19,900,000
24	food payments			
25	Cares Act/COVID-19	<u>83,909,182</u>	0	<u>83,909,182</u>
26	Total all funds	\$298,196,870	0	298,196,870
27	Less other funds	<u>250,440,690</u>	0	<u>250,440,690</u>
28	Total general fund	\$47,756,180	\$0	\$47,756,180
29		TOTAL - SECTION 1		
30			Adjustments or	
31		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>

1	Grand total all funds	\$5,553,157,547	\$0	\$5,553,157,547
2	Grand total other funds	<u>3,541,730,000</u>	<u>0</u>	<u>3,541,730,000</u>
3	Grand total general fund	\$2,011,427,547	\$0	\$2,011,427,547
4	Full-time equivalent positions	2,483.83	0.00	2,483.83

**SECTION 2. ONE TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

**SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items included in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

10	<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
11	Technology projects	\$0	\$10,263,000	\$10,263,000
12	Human service centers and life skills	0	1,052,480	1,052,480
13	and transition center projects			
14	Retire mainframe	0	15,000,000	15,000,000
15	Child care programs	17,272,500	0	17,272,500
16	Housing programs	0	14,500,000	14,500,000
17	State laboratory move and equipment	0	2,962,304	2,962,304
18	Partial hospitalization day treatment	0	2,000,000	2,000,000
19	Developmental disabilities eligibility	200,000	200,000	400,000
20	assessment tool for kids			
21	Toxicology equipment	151,500	100,000	251,500
22	New state hospital	0	330,000,000	330,000,000
23	Behavioral health facility grant	0	12,960,000	12,960,000
24	Cultural community center grant	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
25	Total	\$17,624,000	\$390,037,784	\$407,661,784

**SECTION 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, and 6~~ of section 1 of this Act and any other 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

1 services. The department of health and human services shall notify the legislative council of any  
2 transfer made pursuant to this section. The department of health and human services shall  
3 report to the budget section after June 30, 2026, any transfer made in excess of \$50,000 and to  
4 the appropriations committees of the seventieth legislative assembly regarding any transfers  
5 made pursuant to this section.

6 **SECTION 4. FULL-TIME EQUIVALENT POSITION BLOCK GRANT PROGRAM -**

7 **REPORT.** Section 1 of this Act includes funding for a full-time equivalent position block grant  
8 program. This funding as approved by the sixty-ninth legislative assembly is available for  
9 defraying the expense of full-time equivalent positions as determined by the department of  
10 health and human services. Notwithstanding any other provision of law, the department is  
11 authorized to increase or decrease authorized full-time equivalent positions subject to the  
12 availability of funds and the provisions of this section. The department of health and human  
13 services may not increase full-time equivalent positions for the purpose of transferring human  
14 service zone employees to state employment. Pursuant to section 3 of this Act, the department  
15 is authorized to transfer appropriation authority up to the underfunded amount of \$20,730,788 to  
16 the salaries and wages block grant line item. The department of health and human services  
17 shall report to the office of management and budget and legislative council any adjustments to  
18 full-time equivalent positions.

19 **SECTION 5. DEPARTMENT OF HEALTH AND HUMAN SERVICES - SALARIES AND**  
20 **WAGES BLOCK GRANT - VACANT POSITIONS - REPORT.** The department of health and  
21 human services shall report to the budget section quarterly during the 2025-26 interim regarding  
22 the status of its salaries and wages block grant and vacant positions and employee turnover.

23 The report must include:

- 24 1. The legislative appropriation for salaries and wages allocated by the department to  
25 major department programs by funding source and the number of FTE positions the  
26 department is allocating to each major program based on the legislative appropriation;
- 27 2. Any changes to salaries and wages funding or FTE positions allocated to major  
28 department programs;
- 29 3. Any new FTE positions added, the cost of the position for the remainder of the  
30 biennium, and the cost to continue funding the position in the subsequent biennium by  
31 funding source;

- 1 4. Any FTE positions removed and related funding;
- 2 5. The number of FTE positions that become vacant and the number filled each month;
- 3 6. The number of vacant FTE positions at the end of each month;
- 4 7. Salaries and wages savings resulting from vacant positions and employee turnover
- 5 each month by funding source; and
- 6 8. The use of salaries and wages savings for other purposes for each month by funding
- 7 source.

8 **SECTION 6. BEHAVIORAL HEALTH FACILITY GRANT - STRATEGIC INVESTMENT**  
9 **AND IMPROVEMENTS FUND - APPLICATION.**

- 10 1. Section 1 of this Act includes the sum of \$12,960,000 from the strategic investment
- 11 and improvements fund for a behavioral health facility grant pursuant to this section.
- 12 2. A grant of \$12,960,000 must be provided to establish a behavioral health facility in the
- 13 northeast human service region. The grant recipient must provide matching funds of
- 14 \$3,240,000 to establish the facility.
- 15 3. The department shall require an entity receiving funding under this section to operate
- 16 the facility for at least ten years and require the grant amount to be repaid if the entity
- 17 does not operate the facility for at least ten years.
- 18 4. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient,
- 19 the grant award, or payments made under this section.

20 **SECTION 7. COMMUNITY CULTURAL CENTER GRANT - STRATEGIC INVESTMENT**  
21 **AND IMPROVEMENTS FUND - APPLICATION.**

22 Section 1 of this Act includes the sum of  
23 \$1,000,000 from the strategic investment and improvements fund for the purpose of providing a  
24 one-time community cultural center grant in the west central human service region. An entity  
25 may apply for a grant under this section if the entity certifies to the department it has raised  
26 adequate funds to complete a project, the project will be completed within two years of receiving  
27 the grant funds, and the grants funds will be used only for costs of constructing a community  
28 cultural center. The requirements of chapter 54-44.4 do not apply to the selection of a grant  
29 recipient, the grant award, or payments made under this section.

30 **SECTION 8. OTHER FUNDS - INSURANCE TAX DISTRIBUTION FUND.** The other funds  
31 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.

1     **SECTION 9. OTHER FUNDS - COMMUNITY HEALTH TRUST FUND.** The other funds line  
2 items in section 1 of this Act includes the sum of \$39,529,678 from the community health trust  
3 fund for the following purposes:

4	Loan repayment programs	\$594,500
5	Tobacco and vaping programs	11,599,698
6	Cancer and women's way programs	909,824
7	Behavior risk state survey	200,000
8	Domestic violence programs	4,250,000
9	Local public health grants	3,275,000
10	988 crisis hotline	1,867,500
11	Forensic examiner at the university of North Dakota	2,866,156
12	Various information technology system upgrades	2,967,000
13	Grants to rural ambulances	7,000,000
14	Law enforcement rural crisis support program	2,000,000
15	Development of partial hospitalization/intensive day treatment	<u>2,000,000</u>
16	Total	\$39,529,678

17     ~~**SECTION 7. OTHER FUNDS -- COMMUNITY HEALTH TRUST FUND.**~~ The other funds line  
18 ~~item in subdivision 2 of section 1 of this Act includes the sum of \$1,867,500 from the community~~  
19 ~~health trust fund for the 988 crisis hotline program and subdivision 5 of section 1 of this Act~~  
20 ~~includes the sum of \$27,072,324 from the community health trust fund for the following~~  
21 ~~programs:~~

22	<del>Behavioral risk factor survey</del>	<del>\$200,000</del>
23	<del>Behavioral health loan repayment</del>	<del>234,500</del>
24	<del>Domestic violence offender treatment</del>	<del>1,000,000</del>
25	<del>Domestic violence prevention</del>	<del>1,000,000</del>
26	<del>Women's way</del>	<del>329,500</del>
27	<del>Dentist's loan repayment</del>	<del>360,000</del>
28	<del>Local public health state aid</del>	<del>3,275,000</del>
29	<del>Rural emergency medical and ambulance services grants</del>	<del>7,000,000</del>
30	<del>Cancer programs</del>	<del>580,324</del>
31	<del>Forensic examiner contract</del>	<del>1,000,000</del>

1	<del>Tobacco cessation grants</del>	<del>500,000</del>
2	<del>Youth vaping prevention grants</del>	<del>300,000</del>
3	<del>Tobacco prevention and control</del>	<del>5,043,000</del>
4	<del>Tobacco prevention and control grants to local public health units</del>	<del>6,250,000</del>
5	<del>Total community health trust fund</del>	<del>\$27,072,324</del>

6       **SECTION 10. OTHER FUNDS - HUMAN SERVICE FINANCE FUND.** The other funds line  
7 ~~item~~ items in ~~subdivision 3 of~~ section 1 of this Act includes the sum of  
8 ~~\$226,950,000~~ \$239,112,030 from the human service finance fund for state-paid economic  
9 assistance and social and human services.

10 ~~— SECTION 9. OTHER FUNDS - HEALTH CARE TRUST FUND.~~ The other funds line item in  
11 ~~subdivision 4 of section 1 of this Act includes the sum of \$500,000 from the health care trust~~  
12 ~~fund for basic care facility bad debt expense.~~

13 ~~— SECTION 10. OTHER FUNDS - CHARITABLE GAMING OPERATING FUND.~~ The other  
14 ~~funds line item in subdivision 2 of section 1 of this Act includes the sum of \$500,000 from the~~  
15 ~~charitable gaming operating fund for costs of gambling disorder prevention services.~~

16       **SECTION 11. OTHER FUNDS - OPIOID SETTLEMENT FUND.** The other funds line item in  
17 ~~subdivision 2 of~~ section 1 of this Act includes the sum of \$8,000,000 from the opioid settlement  
18 fund for opioid remediation and abatement efforts.

19	<b>SECTION 12. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS</b>	
20	<b>FUND</b> The other funds line items in section 1 of this Act includes the sum of \$241,606,784 from	
21	the strategic investment and improvements fund for the following purposes:	
22	Retiring technology from the mainframe	\$7,500,000
23	Move into the new state laboratory and purchase security equipment	2,962,304
24	Capital projects in human service centers and life skills and transition center	1,684,480
25	Housing initiative programs	14,500,000
26	Technology projects at the state hospital	1,000,000
27	New state hospital	200,000,000
28	Behavioral health facility grant	12,960,000
29	Community cultural center grant	<u>1,000,000</u>
30	Total	\$241,606,784



1       **SECTION 13. OTHER FUNDS - BANK OF NORTH DAKOTA LINE OF CREDIT - STATE**  
2 **HOSPITAL PROJECT.** The other funds line item in subdivision 2 of section 1 of this Act  
3 includes \$130,000,000 from a Bank of North Dakota line of credit. The department of health and  
4 human services may borrow up to \$130,000,000 through a line of credit from the Bank of North  
5 Dakota during the biennium beginning July 1, 2025 and ending on June 30, 2027 for costs  
6 associated with the construction of a new state hospital. The interest rate on the line of credit  
7 may not exceed the prevailing interest rate charged to North Dakota government entities. If the  
8 department accesses the line of credit, it shall request a deficiency appropriation from the  
9 seventieth legislative assembly to repay the line of credit.

10       **SECTION 14. LABORATORY BUILDING STEERING COMMITTEE.** The department of  
11 health and human services shall maintain the laboratory building steering committee to oversee  
12 the design and construction of the laboratory building project, for the biennium beginning July 1,  
13 2025, and ending on June 30, 2027, or until work is completed, whichever occurs earlier. The  
14 committee must include representation from the department of health and human services,  
15 department of environmental quality, office of management and budget, the governor's office,  
16 and the legislative assembly. The legislative assembly representation must include one member  
17 of the senate appointed by the senate majority leader, one member of the house appointed by  
18 the house majority leader, and one member of the minority party from either the senate or the  
19 house appointed by the minority leaders of the senate and the house.

20       **SECTION 15. NEW STATE HOSPITAL - STEERING COMMITTEE.** The department of  
21 health and human services shall establish a new state hospital facility steering committee to  
22 oversee the design and construction of a new state hospital facility, for the biennium beginning  
23 July 1, 2025, and ending June 30, 2027. The committee must include one member of the  
24 senate appointed by the senate majority leader, one member of the house appointed by the  
25 house majority leader, and one member of the minority party from either the senate or the  
26 house appointed by the minority leaders of the senate and the house.

27       **SECTION 16. CAPITAL PAYMENTS.** During the biennium beginning July 1, 2025, and  
28 ending June 30, 2027, the department of health and human services is authorized to expend  
29 funds for the payment of special assessments at the state hospital, southeast human service  
30 center and life skills and transition center. Pursuant to section 3 of this Act, the director of the  
31 office of management and budget may transfer appropriation authority between line items within

1 section 1 of this Act and any remaining appropriation authority for the department of health and  
2 human services approved by the sixty-ninth legislative assembly. The department of health and  
3 human services may transfer funds for the payment of special assessments at the state  
4 hospital, southeast human service center, and life skills and transition center ahead of the  
5 special needs assessments schedule. Notwithstanding section 54-27-12, the department of  
6 health and human services may spend funds for the payment of special assessments at the  
7 state hospital and life skills and transition center.

8 **SECTION 17. CAPITAL PROJECTS - EMERGENCY COMMISSION AND BUDGET**

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

19 **SECTION 18. PERMANENT SUPPORTIVE HOUSING GRANTS.** Section 1 of this Act  
20 includes the sum of \$4,672,536 from the general fund for permanent supportive housing grants.  
21 The department of health and human services shall develop a funding methodology to distribute  
22 the funding to qualified entities that utilize best practices for permanent supportive housing,  
23 provide recovery-oriented and person-centered services, submit process and outcome  
24 measures to the department of health and human services, and authorize the department of  
25 health and human services to conduct onsite visits to review program operations.

26 **SECTION 19. EXPENDITURES MAY NOT EXCEED APPROPRIATION - MEDICAL**  
27 **ASSISTANCE EXPANSION PROGRAM - APPLICATION.**

- 28 1. Section 1 of this Act includes the sum of \$662,099,340, of which \$66,209,934 is from  
29 the general fund, for the medical assistance expansion program, for the biennium  
30 beginning July 1, 2025, and ending June 30, 2027. The expenditures for individuals  
31 eligible for the medical assistance expansion program may not exceed this amount.

- 1       2.   The department of health and human services may exceed appropriations for  
2       increases in medical assistance expansion program caseload, for the addition of  
3       coverage consistent with the traditional Medicaid 1915(i) state plan, utilization rates,  
4       and reduction in federal medical assistance percentage.
- 5       3.   The managed care organization under contract with the department of health and  
6       human services to manage the medical assistance expansion program shall reimburse  
7       providers within the same provider type and specialty at consistent levels and with  
8       consistent methodology and may not provide incentive, quality, or supplemental  
9       payments to providers, unless part of a value-based program approved by the  
10      department of health and human services. The managed care organization shall  
11      reimburse all North Dakota substance use providers of American society of addiction  
12      medicine level 2.5 at consistent levels and with consistent methodology. The managed  
13      care organization may consider urban and rural providers as different provider types.
- 14     4.   The managed care organization and the department of health and human services  
15      shall ensure payments to Indian or Tribal 638 health care providers, federally qualified  
16      health centers, and rural health clinics meet the federally required minimum levels of  
17      reimbursement. Critical access hospitals may not be paid less than one hundred  
18      percent of Medicare allowable costs and human service centers may not be paid less  
19      than one hundred percent of the current traditional Medicaid rate. Behavioral health  
20      services involving partial hospitalization, intensive outpatient, professional services,  
21      and residential behavioral health services provided in facilities that are not institutions  
22      for mental diseases are not subject to the provisions in subsection 6.
- 23     5.   The department of health and human services shall ensure providers within the same  
24      provider type and specialty are reimbursed at consistent levels and with consistent  
25      methodology and shall ensure the capitation rates under risk contracts are actuarially  
26      sound and are adequate to meet managed care organization contractual requirements  
27      regarding availability of services, assurance or adequate capacity and services, and  
28      coordination and continuity of care.
- 29     6.   Except for the provisions in subsection 4, managed care organization premium  
30      payments must be built using the assumption that rates paid to providers under the

1 medical assistance expansion program may not exceed one hundred forty-five percent  
2 of Medicare reimbursement rates paid to providers on January 1, 2025.

3 **SECTION 20. HUMAN SERVICE CENTERS - CERTIFIED COMMUNITY BEHAVIORAL**  
4 **HEALTH CLINICS - FULL-TIME EQUIVALENT POSITIONS - REPORT.** The department of

5 health and human services shall continue the process of the human service centers becoming a  
6 certified community behavioral health clinic to provide continuous community-based behavioral  
7 health services for children and adults. The department of health and human services shall  
8 pursue additional federal funding as available. Subject to the availability of generated income,  
9 the department of health and human services may add full-time equivalent positions for the  
10 clinics to provide direct services for the period beginning with the effective date of this Act and  
11 ending June 30, 2027. The department of health and human services shall report to the office of  
12 management and budget and legislative council each time a position is added.

13 **SECTION 21. INTERMEDIATE CARE FACILITY MORATORIUM - DEVELOPMENTAL**  
14 **DISABILITY RATE REVIEW AND REBASE.**

- 15 1. The department of health and human services may not add any new licensed  
16 intermediate care facility for individuals with intellectual disabilities beds to the state's  
17 licensed bed capacity between July 1, 2025, and ending June 30, 2027.
- 18 2. The department of health and human services shall complete a rate review and review  
19 the utilization limits, amount, duration, coverage, and scope of all developmental  
20 disability services and may implement the appropriate adjustments based on the rate  
21 review.

22 **SECTION 22. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following  
23 appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended  
24 appropriation authority may be continued into the biennium beginning July 1, 2025, and ending  
25 June 30, 2027:

- 26 1. The sum of \$3,674,757 appropriated from the general fund and the sum of  
27 \$25,918,566 appropriated from federal funds for the Medicaid management  
28 information system modularization technology project in chapter 12 of the 2021  
29 Session Laws;

- 1        2.    The sum of \$14,411,218 appropriated from the general fund and the sum of  
2            \$14,411,218 appropriated from federal funds for the child welfare technology project in  
3            chapter 12 of the 2021 Session Laws;
- 4        3.    The sum of \$20,366,271 appropriated from the community health trust fund and the  
5            sum of \$39,534,525 appropriated from federal funds for the child support computer  
6            replacement project in chapter 44 of the 2023 Session Laws;
- 7        4.    The sum of \$10,989,217 appropriated from the strategic investment and  
8            improvements fund for the procurement and grants management system in chapter 44  
9            of the 2023 Session Laws;
- 10       5.    The sum of \$4,150,000 appropriated from the general fund for defraying the expenses  
11           of additional human service centers to begin the process of becoming a certified  
12           community behavioral health clinic to provide continuous community-based behavioral  
13           health services for children and adults in chapter 44 of the 2023 Session Laws;
- 14       6.    The sum of \$18,941,847 appropriated to the department of health and human services  
15           in chapter 549 of the 2021 Special Session Laws;
- 16       7.    The sum of \$55,120,000 appropriated from the federal state fiscal recovery fund for a  
17           public health laboratory capital project in chapter 4 of the 2023 Session Laws;
- 18       8.    The sum of \$5,000,000 appropriated from the general fund for the purpose of  
19           employer-led child care cost-share program in chapter 446 of the 2023 Session Laws;
- 20       9.    The sum of \$986,555 appropriated from the general fund for the purpose of  
21           streamlining background checks project in chapter 446 of the 2023 Session Laws;
- 22       10.   The sum of \$2,223,981 appropriated from the federal state fiscal recovery fund for the  
23           implementation of a virtual behavioral health crisis care program for rural law  
24           enforcement in chapter 44 of the 2023 Session Laws; and
- 25       11.   The sum of \$500,000 appropriated from the general fund and the sum of \$500,000  
26           appropriated from federal funds for the purpose of program integrity audits in  
27           chapter 44 of the 2023 Session Laws.

28        **SECTION 23. LEGISLATIVE INTENT - UTILIZATION RATE ADJUSTMENT.** It is the intent  
29 of the sixty-ninth legislative assembly that the department of health and human services seek a  
30 deficiency appropriation from the seventieth legislative assembly for any expenditures that  
31 exceed appropriated amounts as a result of underfunding, utilization rates, value-based

1 purchasing for nursing facilities, reduction in federal medical assistance percentage, and  
2 unexpected contract cost increases that exceed ten percent, during the biennium beginning  
3 July 1, 2025, and ending June 30, 2027, if funding is not sufficient to pay actual expenses.

4 **SECTION 24. LEGISLATIVE INTENT - PROVIDER RATE INCREASE.** Except as  
5 otherwise noted, section 1 of this Act includes funding for human service provider inflation  
6 increases of one and one half percent for each year of the biennium beginning July 1, 2025 and  
7 ending June 30, 2027. The provider inflation increase in this section does not apply to nursing  
8 facilities.

9 **SECTION 25. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES PROVIDER**  
10 **ACCREDITATION REQUIREMENT.** It is the intent of the sixty-ninth legislative assembly that  
11 the department of health and human services eliminate its administrative rule requirement that  
12 providers of developmental disabilities services be accredited as a condition of being eligible for  
13 receiving payments for services from the department of health and human services.

14 **SECTION 26. LEGISLATIVE INTENT - MEDICAL ASSISTANCE.** It is the intent of the  
15 sixty-ninth legislative assembly that the department of health and human services review the  
16 amount, duration, coverage, utilization rates, medical necessity, and scope of medical  
17 assistance services, and may implement any adjustments the department determines  
18 appropriate.

19 **SECTION 27. FEDERAL FUNDING APPEAL LIMITATION.** Except as otherwise  
20 specifically provided by federal law, a person may not appeal a denial, revocation, reduction in  
21 services or payment, or the termination of a program or service by the department of health and  
22 human services due to the unavailability of federal coronavirus funding received under federal  
23 law resulting from the federal coronavirus pandemic emergency declarations, for the biennium  
24 beginning July 1, 2025, and ending June 30, 2027.

25 **SECTION 28. DEPARTMENT OF HEALTH AND HUMAN SERVICES - LONG-TERM**  
26 **STRUCTURED RESIDENCES PLAN - REPORT.** During the 2025-26 interim, the department of  
27 health and human services shall review options and develop a plan to establish long-term  
28 structured residences. The department shall review necessary changes to statutes, rules,  
29 policies, and the estimated fiscal impact of establishing the residences. A long-term structured  
30 residence must be a highly structured therapeutic residential mental health treatment facility  
31 that is staffed continuously and designed to treat adults under chapters 25-03.01 and 25-04.01

1 who have severe and persistent mental illness and who have reached the maximum benefit  
2 from the mental health resources available elsewhere in the community or hospital. The  
3 department shall present a report to the legislative management by October 1, 2026, regarding  
4 its plan to establish long-term structured residences.

5 **SECTION 29. AMENDMENT.** Section 50-06-06.6 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **50-06-06.6. Department may lease real and personal property.**

8 The commissioner of the department or commissioner's designee may lease ~~surplus farm-~~  
9 ~~and pastureland at the state hospital and the life skills and transition center. The commissioner-~~  
10 ~~or designee also may enter into further leases of~~ real or personal property at the life skills and  
11 transition center or the state hospital upon a specific finding that the granting of each such  
12 leasehold interest will result in a net economic gain for the department, taking into account all  
13 identifiable costs. Any lease of space for the purpose of providing child care services must meet  
14 requirements as determined by the department. The commissioner of the department or  
15 commissioner's designee may prescribe the terms and conditions of any leases entered into  
16 pursuant to this section and may renew existing leases. ~~Any~~The term of any lease ~~entered into-~~  
17 ~~must be subject to renewal or cancelable each biennium~~may not exceed ninety-nine years.

18 **SECTION 30. AMENDMENT.** Section 50-06-42 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20 **50-06-42. Substance use disorder treatment voucher system.**

- 21 1. The department shall establish and administer, within the limits of legislative  
22 appropriations, a voucher system to address underserved areas and gaps in the  
23 state's substance abuse treatment system and to assist in the payment of addiction  
24 treatment services and medical costs provided by licensed substance abuse treatment  
25 programs, excluding regional human service centers and hospital- or medical clinic-  
26 based programs for medical management of withdrawal. An out-of-state licensed  
27 substance abuse treatment program located within a bordering state may participate in  
28 the voucher program to serve an underserved area of this state pursuant to the rules  
29 adopted by the department. The department shall develop rules to include processes  
30 and requirements for an out-of-state provider to receive reimbursement only for

1 outpatient and community-based services upon a provider completing an assessment  
2 of need and receiving approval from the department.

3 2. Services eligible for the voucher program include only those levels of care recognized  
4 by the American society of addiction medicine, with particular emphasis given to  
5 underserved areas and programs. The department shall ensure that a licensed  
6 substance abuse treatment program, hospital, and medical clinic program accepting  
7 vouchers collects and reports process and outcome measures.

8 3. The department shall develop requirements and provide training and technical  
9 assistance to a licensed substance abuse treatment program, hospital, and medical  
10 clinic program accepting vouchers. A licensed substance abuse treatment program,  
11 hospital, and medical clinic program accepting vouchers shall provide evidence-based  
12 services.

13 4. The department shall allocate funding appropriated for the substance use disorder  
14 treatment voucher as follows:

15 a. ~~No~~Except as provided in subdivision c, no more than ~~forty-five~~fifty percent of the  
16 appropriated amount may be allocated for residential substance use disorder  
17 services administered by licensed substance abuse treatment programs with  
18 more than sixteen beds.

19 b. The remaining appropriation must be allocated for residential programs with  
20 sixteen or fewer beds, nonresidential outpatient, and ancillary substance use  
21 disorder services administered by licensed substance abuse treatment programs.

22 c. The department may reimburse a licensed substance abuse treatment program  
23 with more than sixteen beds the incurred direct medical costs of an eligible  
24 individual who does not have resources to cover the medical costs. The  
25 department may develop rules and may not exceed the total amount  
26 appropriated for medical cost reimbursement.

27 **SECTION 31. AMENDMENT.** Section 50-24.5-02.3 of the North Dakota Century Code is  
28 amended and reenacted as follows:

29 **50-24.5-02.3. Basic care payment rates.**

30 1. The department shall determine limits for the care of residents of basic care facilities  
31 that qualify as vendors of an aged, blind, and disabled persons program and for



1 implementing provisions of this chapter based on data demonstrating the most recent  
2 costs that must be incurred for the care of residents in efficiently and economically  
3 operated basic care facilities. The department shall determine the limits every four  
4 years by July first, beginning with July 1, 2023.

5 2. The department shall establish the limits by using the median rates from the most  
6 recent data available. The direct care limit must be the median plus eighteen percent.  
7 The indirect care limit must be the median plus twelve percent.

8 3. For the rate year beginning July 1, 2023, the department shall increase rates and  
9 limits three and one-half percent for inflation. For the rate year beginning July 1, 2024,  
10 the department shall increase rates and limits three and one-half percent for inflation.

11 4. The department shall provide a rate increase in the amount of five dollars per day for  
12 the period beginning July 1, 2023, and ending June 30, ~~2025~~2027, after which the  
13 increase is not effective. This rate increase may not be included in any calculation of  
14 inflation increase.

15 5. Within the limits of legislative appropriations, the department shall establish an  
16 uncompensated care expense of three hundred sixty-five days.

17 **SECTION 32. AMENDMENT.** Section 50-33-05 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19 **50-33-05. State of residence.**

20 Only child care assistance units physically residing within the boundaries of the state are  
21 eligible for child care assistance; unless the individual is employed by an early childhood  
22 program within the boundaries of the state and the individual has been approved for the state's  
23 child care assistance child care workforce benefit.

24 **SECTION 33. HOUSING AVAILABILITY ASSESSMENT - COLLABORATION WITH**  
25 **HOUSING FINANCE AGENCY.** The department of health and human services shall collaborate  
26 with the North Dakota housing finance agency and other appropriate stakeholders to assess the  
27 availability of housing for individuals requiring extraordinary health care support services, for the  
28 biennium beginning July 1, 2025, and ending June 30, 2027. Based on the results of the  
29 assessment, if necessary, the department shall develop a plan to expand access to housing  
30 providing the least restrictive environment for individuals requiring extraordinary health care  
31 support services.

1       **SECTION 34. BEHAVIORAL HEALTH CLINICS, NORTH DAKOTA STATE HOSPITAL,**  
2 **AND LIFE SKILLS AND TRANSITION CENTER FUNDING.** Section 1 of this Act includes  
3 funding for the behavioral health clinics, North Dakota state hospital, and life skills and transition  
4 center as follows:

5       1. Behavioral health clinics:

6       a. Salaries and wages	\$167,581,103
7       b. Operating and capital	<u>64,763,965</u>
8       c. Total	\$232,345,068

9       2. State hospital:

10      a. Salaries and wages	\$ 73,941,551
11      b. Operating and capital	<u>320,880,155</u>
12      c. Total	\$394,821,706

13      3. Life skills and transition center:

14      a. Salaries and wages	\$ 57,799,213
15      b. Operating and capital	<u>15,207,658</u>
16      c. Total	\$ 73,006,871

17       **SECTION 35. LEGISLATIVE MANAGEMENT STUDY - STUDENT TRUANCY AND**  
18 **ABSENTEEISM.** The legislative management shall consider studying, during the 2025-26  
19 interim, truancy and student absenteeism in kindergarten through grade twelve public schools.  
20 The legislative management shall report its findings and recommendations, together with any  
21 legislation necessary to implement its recommendations, to the seventieth legislative assembly.

22       **SECTION 36. LEGISLATIVE MANAGEMENT STUDY - ANTI-OBESITY MEDICATION -**  
23 **MEDICAID.** The legislative management shall consider studying, during the 2025-26 interim,  
24 the feasibility and desirability of the state's medical assistance program providing coverage for  
25 the treatment of obesity, including coverage for intensive behavioral therapy, bariatric surgery,  
26 and antiobesity medication approved by the United State food and drug administration. The  
27 legislative management shall report its findings and recommendations, together with any  
28 legislation necessary to implement its recommendations, to the seventieth legislative assembly.

29       **SECTION 37. EFFECTIVE DATE.** Section 30 of this Act becomes effective on July 1, 2026.