

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>
18 _____			
19 _____			
20 Salaries and wages	\$25,763,358	\$0	\$25,763,358

Sixty-ninth
Legislative Assembly

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

Sixty-ninth
Legislative Assembly

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

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1	Grand total all funds	\$5,553,157,547	\$0	\$5,553,157,547
2	Grand total other funds	3,541,730,000	0	3,541,730,000
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

Subdivision 1.

SALARIES AND WAGES BLOCK GRANT

		Adjustments or		
	Base Level	Enhancements	Appropriation	
9	Salaries and wages block grant	\$0	\$596,284,775	\$596,284,775
10	Total all funds	0	596,284,775	596,284,775
11	Less other funds	0	286,720,150	286,720,150
12	Total general fund	\$0	\$309,564,625	\$309,564,625

Subdivision 2.

BUSINESS OPERATIONS

		Adjustments or		
	Base Level	Enhancements	Appropriation	
17	Salaries and wages	\$25,763,358	(\$25,763,358)	\$0
18	Operating expenses	155,308,399	(77,023,770)	78,284,629
19	Capital assets	108,934	(108,934)	0
20	Grants	11,812,627	6,966,375	18,779,002
21	Total all funds	\$192,993,318	(\$95,929,687)	\$97,063,631
22	Less other funds	118,894,310	(71,526,221)	47,368,089
23	Total general fund	\$74,099,008	(\$24,403,466)	\$49,695,542

Subdivision 3.

BEHAVIORAL HEALTH

		Adjustments or		
	Base Level	Enhancements	Appropriation	
28	Salaries and wages	\$8,792,675	(\$8,792,675)	\$0
29	Operating expenses	79,381,458	23,888,138	103,269,596
30	Grants	40,476,298	21,889,322	62,365,620
31	Behavioral health clinics	196,383,945	(139,978,713)	56,405,232

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1	State hospital	94,826,973	256,053,182	350,880,155
2	Opioid addiction prevention	2,000,000	6,000,000	8,000,000
3	Total all funds	\$421,861,349	\$159,059,254	\$580,920,603
4	Less other funds	113,955,941	285,267,537	399,223,478
5	Total general fund	\$307,905,408	(\$126,208,283)	\$181,697,125
6	<u>Subdivision 4.</u>			
7	<u>HUMAN SERVICES</u>			
8			Adjustments or	
9		Base Level	Enhancements	Appropriation
10	Salaries and wages	\$168,325,918	(\$168,325,918)	\$0
11	Operating expenses	88,885,469	108,258,236	197,143,705
12	Capital assets	10,000	0	10,000
13	Grants	621,189,007	94,393,260	715,582,267
14	Life skills and transition center	44,992,263	(29,784,605)	15,207,658
15	Grants - medical assistance	742,793,564	7,655,079	750,448,643
16	County social services	197,663,661	6,928,621	204,592,282
17	Total all funds	\$1,863,859,882	\$19,124,673	\$1,882,984,555
18	Less other funds	1,240,409,529	(13,961,485)	1,226,448,044
19	Total general fund	\$623,450,353	\$33,086,158	\$656,536,511
20	<u>Subdivision 5.</u>			
21	<u>MEDICAL SERVICES</u>			
22			Adjustments or	
23		Base Level	Enhancements	Appropriation
24	Salaries and wages	\$21,008,344	(\$21,008,344)	\$0
25	Operating expenses	70,807,977	92,364,562	163,172,539
26	Grants	1,651,004	1,806,800	3,457,804
27	Grants - medical assistance	2,682,778,803	6,500,467	2,689,279,270
28	Total all funds	\$2,776,246,128	\$79,663,485	\$2,855,909,613
29	Less other funds	1,818,029,530	(7,372,459)	1,810,657,071
30	Total general fund	\$958,216,598	\$87,035,944	\$1,045,252,542
31	<u>Subdivision 6.</u>			

	<u>PUBLIC HEALTH</u>		
		Adjustments or	
	Base Level	Enhancements	Appropriation
Salaries and wages	\$60,415,388	(\$60,415,388)	\$0
Operating expenses	37,721,213	17,853,669	55,574,882
Capital assets	1,469,780	2,215,838	3,685,618
Grants	81,718,145	4,245,496	85,963,641
Tobacco prevention	13,063,162	(22,607)	13,040,555
Women, infants, and children food payments	19,900,000	1,100,000	21,000,000
Cares Act/COVID-19	83,909,182	1,845,373	85,754,555
Total all funds	\$298,196,870	(\$33,177,619)	\$265,019,251
Less other funds	250,440,690	(20,626,287)	229,814,403
Total general fund	\$47,756,180	(\$12,551,332)	\$35,204,848

Subdivision 7.

	<u>TOTAL - SECTION 1</u>		
		Adjustments or	
	Base Level	Enhancements	Appropriation
Grand total all funds	\$5,553,157,547	\$725,024,881	\$6,278,182,428
Grand total other funds	3,541,730,000	458,501,235	4,000,231,235
Grand total general fund	\$2,011,427,547	\$266,523,646	\$2,277,951,193
Full-time equivalent positions	2,483.83	204.52	2,688.35

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:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Technology projects	\$0	\$10,263,000	\$10,263,000
Human service centers and life skills and transition center projects	0	1,052,480	1,052,480

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1	Retire mainframe	0	15,000,000	15,000,000
2	Child care programs	13,272,500	0	13,272,500
3	Housing programs	0	1,000,000	1,000,000
4	State laboratory move and equipment	0	2,962,304	2,962,304
5	Partial hospitalization day treatment	0	2,000,000	2,000,000
6	Developmental disabilities eligibility	200,000	200,000	400,000
7	assessment tool for kids			
8	Toxicology equipment	151,500	100,000	251,500
9	New state hospital	0	330,000,000	330,000,000
10	Behavioral health facility grant	0	12,960,000	12,960,000
11	Cultural community center grant	0	1,000,000	1,000,000
12	Adaptive recreation grant	200,000	0	200,000
13	Intermediate care facility grant	3,457,736	0	3,457,736
14	Juvenile justice program	750,000	0	750,000
15	Animal shelter grant	0	300,000	300,000
16	Statewide health strategies	0	750,000	750,000
17	Critical access hospital networking	0	2,000,000	2,000,000
18	Total	\$18,031,736	\$379,587,784	\$397,619,520

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 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

1 program. This funding as approved by the sixty-ninth legislative assembly is available for
2 defraying the expense of full-time equivalent positions as determined by the department of
3 health and human services. Notwithstanding any other provision of law, the department is
4 authorized to increase or decrease authorized full-time equivalent positions subject to the
5 availability of funds and the provisions of this section. The department of health and human
6 services may not increase full-time equivalent positions for the purpose of transferring human
7 service zone employees to state employment. Pursuant to section 3 of this Act, the department
8 is authorized to transfer appropriation authority up to the underfunded amount of \$20,157,874 to
9 the salaries and wages block grant line item. The department of health and human services
10 shall report to the office of management and budget and legislative council any adjustments to
11 full-time equivalent positions.

12 **SECTION 5. DEPARTMENT OF HEALTH AND HUMAN SERVICES - SALARIES AND**
13 **WAGES BLOCK GRANT - VACANT POSITIONS - REPORT.** The department of health and
14 human services shall report to the budget section quarterly during the 2025-26 interim regarding
15 the status of its salaries and wages block grant and vacant positions and employee turnover.
16 The report must include:

- 17 1. The legislative appropriation for salaries and wages allocated by the department to
18 major department programs by funding source and the number of FTE positions the
19 department is allocating to each major program based on the legislative appropriation;
- 20 2. Any changes to salaries and wages funding or FTE positions allocated to major
21 department programs;
- 22 3. Any new FTE positions added, the cost of the position for the remainder of the
23 biennium, and the cost to continue funding the position in the subsequent biennium by
24 funding source;
- 25 4. Any FTE positions removed and related funding;
- 26 5. The number of FTE positions that become vacant and the number filled each month;
- 27 6. The number of vacant FTE positions at the end of each month;
- 28 7. Salaries and wages savings resulting from vacant positions and employee turnover
29 each month by funding source; and
- 30 8. The use of salaries and wages savings for other purposes for each month by funding
31 source.

1 **SECTION 6. BEHAVIORAL HEALTH FACILITY GRANT - STRATEGIC INVESTMENT**
2 **AND IMPROVEMENTS FUND - APPLICATION.**

- 3 1. Section 1 of this Act includes the sum of \$12,960,000 from the strategic investment
4 and improvements fund for a behavioral health facility grant pursuant to this section.
- 5 2. A grant of \$12,960,000 must be provided to establish a behavioral health facility in the
6 northeast human service region. The grant recipient must provide matching funds of
7 \$3,240,000 to establish the facility.
- 8 3. The department shall require an entity receiving funding under this section to operate
9 the facility for at least ten years and require the grant amount to be repaid if the entity
10 does not operate the facility for at least ten years.
- 11 4. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient,
12 the grant award, or payments made under this section.

13 **SECTION 7. COMMUNITY CULTURAL CENTER GRANT - STRATEGIC INVESTMENT**
14 **AND IMPROVEMENTS FUND - APPLICATION.**

15 Section 1 of this Act includes the sum of
16 \$1,000,000 from the strategic investment and improvements fund for the purpose of providing a
17 one-time community cultural center grant in the west central human service region. An entity
18 may apply for a grant under this section if the entity certifies to the department it has secured at
19 least fifty percent of funds needed to complete the project, the project will be completed within
20 two years of receiving the grant funds, and the grants funds will be used only for costs of
21 constructing a community cultural center. The requirements of chapter 54-44.4 do not apply to
22 the selection of a grant recipient, the grant award, or payments made under this section.

23 **SECTION 8. JUVENILE JUSTICE DIVERSION SERVICES AND PROGRAMS - TASK**

24 **FORCE - REPORT.** Section 1 of this Act includes the sum of \$750,000 from the general fund for
25 juvenile justice diversion services and programs. The department of health and human services
26 must provide the funding to a statewide regional education association for services to youth at
27 risk of juvenile justice involvement but who have not committed delinquent acts as defined in
28 chapter 27-20.4.

29 The department shall establish a task force with representation from divisions in the
30 department, human service zones, the department of public instruction, elementary and
31 secondary schools, and members of the legislative assembly, to review juvenile justice diversion

1 services and program. The department shall report its findings and recommendations to the
2 legislative management and children's cabinet.

3 **SECTION 9. ANIMAL SHELTER GRANT - COMMUNITY HEALTH TRUST FUND.**

4 Section 1 of this Act includes the sum of \$300,000 from the community health trust fund for a
5 grant for the construction of an animal shelter. The department of health and human services
6 may award a grant for the construction of an animal shelter to an organization that provides
7 twenty dollars of nonstate matching funds for every dollar of grant funds received. The
8 requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant
9 award, or payments made under this section.

10 **SECTION 10. STATEWIDE HEALTH STRATEGIES - COMMUNITY HEALTH TRUST**

11 **FUND.** Section 1 of this Act includes the sum of \$750,000 of one-time funding from the
12 community health trust fund for the statewide health strategies initiative. The department of
13 health and human services may spend the funding upon securing dollar-for-dollar matching
14 funds.

15 **SECTION 11. OTHER FUNDS - INSURANCE TAX DISTRIBUTION FUND.** The other funds
16 line item in subdivision 5 of section 1 of this Act includes the sum of \$1,125,000 from the
17 insurance tax distribution fund for rural emergency medical services grants.

18 **SECTION 12. OTHER FUNDS - COMMUNITY HEALTH TRUST FUND.** The other funds
19 line items in section 1 of this Act includes the sum of \$38,713,522 from the community health
20 trust fund for the following purposes:

21	Loan repayment programs	\$594,500
22	Tobacco and vaping programs	11,599,698
23	Cancer and women's way programs	909,824
24	Behavior risk state survey	200,000
25	Domestic violence programs	4,250,000
26	Local public health grants	3,275,000
27	988 crisis hotline	1,867,500
28	Various information technology system upgrades	2,967,000
29	Grants to rural ambulances	7,000,000
30	Law enforcement rural crisis support program	1,000,000
31	Development of partial hospitalization/intensive day treatment	2,000,000

1	Critical access hospital networking	2,000,000
2	Animal shelter grant	300,000
3	Statewide health strategies	<u>750,000</u>
4	Total	\$38,713,522

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

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

25 **SECTION 13. OTHER FUNDS - HUMAN SERVICE FINANCE FUND.** The other funds line
26 ~~item~~items in subdivision 3 of section 1 of this Act includes the sum of
27 ~~\$226,950,000~~\$239,112,030 from the human service finance fund for state-paid economic
28 assistance and social and human services.

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

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

4 **SECTION 14. OTHER FUNDS - OPIOID SETTLEMENT FUND.** The other funds line item in
5 ~~subdivision 2 of~~ section 1 of this Act includes the sum of \$8,000,000 from the opioid settlement
6 fund for opioid remediation and abatement efforts.

7 **SECTION 15. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS**

8 **FUND** The other funds line items in section 1 of this Act includes the sum of \$227,474,784 from
9 the strategic investment and improvements fund for the following purposes:

10 Retiring technology from the mainframe	\$7,500,000
11 Move into the new state laboratory and purchase security equipment	2,962,304
12 Capital projects in human service centers and life skills and transition center	1,052,480
13 Housing initiative programs	1,000,000
14 Technology projects at the state hospital	1,000,000
15 New state hospital	200,000,000
16 Behavioral health facility grant	12,960,000
17 Community cultural center grant	<u>1,000,000</u>
18 Total	\$227,474,784

19 **SECTION 16. OTHER FUNDS - BANK OF NORTH DAKOTA LINE OF CREDIT - STATE**

20 **HOSPITAL PROJECT.** The other funds line item in subdivision 2 of section 1 of this Act
21 includes \$130,000,000 from a Bank of North Dakota line of credit. The department of health and
22 human services may borrow up to \$130,000,000 through a line of credit from the Bank of North
23 Dakota during the biennium beginning July 1, 2025, and ending June 30, 2027, for costs
24 associated with the construction of a new state hospital. The interest rate on the line of credit
25 may not exceed the prevailing interest rate charged to North Dakota governmental entities. If
26 the department accesses the line of credit, it shall request a deficiency appropriation from the
27 seventieth legislative assembly to repay the line of credit.

28 **SECTION 17. LABORATORY BUILDING STEERING COMMITTEE.** The department of
29 health and human services shall maintain the laboratory building steering committee to oversee
30 the design and construction of the laboratory building project, for the biennium beginning July 1,
31 2025, and ending June 30, 2027, or until work is completed, whichever occurs earlier. The

1 committee must include representation from the department of health and human services,
2 department of environmental quality, office of management and budget, the governor's office,
3 and the legislative assembly. The legislative assembly representation must include one member
4 of the senate appointed by the senate majority leader, one member of the house appointed by
5 the house majority leader, and one member of the minority party from either the senate or the
6 house appointed by the minority leaders of the senate and the house.

7 **SECTION 18. NEW STATE HOSPITAL - STEERING COMMITTEE.** The department of
8 health and human services shall establish a new state hospital facility steering committee to
9 oversee the design and construction of a new state hospital facility, for the biennium beginning
10 July 1, 2025, and ending June 30, 2027. The committee must include one member of the
11 senate appointed by the senate majority leader, one member of the house appointed by the
12 house majority leader, and one member of the minority party from either the senate or the
13 house appointed by the minority leaders of the senate and the house.

14 **SECTION 19. CAPITAL PAYMENTS.** During the biennium beginning July 1, 2025, and
15 ending June 30, 2027, the department of health and human services is authorized to expend
16 funds for the payment of special assessments at the state hospital, southeast human service
17 center, and life skills and transition center. Pursuant to section 3 of this Act, the director of the
18 office of management and budget may transfer appropriation authority between line items within
19 section 1 of this Act and any remaining appropriation authority for the department of health and
20 human services approved by the sixty-ninth legislative assembly. The department of health and
21 human services may transfer funds for the payment of special assessments at the state
22 hospital, southeast human service center, and life skills and transition center ahead of the
23 special needs assessments schedule. Notwithstanding section 54-27-12, the department of
24 health and human services may spend funds for the payment of special assessments at the
25 state hospital and life skills and transition center.

26 **SECTION 20. CAPITAL PROJECTS - EMERGENCY COMMISSION AND BUDGET**
27 **SECTION APPROVAL.** During the biennium beginning July 1, 2025, and ending June 30, 2027,
28 pursuant to section 3 of this Act, the director of the office of management and budget may
29 transfer appropriation authority between line items within section 1 of this Act and any remaining
30 appropriation authority for the department of health and human services approved by the sixty-
31 ninth legislative assembly for capital projects and maintenance pertaining to operation of its

1 facilities, including demolition projects. Notwithstanding section 54-27-12, the department of
2 health and human services may spend up to \$10,000,000 for capital projects and maintenance
3 pertaining to operation of its facilities, including demolition projects, under this section and may
4 seek emergency commission and budget section approval to spend more than \$10,000,000
5 under this section.

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

13 **SECTION 22. EXPENDITURES MAY NOT EXCEED APPROPRIATION - MEDICAL**
14 **ASSISTANCE EXPANSION PROGRAM - APPLICATION.**

- 15 1. Section 1 of this Act includes the sum of \$662,099,340, of which \$66,209,934 is from
16 the general fund, for the medical assistance expansion program, for the biennium
17 beginning July 1, 2025, and ending June 30, 2027. The expenditures for individuals
18 eligible for the medical assistance expansion program may not exceed this amount.
- 19 2. The department of health and human services may exceed appropriations for
20 increases in medical assistance expansion program caseload, for the addition of
21 coverage consistent with the traditional Medicaid 1915(i) state plan, utilization rates,
22 and reduction in federal medical assistance percentage.
- 23 3. The managed care organization under contract with the department of health and
24 human services to manage the medical assistance expansion program shall reimburse
25 providers within the same provider type and specialty at consistent levels and with
26 consistent methodology and may not provide incentive, quality, or supplemental
27 payments to providers, unless part of a value-based program approved by the
28 department of health and human services. The managed care organization shall
29 reimburse all North Dakota substance use providers of American society of addiction
30 medicine level 2.5 at consistent levels and with consistent methodology. The managed
31 care organization may consider urban and rural providers as different provider types.

- 1 4. The managed care organization and the department of health and human services
2 shall ensure payments to Indian or Tribal 638 health care providers, federally qualified
3 health centers, and rural health clinics meet the federally required minimum levels of
4 reimbursement. Critical access hospitals may not be paid less than one hundred
5 percent of Medicare allowable costs and human service centers may not be paid less
6 than one hundred percent of the current traditional Medicaid rate. Behavioral health
7 services involving partial hospitalization, intensive outpatient, professional services,
8 and residential behavioral health services provided in facilities that are not institutions
9 for mental diseases are not subject to the provisions in subsection 6.
- 10 5. The department of health and human services shall ensure providers within the same
11 provider type and specialty are reimbursed at consistent levels and with consistent
12 methodology and shall ensure the capitation rates under risk contracts are actuarially
13 sound and are adequate to meet managed care organization contractual requirements
14 regarding availability of services, assurance or adequate capacity and services, and
15 coordination and continuity of care.
- 16 6. Except for the provisions in subsection 4, managed care organization premium
17 payments must be built using the assumption that rates paid to providers under the
18 medical assistance expansion program may not exceed one hundred forty-five percent
19 of Medicare reimbursement rates paid to providers on January 1, 2025.

20 **SECTION 23. HUMAN SERVICE CENTERS - CERTIFIED COMMUNITY BEHAVIORAL**
21 **HEALTH CLINICS - FULL-TIME EQUIVALENT POSITIONS - REPORT.** The department of
22 health and human services shall continue the process of the human service centers becoming a
23 certified community behavioral health clinic to provide continuous community-based behavioral
24 health services for children and adults. The department of health and human services shall
25 pursue additional federal funding as available. Subject to the availability of generated income,
26 the department of health and human services may add full-time equivalent positions for the
27 clinics to provide direct services for the period beginning with the effective date of this Act and
28 ending June 30, 2027. The department of health and human services shall report to the office of
29 management and budget and legislative council each time a position is added.

30 **SECTION 24. INTERMEDIATE CARE FACILITY MORATORIUM.** The department of health
31 and human services may not add any new licensed intermediate care facility for individuals with

1 intellectual disabilities beds to the state's licensed bed capacity between July 1, 2025, and
2 June 30, 2027.

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

- 7 1. The sum of \$3,674,757 appropriated from the general fund and the sum of
8 \$25,918,566 appropriated from federal funds for the Medicaid management
9 information system modularization technology project in chapter 12 of the 2021
10 Session Laws;
- 11 2. The sum of \$14,411,218 appropriated from the general fund and the sum of
12 \$14,411,218 appropriated from federal funds for the child welfare technology project in
13 chapter 12 of the 2021 Session Laws;
- 14 3. The sum of \$20,366,271 appropriated from the community health trust fund and the
15 sum of \$39,534,525 appropriated from federal funds for the child support computer
16 replacement project in chapter 44 of the 2023 Session Laws;
- 17 4. The sum of \$10,989,217 appropriated from the strategic investment and
18 improvements fund for the procurement and grants management system in chapter 44
19 of the 2023 Session Laws;
- 20 5. The sum of \$4,150,000 appropriated from the general fund for defraying the expenses
21 of additional human service centers to begin the process of becoming a certified
22 community behavioral health clinic to provide continuous community-based behavioral
23 health services for children and adults in chapter 44 of the 2023 Session Laws;
- 24 6. The sum of \$18,941,847 appropriated to the department of health and human services
25 in chapter 549 of the 2021 Special Session Laws;
- 26 7. The sum of \$55,120,000 appropriated from the federal state fiscal recovery fund for a
27 public health laboratory capital project in chapter 4 of the 2023 Session Laws;
- 28 8. The sum of \$5,000,000 appropriated from the general fund for the purpose of
29 employer-led child care cost-share program in chapter 446 of the 2023 Session Laws;
- 30 9. The sum of \$986,555 appropriated from the general fund for the purpose of
31 streamlining background checks project in chapter 446 of the 2023 Session Laws;

1 10. The sum of \$2,223,981 appropriated from the federal state fiscal recovery fund for the
2 implementation of a virtual behavioral health crisis care program for rural law
3 enforcement in chapter 44 of the 2023 Session Laws; and

4 11. The sum of \$500,000 appropriated from the general fund and the sum of \$500,000
5 appropriated from federal funds for the purpose of program integrity audits in
6 chapter 44 of the 2023 Session Laws.

7 **SECTION 26. LEGISLATIVE INTENT - UTILIZATION RATE ADJUSTMENT.** It is the intent
8 of the sixty-ninth legislative assembly that the department of health and human services seek a
9 deficiency appropriation from the seventieth legislative assembly for any expenditures that
10 exceed appropriated amounts as a result of underfunding, utilization rates, value-based
11 purchasing for nursing facilities, reduction in federal medical assistance percentage, and
12 unexpected contract cost increases that exceed ten percent, during the biennium beginning
13 July 1, 2025, and ending June 30, 2027, if funding is not sufficient to pay actual expenses.

14 **SECTION 27. LEGISLATIVE INTENT - PROVIDER RATE INCREASE.** Except as
15 otherwise noted, section 1 of this Act includes funding for human service provider inflation
16 increases of two percent for each year of the biennium beginning July 1, 2025, and ending
17 June 30, 2027. The provider inflation increase in this section does not apply to nursing facilities.

18 **SECTION 28. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES PROVIDER**
19 **ACCREDITATION REQUIREMENT.** It is the intent of the sixty-ninth legislative assembly that
20 the department of health and human services eliminate its administrative rule requirement that
21 providers of developmental disabilities services be accredited as a condition of being eligible for
22 receiving payments for services from the department of health and human services.

23 **SECTION 29. LEGISLATIVE INTENT - MEDICAL ASSISTANCE.** It is the intent of the
24 sixty-ninth legislative assembly that the department of health and human services review the
25 amount, duration, coverage, utilization rates, medical necessity, and scope of medical
26 assistance services, and may implement any adjustments the department determines
27 appropriate.

28 **SECTION 30. FEDERAL FUNDING APPEAL LIMITATION.** Except as otherwise
29 specifically provided by federal law, a person may not appeal a denial, revocation, reduction in
30 services or payment, or the termination of a program or service by the department of health and
31 human services dues to the unavailability of federal coronavirus funding received under federal

1 law resulting from the federal coronavirus pandemic emergency declarations, for the biennium
2 beginning July 1, 2025, and ending June 30, 2027.

3 **SECTION 31. DEPARTMENT OF HEALTH AND HUMAN SERVICES - LONG-TERM**

4 **STRUCTURED RESIDENCES PLAN - REPORT.** During the 2025-26 interim, the department of
5 health and human services shall review options and develop a plan to establish long-term
6 structured residences. The department shall review necessary changes to statutes, rules,
7 policies, and the estimated fiscal impact of establishing the residences. A long-term structured
8 residence must be a highly structured therapeutic residential mental health treatment facility
9 that is staffed continuously and designed to treat adults under chapters 25-03.1 and 25-04 who
10 have severe and persistent mental illness and who have reached the maximum benefit from the
11 mental health resources available elsewhere in the community or hospital. The department shall
12 present a report to the legislative management by October 1, 2026, regarding its plan to
13 establish long-term structured residences.

14 **SECTION 32. AMENDMENT.** Section 50-06-06.6 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **50-06-06.6. Department may lease real and personal property.**

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

27 **SECTION 33. AMENDMENT.** Section 50-06-42 of the North Dakota Century Code is
28 amended and reenacted as follows:

1 **50-06-42. Substance use disorder treatment voucher system - Mental health**

2 **treatment voucher system for incarcerated individuals.**

3 1. The department shall establish and administer, within the limits of legislative
4 appropriations, a voucher system to address underserved areas and gaps in the
5 state's substance abuse treatment system and to assist in the payment of addiction
6 treatment services and medical costs provided by licensed substance abuse treatment
7 programs, excluding regional human service centers and hospital- or medical clinic-
8 based programs for medical management of withdrawal.

9 a. An out-of-state licensed substance abuse treatment program located within a
10 bordering state may participate in the voucher program to serve an underserved
11 area of this state pursuant to the rules adopted by the department. The
12 department shall develop rules to include processes and requirements for an
13 out-of-state provider to receive reimbursement only for outpatient and
14 community-based services upon a provider completing an assessment of need
15 and receiving approval from the department.

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

22 3.c. The department shall develop requirements and provide training and technical
23 assistance to a licensed substance abuse treatment program, hospital, and
24 medical clinic program accepting vouchers. A licensed substance abuse
25 treatment program, hospital, and medical clinic program accepting vouchers shall
26 provide evidence-based services.

27 4.d. The department shall allocate funding appropriated for the substance use
28 disorder treatment voucher as follows:

29 a.(1) ~~No~~ Except as provided in paragraphs 3 and 4, no more than ~~forty-five~~ fifty
30 percent of the appropriated amount may be allocated for residential

1 substance use disorder services administered by licensed substance abuse
2 treatment programs with more than sixteen beds.

3 ~~b.(2)~~ The remaining appropriation must be allocated for residential programs with
4 sixteen or fewer beds, nonresidential outpatient, and ancillary substance
5 use disorder services administered by licensed substance abuse treatment
6 programs.

7 (3) The department, during the last quarter of the biennium, may reallocate
8 projected unused funds that were allocated under paragraph 2 to residential
9 facilities outlined in paragraph 1.

10 (4) The department may reimburse a licensed substance abuse treatment
11 program with more than sixteen beds the incurred direct medical costs of an
12 eligible individual who does not have resources to cover the medical costs.
13 The department may develop rules and may not exceed the total amount
14 appropriated for medical cost reimbursement.

15 2. The department shall establish and administer, within the limits of legislative
16 appropriations, a voucher system to address underserved areas and gaps in the
17 state's mental health treatment system for individuals detained or confined in a county
18 jail or detention center or regional corrections center and to assist in the payment of
19 mental health treatment services provided by a licensed mental health professional
20 acting within their scope of practice, excluding a regional human service center.

21 a. Services eligible for the voucher program include only diagnostic assessment
22 and mental health therapy for individuals with a mental health concern detained
23 or confined in a county jail or detention center or regional corrections center. The
24 department shall ensure that a licensed mental health professional accepting
25 vouchers collects and reports process and outcome measures.

26 b. The department shall develop requirements and provide training and technical
27 assistance to licensed mental health professionals accepting vouchers. A
28 licensed mental health professional shall provide evidence-based services.

29 **SECTION 34. AMENDMENT.** Section 50-24.5-02.3 of the North Dakota Century Code is
30 amended and reenacted as follows:

50-24.5-02.3. Basic care payment rates.

1. The department shall determine limits for the care of residents of basic care facilities that qualify as vendors of an aged, blind, and disabled persons program and for implementing provisions of this chapter based on data demonstrating the most recent costs that must be incurred for the care of residents in efficiently and economically operated basic care facilities. The department shall determine the limits every four years by July first, beginning with July 1, 2023.
2. The department shall establish the limits by using the median rates from the most recent data available. The direct care limit must be the median plus eighteen percent. The indirect care limit must be the median plus twelve percent.
3. For the rate year beginning July 1, 2023, the department shall increase rates and limits three and one-half percent for inflation. For the rate year beginning July 1, 2024, the department shall increase rates and limits three and one-half percent for inflation.
4. The department shall provide a rate increase in the amount of five dollars per day for the period beginning July 1, 2023, and ending June 30, ~~2025~~2027, after which the increase is not effective. This rate increase may not be included in any calculation of inflation increase.
5. Within the limits of legislative appropriations, the department shall establish an uncompensated care expense of three hundred sixty-five days.

SECTION 35. AMENDMENT. Section 50-33-05 of the North Dakota Century Code is amended and reenacted as follows:

50-33-05. State of residence.

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

SECTION 36. HOUSING AVAILABILITY ASSESSMENT - COLLABORATION WITH HOUSING FINANCE AGENCY. The department of health and human services shall collaborate with the North Dakota housing finance agency and other appropriate stakeholders to assess the availability of housing for individuals requiring extraordinary health care support services, for the biennium beginning July 1, 2025, and ending June 30, 2027. Based on the results of the

1 assessment, if necessary, the department shall develop a plan to expand access to housing
2 providing the least restrictive environment for individuals requiring extraordinary health care
3 support services.

4 **SECTION 37. BEHAVIORAL HEALTH CLINICS, NORTH DAKOTA STATE HOSPITAL,**
5 **AND LIFE SKILLS AND TRANSITION CENTER FUNDING.** Section 1 of this Act includes
6 funding for the behavioral health clinics, North Dakota state hospital, and life skills and transition
7 center as follows:

8 1. Behavioral health clinics:

9 a. Salaries and wages	\$156,967,103
10 b. Operating and capital	<u>64,131,965</u>
11 c. Total	\$221,099,068

12 2. State hospital:

13 a. Salaries and wages	\$68,775,551
14 b. Operating and capital	<u>350,880,155</u>
15 c. Total	\$419,655,706

16 3. Life skills and transition center:

17 a. Salaries and wages	\$55,540,213
18 b. Operating and capital	<u>15,207,658</u>
19 c. Total	\$70,747,871

20 **SECTION 38. LEGISLATIVE MANAGEMENT STUDY - STUDENT TRUANCY AND**
21 **ABSENTEEISM.** The legislative management shall consider studying, during the 2025-26
22 interim, truancy and student absenteeism in kindergarten through grade twelve public schools.
23 The legislative management shall report its findings and recommendations, together with any
24 legislation necessary to implement its recommendations, to the seventieth legislative assembly.

25 **SECTION 39. LEGISLATIVE MANAGEMENT STUDY - OBESITY HEALTH**
26 **IMPLICATIONS.** The legislative management shall consider studying, during the 2025-26
27 interim, the health implications of obesity on the residents of the state and options to increase
28 access to prevention and treatments for obesity. If conducted, the study must review costs
29 associated with obesity including comorbidities, treatments available for obesity, obesity
30 diagnosis guidelines including use of body mass index compared with percentage of body fat,
31 and examining the difference between being an individual who is healthy and overweight as

1 compared to an obese individual. The legislative management shall report its findings and
2 recommendations, together with any legislation necessary to implement its recommendations,
3 to the seventieth legislative assembly.

4 **SECTION 40. LEGISLATIVE MANAGEMENT REPORT - BEHAVIORAL HEALTH**

5 **FACILITY GRANTS.** During the 2025-26 interim the department of health and human services
6 shall provide reports to the legislative management regarding the award of grant funding to
7 increase the number of behavioral health beds in the state.

8 **SECTION 41. EFFECTIVE DATE.** Section 33 of this Act becomes effective on July 1, 2026.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of House Action

	Base Budget	House Changes	House Version
Department of Health and Human Services			
Total all funds	\$0	\$596,284,775	\$596,284,775
Less estimated income	0	286,720,150	286,720,150
General fund	<u>\$0</u>	<u>\$309,564,625</u>	<u>\$309,564,625</u>
FTE	0.00	2,688.35	2,688.35
DHHS - Business Operations			
Total all funds	\$192,993,318	(\$95,929,687)	\$97,063,631
Less estimated income	118,894,310	(71,526,221)	47,368,089
General fund	<u>\$74,099,008</u>	<u>(\$24,403,466)</u>	<u>\$49,695,542</u>
FTE	114.40	(114.40)	0.00
DHHS - Behavioral Health			
Total all funds	\$421,861,349	\$159,059,254	\$580,920,603
Less estimated income	113,955,941	285,267,537	399,223,478
General fund	<u>\$307,905,408</u>	<u>(\$126,208,283)</u>	<u>\$181,697,125</u>
FTE	1,054.27	(1,054.27)	0.00
DHHS - Human Services			
Total all funds	\$1,863,859,882	\$19,124,673	\$1,882,984,555
Less estimated income	1,240,409,529	(13,961,485)	1,226,448,044
General fund	<u>\$623,450,353</u>	<u>\$33,086,158</u>	<u>\$656,536,511</u>
FTE	1,009.16	(1,009.16)	0.00
DHHS - Medical Services			
Total all funds	\$2,776,246,128	\$79,663,485	\$2,855,909,613
Less estimated income	1,818,029,530	(7,372,459)	1,810,657,071
General fund	<u>\$958,216,598</u>	<u>\$87,035,944</u>	<u>\$1,045,252,542</u>
FTE	90.50	(90.50)	0.00
DHHS - Public Health			
Total all funds	\$298,196,870	(\$33,177,619)	\$265,019,251
Less estimated income	250,440,690	(20,626,287)	229,814,403
General fund	<u>\$47,756,180</u>	<u>(\$12,551,332)</u>	<u>\$35,204,848</u>
FTE	215.50	(215.50)	0.00
Bill total			
Total all funds	\$5,553,157,547	\$725,024,881	\$6,278,182,428
Less estimated income	3,541,730,000	458,501,235	4,000,231,235
General fund	<u>\$2,011,427,547</u>	<u>\$266,523,646</u>	<u>\$2,277,951,193</u>
FTE	2,483.83	204.52	2,688.35

House Bill No. 1012 - Department of Health and Human Services - House Action

	Base Budget	House Changes	House Version
Salaries and wages block grant		\$596,284,775	\$596,284,775
Total all funds	\$0	\$596,284,775	\$596,284,775
Less estimated income	0	286,720,150	286,720,150
General fund	<u>\$0</u>	<u>\$309,564,625</u>	<u>\$309,564,625</u>
FTE	0.00	2,688.35	2,688.35

Department 325 - Department of Health and Human Services - Detail of House Changes

	Creates Salaries and Wages Block Grant Funding Pool¹	Total House Changes
Salaries and wages block grant	\$596,284,775	\$596,284,775
Total all funds	\$596,284,775	\$596,284,775
Less estimated income	286,720,150	286,720,150
General fund	\$309,564,625	\$309,564,625
FTE	2,688.35	2,688.35

¹ Funding for departmentwide salaries and wages is transferred into a salaries and wages block grant funding pool.

House Bill No. 1012 - DHHS - Business Operations - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$25,763,358	(\$25,763,358)	
Operating expenses	155,308,399	(77,023,770)	\$78,284,629
Capital assets	108,934	(108,934)	
Grants	11,812,627	6,966,375	18,779,002
Total all funds	\$192,993,318	(\$95,929,687)	\$97,063,631
Less estimated income	118,894,310	(71,526,221)	47,368,089
General fund	\$74,099,008	(\$24,403,466)	\$49,695,542
FTE	114.40	(114.40)	0.00

Department 326 - DHHS - Business Operations - Detail of House Changes

	Adjusts Funding for Business Operations Division¹	Total House Changes
Salaries and wages	(\$25,763,358)	(\$25,763,358)
Operating expenses	(77,023,770)	(77,023,770)
Capital assets	(108,934)	(108,934)
Grants	6,966,375	6,966,375
Total all funds	(\$95,929,687)	(\$95,929,687)
Less estimated income	(71,526,221)	(71,526,221)
General fund	(\$24,403,466)	(\$24,403,466)
FTE	(114.40)	(114.40)

¹ Funding for the business operations division is adjusted as follows:

Description	FTE	General Fund	Other Funds	Total
Adjusts funding for base payroll and budget changes.		(\$16,396,866)	(\$66,836,143)	(\$83,233,009)
Adjusts FTE positions	66.15			
Adds funding for salary increases of 3 percent on July 1, 2025, and July 1, 2026		1,035,502	531,151	1,566,653
Adds funding for monthly increases in health insurance rates from \$1,643 to \$1,893 per employee		651,154	363,569	1,014,723
Transfers salaries and wages into the department's FTE block grant pool	(180.55)	(12,603,508)	(17,737,100)	(30,340,608)
Underfunds salaries and wages departmentwide		(20,157,874)	0	(20,157,874)

Description	FTE	General Fund	Other Funds	Total
Underfunds operating expenses departmentwide		(3,050,000)	0	(3,050,000)
Adds funding for increases in rates charged by the Attorney General's office and the Office of Administrative Hearings		190,590	0	190,590
Adds funding for increases in information technology rates		5,196,748	2,152,302	7,349,050
Increases funding for costs of information technology contracts		<u>20,730,788</u>	<u>0</u>	<u>20,730,788</u>
Total ongoing changes	(114.4)	(\$24,403,466)	(\$81,526,221)	(\$105,929,687)
One-time changes				
Provides funding for costs to retire mainframe applications		<u>0</u>	<u>10,000,000</u>	<u>10,000,000</u>
Total one-time funding changes		<u>\$0</u>	<u>\$10,000,000</u>	<u>\$10,000,000</u>
Total changes to base level	(114.4)	(\$24,403,466)	(\$71,526,221)	(\$95,929,687)

House Bill No. 1012 - DHHS - Behavioral Health - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$8,792,675	(\$8,792,675)	
Operating expenses	79,381,458	23,888,138	\$103,269,596
Grants	40,476,298	21,889,322	62,365,620
Behavioral health clinics	196,383,945	(139,978,713)	56,405,232
State Hospital	94,826,973	256,053,182	350,880,155
Opioid addiction prevention	<u>2,000,000</u>	<u>6,000,000</u>	<u>8,000,000</u>
Total all funds	\$421,861,349	\$159,059,254	\$580,920,603
Less estimated income	<u>113,955,941</u>	<u>285,267,537</u>	<u>399,223,478</u>
General fund	\$307,905,408	(\$126,208,283)	\$181,697,125
FTE	1,054.27	(1,054.27)	0.00

Department 327 - DHHS - Behavioral Health - Detail of House Changes

	Adjusts Funding for Behavioral Health Division¹	Total House Changes
Salaries and wages	(\$8,792,675)	(\$8,792,675)
Operating expenses	23,888,138	23,888,138
Grants	21,889,322	21,889,322
Behavioral health clinics	(139,978,713)	(139,978,713)
State Hospital	256,053,182	256,053,182
Opioid addiction prevention	<u>6,000,000</u>	<u>6,000,000</u>
Total all funds	\$159,059,254	\$159,059,254
Less estimated income	<u>285,267,537</u>	<u>285,267,537</u>
General fund	(\$126,208,283)	(\$126,208,283)
FTE	(1,054.27)	(1,054.27)

¹ Funding for the behavioral health division is adjusted as follows:

Description	FTE	General Fund	Other Funds	Total
Adjusts funding for base payroll and budget changes.		\$15,466,235	\$2,311,139	\$17,777,374
Adjusts funding for base budget changes		5,709,106	(5,000,000)	709,106
FTE position adjustment	104.93			

Description	FTE	General Fund	Other Funds	Total
Adds funding for salary increases of 3 percent on July 1, 2025 and July 1, 2026		8,392,306	134,924	8,527,230
Adds funding for monthly increase in health insurance rates from \$1,643 to \$1,893 per employee		6,517,157	114,129	6,631,286
Moves salaries and wages to the FTE block grant pool	(1,159.20)	(190,198,399)	(68,592,655)	(258,791,054)
Adds funding related to an opioid settlement		0	8,000,000	8,000,000
Provides funding for a remote crisis intervention solution for law enforcement		0	1,000,000	1,000,000
Provides funding to expand use of the SUD voucher for addiction treatment and recovery services		2,500,000	0	2,500,000
Provides funding for SUD for medical expenses in institutions for mental disease facilities		500,000	0	500,000
Provides additional SUD funding for 50/50 inpatient/outpatient services		500,000	0	500,000
Provides additional SUD funding for treatment of incarcerated individuals		2,500,000	0	2,500,000
Provides equity funding for behavioral health staff in western North Dakota		250,536	0	250,536
Provides additional funding for inflationary increases in crisis residential contracts		706,233	0	706,233
Provides additional funding for inflationary increases in addiction residential contracts		917,786	0	917,786
Provides additional funding for inflationary increases in recovery/rehab contracts		2,154,668	0	2,154,668
Provides an adjustment to the additional inflationary adjustment for vendor contracts		(2,000,000)	0	(2,000,000)
Provides funding to expand training and education for treatment collaborative for traumatized youth		408,000	0	408,000
Provides funding for out of home residential services for Medicaid eligible children with a serious emotional disorder		1,351,997	0	1,351,997
Continues funding for existing levels of the free through recovery and community connect programs		4,761,081	0	4,761,081
Provides increased funding to the community connect program for individuals with behavioral health concerns		4,458,814	0	4,458,814
Provides funding to expand the free through recovery program for individuals involved with the criminal justice system who have behavioral health concerns		4,016,908	0	4,016,908
Increases funding for peer support utilizing a trained individual with lived experience of recovery from mental illness, substance abuse and/or brain injury		137,990	0	137,990
Provides funding to expand the treatment court in partnership with the Department of Corrections and Rehabilitation and the court system		200,000	0	200,000

Description	FTE	General Fund	Other Funds	Total
Provides 2% annual provider inflation increases		2,541,299	0	2,541,299
Provides funding to increase behavioral health services for nursing homes and basic care facilities		<u>2,000,000</u>	<u>0</u>	<u>2,000,000</u>
Total ongoing changes	(1,054.27)	(\$126,208,283)	(\$62,032,463)	(\$188,240,746)
Provides funding for an on-premise data backup and recovery system for the electronic health record data		\$0	\$500,000	\$500,000
Provides funding for data extraction and migration from the electronic health record legacy system		0	1,000,000	1,000,000
Provides funding to create a redundant network line for failover in the event of a primary network loss for the State Hospital		0	500,000	500,000
Provides funding for community-based partial hospitalization and intensive day treatment programs for mental health disorders and substance use disorders		0	2,000,000	2,000,000
Provides funding to remodel bathrooms at the Southeast Human Service Center		0	340,000	340,000
Provides funding to construct a new state hospital		0	330,000,000	330,000,000
Provides funding for a grant to a behavioral health facility in the northeast human service region		<u>0</u>	<u>12,960,000</u>	<u>12,960,000</u>
Total one-time changes		<u>\$0</u>	<u>\$347,300,000</u>	<u>\$347,300,000</u>
Total changes to base level	(1,054.27)	(\$126,208,283)	\$285,267,537	\$159,059,254

House Bill No. 1012 - DHHS - Human Services - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$168,325,918	(\$168,325,918)	
Operating expenses	88,885,469	108,258,236	\$197,143,705
Capital assets	10,000		10,000
Grants	621,189,007	94,393,260	715,582,267
Life Skills and Transition Center	44,992,263	(29,784,605)	15,207,658
Grants - Medical assistance	742,793,564	7,655,079	750,448,643
County social services	<u>197,663,661</u>	<u>6,928,621</u>	<u>204,592,282</u>
Total all funds	\$1,863,859,882	\$19,124,673	\$1,882,984,555
Less estimated income	<u>1,240,409,529</u>	<u>(13,961,485)</u>	<u>1,226,448,044</u>
General fund	\$623,450,353	\$33,086,158	\$656,536,511
FTE	1,009.16	(1,009.16)	0.00

Department 328 - DHHS - Human Services - Detail of House Changes

	Adjusts Funding for Human Services Division¹	Total House Changes
Salaries and wages	(\$168,325,918)	(\$168,325,918)
Operating expenses	108,258,236	108,258,236
Capital assets		
Grants	94,393,260	94,393,260
Life Skills and Transition Center	(29,784,605)	(29,784,605)
Grants - Medical assistance	7,655,079	7,655,079
County social services	6,928,621	6,928,621
Total all funds	\$19,124,673	\$19,124,673
Less estimated income	(13,961,485)	(13,961,485)
General fund	\$33,086,158	\$33,086,158
FTE	(1,009.16)	(1,009.16)

¹ Funding for the human services division is adjusted as follows:

Description	FTE	General Fund	Other Funds	Total
Adjusts funding for base payroll and budget changes.		\$10,605,259	\$93,868,910	\$104,474,169
Adjusts FTE positions	19.54			
Adjusts funding for base budget changes		57,330,438	(2,746,684)	54,583,754
Provides funding for 2% annual provider inflationary increase		12,988,702	13,926,186	26,914,888
Adds funding for salary increases of 3 percent on July 1, 2025, and July 1, 2026		2,546,488	4,704,191	7,250,679
Adds funding for monthly increase in health insurance rates from \$1,643 to \$1,893 per employee		2,072,787	3,795,116	5,867,903
Transfers salaries and wages into the department's FTE block grant pool	(1,029.70)	(76,722,653)	(150,764,540)	(227,487,193)
Increases the FMAP percentage from 50% to 50.99%		(4,290,660)	744,660	(3,546,000)
Aging Services				
Provides funding to provide permanent supported housing including rental assistance for target population per DOJ settlement		300,000	0	300,000
Adds funding for people with special health needs to move out of institutional settings or divert them from institutions to community-based settings		2,733,934	2,555,463	5,289,397
Provides funding for adult protective services to respond to reports of abuse or neglect of vulnerable adults		718,522	0	718,522
Provides an FTE for a state dementia coordinator	1.00	0	0	0
Children and Family Services				
Adds funding to assist with adoption services		4,883,205	0	4,883,205
Adds funding for 2 defense attorneys contracted by North Dakota indigent defense to specialize in child welfare		350,000	350,000	700,000

Description	FTE	General Fund	Other Funds	Total
Developmental Disabilities				
Provides funding to create host home services in the developmental disability waiver		1,689,900	1,689,900	3,379,800
Human Service Zones				
Adds funding for zone employee salary increases		0	5,002,833	5,002,833
Total ongoing funding changes	(1,009.16)	\$15,205,922	(\$26,873,965)	(\$11,668,043)
One-time funding items:				
Provides funding to retire economic assistance and Medicaid legacy systems on the mainframe		\$0	\$2,000,000	\$2,000,000
Adds funding for conversion of developmental disability eligibility assessment tool for kids from ICAP to SIS		200,000	200,000	400,000
Provides funding to implement a comprehensive vocational rehab technology system to connect people with disabilities to employment		0	8,000,000	8,000,000
Provides funding to replace the roof on the cedar grove building at the Life Skills and Transition Center		0	712,480	712,480
Adds funding to expand the best in class program		6,000,000	0	6,000,000
Provides funding to continue grants and resources to child care providers for infrastructure, start-ups, and expansions		2,500,000	0	2,500,000
Provides funding for early childhood quality infrastructure supports for quality cohort participants and providers receiving intensive coaching		3,000,000	0	3,000,000
Adds funding for inclusion supports for children with special needs at private child care programs		172,500	0	172,500
Adds funding to expand access to teaching strategies outcome measurement tool		100,000	0	100,000
Adds funding for quality tiers in child care assistance program.		1,500,000	0	1,500,000
Provides funding for home renovation incentives for accessibility		0	1,000,000	1,000,000
Provides funding for a community cultural center grant located in the west central human services region		0	1,000,000	1,000,000
Provides funding for a winter park adaptive recreation program grant		200,000	0	200,000
Provides funding for an intermediate care facility grant to Anne Carlsen		3,457,736	0	3,457,736
Provides funding for juvenile justice diversion services		<u>750,000</u>	<u>0</u>	<u>750,000</u>
Total one-time changes		<u>\$17,880,236</u>	<u>\$12,912,480</u>	<u>\$30,792,716</u>
Total change to base budget	(1,009.16)	\$33,086,158	(\$13,961,485)	\$19,124,673

House Bill No. 1012 - DHHS - Medical Services - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$21,008,344	(\$21,008,344)	
Operating expenses	70,807,977	92,364,562	\$163,172,539
Grants	1,651,004	1,806,800	3,457,804
Grants - Medical assistance	<u>2,682,778,803</u>	<u>6,500,467</u>	<u>2,689,279,270</u>
Total all funds	\$2,776,246,128	\$79,663,485	\$2,855,909,613
Less estimated income	<u>1,818,029,530</u>	<u>(7,372,459)</u>	<u>1,810,657,071</u>
General fund	\$958,216,598	\$87,035,944	\$1,045,252,542
FTE	90.50	(90.50)	0.00

Department 329 - DHHS - Medical Services - Detail of House Changes

	Adjusts Funding for Medical Services Division¹	Total House Changes
Salaries and wages	(\$21,008,344)	(\$21,008,344)
Operating expenses	92,364,562	92,364,562
Grants	1,806,800	1,806,800
Grants - Medical assistance	<u>6,500,467</u>	<u>6,500,467</u>
Total all funds	\$79,663,485	\$79,663,485
Less estimated income	<u>(7,372,459)</u>	<u>(7,372,459)</u>
General fund	\$87,035,944	\$87,035,944
FTE	(90.50)	(90.50)

¹ Funding for the medical services division is adjusted as follows:

Description	FTE	General Fund	Other Funds	Total
Adjusts funding for base payroll and budget changes		(\$28,505,732)	61,061,722	32,555,990
Adjust FTE positions	11.25			
Adjusts funding for base payroll and budget changes		71,253,662	(118,383,672)	(47,130,010)
Adds funding for salary increases of 3 percent on July 1, 2025, and July 1, 2026		338,151	479,188	817,339
Adds funding for monthly increases in health insurance rates from \$1,643 to \$1,893 per employee		233,619	342,896	576,515
Transfers salaries and wages into the department's FTE block grant pool	(101.75)	(9,636,069)	(15,163,610)	(24,799,679)
Adds funding for cost to continue for home- and community-based services growth		36,977,113	27,837,811	64,814,924
Provides funding for qualified provider targeted rate increase for nursing, personal care, respite, companionship, and homemaker services		3,595,104	1,797,552	5,392,656
Provides funding to increase private duty nursing and home health targeted rate increase		1,235,768	1,235,768	2,471,536
Expands funding for additional provider groups to ensure populations are supported with personal centered care and support		1,000,000	1,000,000	2,000,000
Adds funding to implement the children's cross disability waiver		2,474,226	2,474,226	4,948,452
		0	7,209,580	7,209,580

<u>Description</u>	<u>FTE</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Provides funding to rebase ambulance rates to the lowest quartile Medicare rural base rate		2,189,770	2,189,770	4,379,540
Provides funding for 2% annual provider inflationary rate increases		13,689,672	15,190,970	28,880,642
Provides for a change in the FMAP rate from 50.0% to 50.99%		(7,809,340)	1,355,340	(6,454,000)
Total ongoing funding changes	(90.50)	\$87,035,944	(\$11,372,459)	\$75,663,485
Provides funding to retire the Medicaid legacy system currently on the mainframe		\$0	\$2,000,000	\$2,000,000
Provides funding for a critical access hospital networking grant		0	2,000,000	2,000,000
Total one-time funding changes		\$0	\$4,000,000	\$4,000,000
Total changes to base level	(90.50)	\$87,035,944	(\$7,372,459)	\$79,663,485

House Bill No. 1012 - DHHS - Public Health - House Action

	<u>Base Budget</u>	<u>House Changes</u>	<u>House Version</u>
Salaries and wages	\$60,415,388	(\$60,415,388)	
Operating expenses	37,721,213	17,853,669	\$55,574,882
Capital assets	1,469,780	2,215,838	3,685,618
Grants	81,718,145	4,245,496	85,963,641
Tobacco prevention	13,063,162	(22,607)	13,040,555
WIC food payments	19,900,000	1,100,000	21,000,000
COVID-19 response	83,909,182	1,845,373	85,754,555
Total all funds	\$298,196,870	(\$33,177,619)	\$265,019,251
Less estimated income	250,440,690	(20,626,287)	229,814,403
General fund	\$47,756,180	(\$12,551,332)	\$35,204,848
FTE	215.50	(215.50)	0.00

Department 330 - DHHS - Public Health - Detail of House Changes

	<u>Adjusts Funding for Public Health Division¹</u>	<u>Total House Changes</u>
Salaries and wages	(\$60,415,388)	(\$60,415,388)
Operating expenses	17,853,669	17,853,669
Capital assets	2,215,838	2,215,838
Grants	4,245,496	4,245,496
Tobacco prevention	(22,607)	(22,607)
WIC food payments	1,100,000	1,100,000
COVID-19 response	1,845,373	1,845,373
Total all funds	(\$33,177,619)	(\$33,177,619)
Less estimated income	(20,626,287)	(20,626,287)
General fund	(\$12,551,332)	(\$12,551,332)
FTE	(215.50)	(215.50)

¹ Funding for the public health division is adjusted as follows:

<u>Description</u>	<u>FTE</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adjusts funding for base payroll and budget changes		(\$1,503,118)	\$3,120,553	\$1,617,435
Adds funding for salary increases of 3 percent on July 1, 2025, and July 1, 2026		1,714,252	0	1,714,252

Description	FTE	General Fund	Other Funds	Total
Adds funding for monthly increases in health insurance rates from \$1,643 to \$1,893 per employee		1,183,357	0	1,183,357
Adjusts FTE positions	1.65			
Transfers salaries and wages into the department's FTE block grant pool	(217.15)	(20,403,996)	(34,462,245)	(54,866,241)
Restores funding removed for the 2023-25 biennium new FTE pool		65,094	50,008	115,102
Restores funding removed for the 2023-25 biennium vacant FTE pool		569,060	1,754,865	2,323,925
Adds funding to expand support for domestic and sexual violence prevention		0	2,250,000	2,250,000
Provides additional funding for domestic and sexual violence		1,700,000	0	1,700,000
Add funding for the Safe Haven program		440,000	0	440,000
Provides funding for vaccines for health care providers off federal contract		0	2,213,930	2,213,930
Provides funding for forensic pathology contract services with UND		2,866,156	(1,000,000)	1,866,156
Increases the food and lodging fees by an additional 7.5% for a total increase of 20%		(71,298)	71,298	0
Add funding to increase the grant to the Family Voices program		100,000	0	100,000
Provides funding for a fetal alcohol spectrum disorder clinic at UND		<u>637,661</u>	<u>0</u>	<u>637,661</u>
Total ongoing funding changes	(215.5)	(\$12,702,832)	(\$26,001,591)	(\$38,704,423)
Adds funding to purchase nonfatal toxicology testing equipment		\$151,500	\$100,000	\$251,500
Adds funding for transition to the new state laboratory building		0	2,962,304	2,962,304
Provides funding to purchase forensic examiner electronic records system		0	278,000	278,000
Adds funding for food and lodging management information system		0	335,000	335,000
Adds funding for licensure management system		0	650,000	650,000
Provides funding for the Cass County animal shelter		0	300,000	300,000
Provide funding for the statewide health strategies grant		<u>0</u>	<u>750,000</u>	<u>750,000</u>
Total one-time funding changes	0	<u>\$151,500</u>	<u>\$5,375,304</u>	<u>\$5,526,804</u>
Total changes to base level	(215.5)	(\$12,551,332)	(\$20,626,287)	(\$33,177,619)

House Bill No. 1012 - Other Changes - House Action

This amendment also:

- Creates a salaries and wages block grant and provides guidelines regarding the use of the block grant and reporting requirements.
- Identifies appropriations from the strategic investment and improvements fund, community health trust fund, opioid settlement fund, and human service finance fund.
- Provides guidelines for the use of funding provided for a behavioral health facility grant, a community cultural center grant, juvenile justice programs, an animal shelter grant, and a statewide health strategies initiative.
- Authorizes DHHS to obtain a \$130 million line of credit from the Bank of North Dakota for the State Hospital project.
- Continues the state health laboratory building project steering committee.
- Creates a new state hospital building steering committee.
- Authorizes capital payments for special assessment costs at the State Hospital, Southeast Human Service Center, and Life Skills and Transition Center.

- Authorizes DHHS to expend funds for capital projects at the State Hospital.
- Identifies \$4,672,536 from the general fund for permanent supportive housing grants.
- Provides that expenditures for the Medicaid Expansion program may not exceed legislative appropriations.
- Directs DHHS to continue the process of converting human service centers to certified community behavioral health clinics.
- Provides a moratorium on the number of licensed intermediate care facility beds for individuals with a developmental disability.
- Authorizes DHHS to continue certain unexpended appropriations from previous bienniums into the 2025-27 biennium.
- Provides intent that DHHS seeks a deficiency appropriation from the 70th Legislative Assembly if utilization rates exceed estimates.
- Identifies provider inflation increases of 2 percent per year included in the amendment.
- Provides intent that DHHS remove the requirement that developmental disability providers be accredited to receive payment.
- Provides an individual may not appeal a denial of services or payment under a program if certain federal funding is unavailable.
- Provides for DHHS to create a long-term structured residences plan.
- Amends Section 50-06-06.6 to allow land at the State Hospital and Life Skills and Transition Center to be leased for up to 99 years.
- Amends Section 50-06-42 to expand the use of the substance use disorder voucher program for individuals in jail or a treatment facility with more than 16 beds.
- Directs DHHS to collaborate with the Housing Finance Agency to assess the availability of housing for individuals requiring extraordinary health care support services.
- Provides for a Legislative Management study of student truancy and absenteeism.
- Provides for a Legislative Management study of obesity health implications.