

**Testimony**  
**House Bill No. 1109**  
**Senate Human Services Committee**  
**Senator Judy Lee, Chairman**  
February 11, 2025

Chairman Lee, and members of the Senate Human Services Committee, I am Tina Bay, Director of the Developmental Disabilities Section with the Department of Health and Human Services (Department). I appear before you in support of House Bill No. 1109, which was introduced at the request of the Department.

Most of the changes in House Bill No. 1109 involve updating the terminology from “treatment or care center” to “provider agency” and replacing “resident” or “patient” with “individual” or “eligible individual”. These revisions, made in Sections 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 15, 16, and 18, are necessary to remove outdated terminology and align the language with more person-centered principles.

I will now discuss the other specific changes to House Bill No. 1109 and proposed amendments.

**Section 1:**

In addition to the terminology updates, this section proposes moving the definitions of “Developmental disability” and “Group home” from North Dakota Century Code section 25-16-14 to this section for clarity and consistency. The Department is requesting an amendment to add the definition of “host home” to this section to enable continued development of services that can better address the range of unique needs of people served.

**Section 3:**

The proposed changes in Section 3 of this Bill amends section 25-16-03 of the North Dakota Century Code to update terminology and to align language to current practice.

**Section 5:**

The proposed changes in Section 5 amend Section 25-16-04 by removing language previously noted in section 25-16-03. Additionally, “records” are added to the list of items the Department may review to assess a provider agency’s compliance with Department rules, verify information submitted with an application, investigate complaints, and evaluate the implementation of a plan of correction. Access to these records are outlined North Dakota Administrative Code Article 75-04-01 as part of current process.

**Section 6:**

The proposed changes in Section 6 amend section 25-16-05 by replacing the language of “number of residents who may be received in such premises at any one-time” with occupancy or service limitations.

**Sections 7 and 10:**

The proposed changes in Section 7 amend section 25-16-06 and Section 10 amend section 25-16-09 by removing “for the conduct of such centers as are” and “to conduct a treatment or care center for individuals with a developmental disability” to reflect the terminology updates and the language is duplicative as the purpose of the chapter is regarding the centers (provider agency).

**Section 13:**

The proposed changes in Section 13 amend section 25-16-04 by removing the definitions of “Group home” and “Individual with a developmental disability” as these definitions have been moved into the definition section of 25-16-01.

**Section 14:**

Section 14 introduces three new sections. The first new section, “Corrective actions”, grants the Department corrective action options if a provider agency is found not in compliance with this chapter or the Department’s rules.

The second new section, “Purchase of services”, moves the “Purchase of services” provision from North Dakota Century Code section 25-18-03 into this new section. The Department is requesting an amendment to this new section to allow the Department to purchase services from a Medicaid-enrolled provider and to establish a host home program to provide out-of-home placement to facilitate delivery of intensive care and support for Medicaid-eligible individuals with developmental disabilities.

The third new section, “Federal requirements – Supremacy”, moves “Federal requirements – Supremacy” from North Dakota Century Code section 25-18-09 to this section for consistency and clarity.

**Section 17:**

In addition to the previously mentioned terminology changes, Section 17 amends section 25-16.1-03 by proposing to replace the term “executive

director” of the Department to “commissioner” to reflect the current leadership structure of the Department.

**Section 19:**

This section proposes the repeal of North Dakota Century Code chapter 25-18. A review of historical legislative actions reveals that this chapter was originally part of legislation passed in 2003, which aimed to study a fee-for-service rate setting system for payments to treatment or care centers serving individuals with developmental disabilities. A study was conducted during the 2003-2005 interim, and it was determined that the fee-for-service system would not move forward. While some of the 2003 language was removed in 2005, other sections remained relevant only under the previous retrospective rate-setting methodology. Given this methodology changed in 2018, the remaining language is now outdated and should be repealed. With regard to the repeal of section 25-18-15, the legislative history does not provide background to its intent. However, section 50-06-06.4 outlines the legislative intent regarding comprehensive community residential programs for children with developmental disabilities. Therefore, the Department believes this language can also be repealed.

This concludes my testimony. I would be happy to try to answer any questions the committee may have. Thank you.

## PROPOSED AMENDMENTS TO HOUSE BILL NO. 1109

A BILL for an Act to create and enact three new sections to chapter 25-16 of the North Dakota Century Code, relating to residential care and services for the developmentally disabled; to amend and reenact sections 25-16-01, 25-16-02, 25-16-03, 25-16-03.1, 25-16-04, 25-16-05, 25-16-06, 25-16-07, 25-16-08, 25-16-09, 25-16-12, 25-16-13, 25-16-14, 25-16.1-01, 25-16.1-02, 25-16.1-03, and 25-16.1-04 of the North Dakota Century Code, relating to developmental disability, residential care and services for the developmentally disabled, and receivers for developmentally disabled facilities; ~~and~~ to repeal chapter 25-18 of the North Dakota Century Code, relating to fee for service ratesetting for developmentally disabled facilities; and to declare an emergency.

Page 1, lines 12 through 20:

### **25-16-01. Definitions.**

In this chapter unless the context or subject matter otherwise requires:

1. "Department" means the department of health and human services.
2. ~~"Treatment or care center"~~"Developmental disability" has the same meaning as in section 25-01.2-01.
3. "Group home" means any community residential facility housing more than three individuals with a developmental disability.
4. "Host home" means a community-based family home environment providing services to no more than two individuals with a developmental disability who require out-of-home placement to facilitate delivery of intensive care and support.
5. "Provider agency" means an entity providing services to individuals with developmental disabilities and licensed by the department to provide services.

Page 7, lines 5 through 8:

### **Purchase of services – Host home program.**

1. The department may purchase residential care, custody, treatment, training, and education services for individuals with developmental disabilities from a provider agency or a Medicaid enrolled provider, from funds appropriated for that purpose.
2. The department may establish a host home program to provide out-of-home placement habilitation and support services for Medicaid-eligible individuals with developmental disabilities.

Page 8, after line 27 insert:

**SECTION 20. EMERGENCY.** This act is declared to be an emergency measure.