CHAPTER 50-06
DEPARTMENT OF HEALTH AND HUMAN SERVICES

50-06-01. Definitions.

As used in this chapter, unless the context otherwise requires:

1. "Behavioral health" means the planning and implementation of preventive, consultative, diagnostic, treatment, crisis intervention, rehabilitative, and suicide prevention services for individuals with mental, emotional, or substance use disorders, and psychiatric conditions.
2. "Behavioral health provider" means any licensed or accredited behavioral health provider in this state.
3. "Certified community behavioral health clinic" means a private or public behavioral health clinic or a state-operated behavioral health clinic designated by the department to deliver a comprehensive range of mental health and substance use disorder services in accordance with the certification criteria set forth by the department.
4. "Department" means the department of health and human services.
5. "Human services" means:
   a. A service or assistance provided to an individual or an individual's family in need of services or assistance, including child welfare services, economic assistance programs, medical services programs, and aging services programs, to assist the individual or the individual's family in achieving and maintaining basic self-sufficiency, including physical health, mental health, education, welfare, food and nutrition, and housing.
   b. A service or assistance provided, administered, or supervised by the department in accordance with chapter 50-06.
   c. Licensing duties as administered or supervised by the department or delegated by the department to a human service zone.
6. "State-operated behavioral health clinic" means a department-operated behavioral health clinic established under section 50-06-05.2.

50-06-01.1. Department of health and human services to be substituted for public welfare board of North Dakota and social service board of North Dakota, members of board, commissioner, and department of human services.

When the terms "public welfare board of North Dakota", "social service board of North Dakota", "executive director of the public welfare board", "executive director of the social service board", "department of human services", or "executive director of the department of human services", "member of the public welfare board", or "member of the social service board", or any derivative of those terms which, when used in context indicates an intention to refer to those persons or that board, appear in the North Dakota Century Code, the term "department of health and human services", or the term "commissioner of the department of health and human services", as the case may be, must be substituted therefor. It is the intent of the legislative assembly that the department of health and human services must be substituted for, shall take any action previously to be taken by, and shall perform any duties previously to be performed by the public welfare board of North Dakota, by the social service board of North Dakota, by the department of human services, or by the state department of health. The legislative council may replace references to the "department of human services" or "executive director of the department of human services" or any derivatives of those terms with "department of health and human services" or "executive director of the department of health and human services" in any measure enacted by the sixty-seventh legislative assembly. The legislative council may replace references to the "executive director of the department of human services" or any derivatives of those terms with "commissioner of the department of health and human services or designee" in any measure enacted by the sixty-eighth legislative assembly.

50-06-01.2. Department of human services - Creation.

Repealed by S.L. 2017, ch. 353, § 10.

50-06-01.3. Appointment of commissioner - Compensation - Deputy.

1. The governor shall appoint the commissioner of the department who shall serve at the pleasure of the governor. The commissioner shall take the oath of office required of civil officers by section 44-01-05. The commissioner is entitled to receive compensation in the amount established by the governor within the limits of legislative appropriations.
2. The commissioner of the department may appoint a deputy commissioner.
3. The commissioner of the department may delegate any of the commissioner's authority as the commissioner determines necessary.

50-06-01.4. Structure of the department.

1. The department includes the state hospital, the state-operated behavioral health clinics, a vocational rehabilitation unit, public health division, and other units or offices and administrative and fiscal support services as the commissioner of the department determines necessary. The department must be structured to promote efficient and effective operations and, consistent with fulfilling its prescribed statutory duties, shall act as the official agency of the state in the discharge of the following functions not otherwise by law made the responsibility of another state agency:
   a. (1) Administration of programs for children and families, including adoption services and the licensure of child-placing agencies, foster care services and the licensure of foster care arrangements, certification of shelter care services, child protection services, children's trust fund, licensure of early childhood programs, refugee services, in-home community-based services, quality control, administration of the interstate compacts on the placement of children and juveniles, and the early childhood services advisory board.
      (2) Administration of programs to identify all available options for effectively maximizing the provision of early childhood services within the state and address the coordinated utilization of facilities and personnel for the provision of early childhood services within the state.
   b. Administration of programs for individuals with developmental disabilities, including licensure of facilities and services, the establishment funding for family members and corporate guardianships, and the design and implementation of a community-based service system for persons in need of habilitation.
   c. Administration of aging service programs, including nutrition, transportation, advocacy, social, ombudsman, recreation, and related services funded under the Older Americans Act of 1965 [42 U.S.C. 3001 et seq.], home and community-based services, licensure of adult foster care homes, and the committee on aging.
   d. Administration of behavioral health programs, including reviewing and identifying service needs and activities in the state's behavioral health system in an effort to ensure health and safety, access to services, and quality of services; establishing quality assurance standards for the licensure of substance use disorder program services and facilities; providing policy leadership in partnership with public and private entities; and providing chronic disease management, regional intervention services, and twenty-four-hour crisis services for individuals with behavioral health disorders.
   e. Administration of economic assistance programs, including temporary assistance for needy families, the supplemental nutrition assistance program, home energy assistance, child care assistance, refugee assistance, work experience, work incentive, and quality control.
   f. Administration of medical service programs, including medical assistance for children's health insurance program, Medicaid waivers, early and periodic screening, diagnosis and treatment, utilization control, autism services, and claims processing.
   g. Administration of general assistance.
   h. Administration of child support.

i. Administration of program, services, and licensing outlined in title 23 and other previous duties of the state department of health and state health council.
j. Administration of a program to improve the quality of life for an individual with brain injury and the individual's family through brain injury awareness, prevention, research, education, collaboration, support services, and advocacy.

2. The commissioner of the department or commissioner's designee shall consult with and maintain a close working relationship with the department of corrections and rehabilitation and the superintendents of the school for the deaf and the North Dakota vision services - school for the blind to develop programs for individuals with developmental disabilities; and with the superintendent of public instruction to maximize the use of resource persons in state-operated behavioral health clinics in the provision of special education services. The commissioner of the department or commissioner's designee shall also maintain a close liaison with human service zones.
3. The department shall establish a template for the development of human service zone plans, including process and content requirements, access point expectations, client grievances procedures, human resources, and locally funded programs or services and how those services will be addressed.
4. The department shall develop, with assistance from the North Dakota association of counties, a process for consultation and technical assistance for human service zone working groups.

50-06-01.5. Office and office equipment.

Repealed by S.L. 2017, ch. 331, § 14.

50-06-01.6. Human services advisory board - Membership - Meetings - Compensation and expenses - Responsibilities.

Repealed by S.L. 1995, ch. 457, § 6.

50-06-01.7. Behavioral health division - Administration - Fees.

1. The department shall develop and revise, when necessary, the state mental health plan and provide the behavioral health division the authority to implement and supervise a unified mental health delivery system and to assure the mental health services provided by the state-operated behavioral health clinics, the state hospital, and contracted services are in accordance with the state plan.
2. The behavioral health division may establish nonrefundable application fees not to exceed three hundred dollars for administration and enforcement of licensing and certification activities. The department shall adopt rules as necessary to implement this section. All fees collected under this section must be paid to the behavioral health division and must be used to defray the cost of administering and enforcing licensing and certification activities.

50-06-01.8. Department to seek waiver to establish training, education, employment, and management program - Waiver may be terminated - Program characteristics - Cooperation with governmental bodies - Interim rulemaking.

Repealed by S.L. 2001, ch. 418, § 6.

50-06-01.9. Criminal history record checks.

In accordance with section 12-60-24, the department may require criminal history record checks as the department determines appropriate for:

1. Job applicants of the department and employees of the department as part of contingent offer of employment;
2. Job applicants of the human service zone, current employees of the human service zone and department, and the department's and human service zones' contractors and contractors' subcontractors job applicants and current employees that may have

access to federal tax information received from the United States internal revenue service through a computer match and stored in the department's eligibility system;

3. A criminal history record check conducted under subsections 1 and 2 is valid for five years, after which the department shall require another criminal history record check on employees of the department, human service zones, and the department's and human service zones' contractors and contractors' subcontractors that may have access to federal tax information received from the United States internal revenue service through a computer match and stored in the department's eligibility system;
4. The department's and human service zones' contractors and contractors' subcontractors job applicants and current employees of contractors and contractors' subcontractors that may have access to social security administration information received from the United States social security administration stored in the department's eligibility system;
5. Providers licensed by the department under chapter 50-12, as well as for any employees, volunteers, or students for field placement of those providers who have direct contact with families, with children, or both;
6. Providers holding, applicants for, and emergency designees and staff members of providers holding and applicants for early childhood services licensure, self-declaration, or in-home provider registration under chapter 50-11.1. The department also may require criminal history record checks for household members of a residence out of which early childhood services within the provider's home are provided;
7. Medicaid services applicant providers, Medicaid services providers, or an individual with a five percent or more direct or indirect ownership interest in the applicant provider or provider under chapter 50-24.1;
8. An operator of a facility licensed by the department under chapter 25-03.2, as well as any individual employed by the facility, contracted service provider of the facility, and nonemployee of the facility, having contact with any child cared for by the facility; and
9. Providers, applicants for, and employees of a shelter care program certified by the department under chapter 50-06.

50-06-01.10. Shelter care criminal history record investigation - Fingerprinting required.

1. Each shelter care program shall secure, from a law enforcement agency or any other agency authorized to take fingerprints, two sets of fingerprints and shall provide all other information necessary to secure state criminal history record information and a nationwide background check under federal law from any individual employed by the shelter care program.
2. The shelter care program shall assure information obtained under subsection 1 is provided to the department.
3. Upon receipt of all fingerprints and necessary information relating to a criminal history record investigation, the department shall submit the information and fingerprints to the bureau of criminal investigation. The department shall provide a copy of the state criminal history record information response received from the bureau of criminal investigation to the shelter care program or authorized agent making the request.
4. The bureau of criminal investigation shall request a nationwide background check from the federal bureau of investigation and, upon receipt of a response, provide the response of the federal bureau of investigation to the department. The bureau of criminal investigation also shall provide any criminal history record information that may lawfully be made available under chapter 12-60 to the department.
5. Upon request by the provider or employees of a provider, a law enforcement agency shall take fingerprints of individuals described in this section if the request is made for purposes of this section.
6. The department shall pay the cost of securing fingerprints, any criminal history record information made available under chapter 12-60, and a nationwide background check for each shelter care provider.

7. An agency that takes fingerprints as provided under this section may charge a reasonable fee to offset the costs of the fingerprinting.
8. A criminal history record investigation completed under this section may be used to satisfy the criminal history record investigation requirements of sections 25-03.2-03, 50-06-01.9, 50-11-06.8, 50-11.3-01, and 50-12-03.2. The federal bureau of investigation's criminal history record investigation obtained from one criminal history record investigation purpose may not be reused to satisfy the requirements for another federal bureau of investigation's criminal history record investigation for a different purpose.
9. Before certifying a shelter care program and during the shelter care program operation, the department shall seek a criminal history record when required by this section. The department, in accordance with the rules of the department, shall consider any criminal history information available at the time a decision is made for certification and during the operation of the certified shelter care program.
10. "Shelter care program" means a nonsecure permanent dwelling run by an agency with certification obtained by the department, where employees offer safe shelter, food, and structured routine and is available twenty-four hours a day to a resident age ten to eighteen years old in need of temporary safe out-of-home emergency placement, not to exceed seven days, unless otherwise approved by the department.

50-06-01.11. Financing of health and human services.

1. The powers and duties carried out by the department under this title may be financed out of a special fund within the state treasury to be known as the health and human services operating special fund.
2. The commissioner of the department or the commissioner's designee and the state treasurer shall deposit in the health and human services operating special fund, at such times as they may become available:
   a. All moneys received from any of the counties within the state;
   b. All moneys received from the United States under the provisions of the Social Security Act;
   c. Such moneys as may be periodically required from legislative appropriations for department purposes; and
   d. All public moneys received from any other source.
3. Expenditures made under this title must be paid upon vouchers prepared by the office of management and budget drawn on the state treasurer against the health and human services operating special fund and signed by the state auditor and state treasurer after approval by the office of management and budget. Expenditures to be supported by itemized vouchers must be signed by the commissioner of the department or by the commissioner's designee and certified to the office of management and budget.
4. Any funds received from federal agencies must be deposited and disbursed as provided and in accordance with Acts of Congress or the regulations of the federal agencies from which the funds were received.

50-06-02. Social service board - Members - Appointment.

Repealed by S.L. 1981, ch. 486, § 37.

50-06-03. Social service board - Term of office - Removal.

Repealed by S.L. 1981, ch. 486, § 37.

50-06-03.1. Social service board members with unexpired terms.

Repealed by S.L. 1981, ch. 486, § 37.

50-06-04. Members of board - Compensation.

Repealed by S.L. 1981, ch. 486, § 37.

50-06-05. Officers and meetings of board.

Repealed by S.L. 1983, ch. 82, § 154.

50-06-05.1. Powers and duties of the department. (Effective through June 30, 2027)

The department has the following powers and duties to be administered by the department through its state office or state-operated behavioral health clinics, human service zones, or otherwise as directed by the department:

1. To act as the official agency of the state in any social welfare or human service activity initiated by the federal government not otherwise by law made the responsibility of another state agency.
2. To administer, allocate, and distribute any state and federal funds that may be made available for the purpose of providing financial assistance, care, and services to eligible persons and families who do not have sufficient income or other resources to provide a reasonable subsistence compatible with decency and health.
3. To provide preventive, rehabilitative, and other human services to help families and individuals to retain or attain capability for independence or self-care.
4. To do needed research and study in the causes of social problems and to define appropriate and effective techniques in providing preventive and rehabilitative services.
5. To provide for the study, and to promote the well-being, of a child in need of protection, a child in need of services, and delinquent children.
6. To provide for the placing and supervision of children in need of substitute parental care, subject to the control of any court having jurisdiction and control of any such child.
7. To recommend appropriate human services related legislation to the legislative assembly.
8. To direct and supervise human service zone activities and administer a statewide program for state-funded human services, staffing, and administration costs related to the administration of human services.
9. To secure, hold, and administer for the purpose for which it is established any property and any funds donated to it either by will or deed, or otherwise, or through court order or otherwise available to the department, and to administer those funds or property in accordance with the instructions in the instrument creating them or in accordance with the instructions in the court order or otherwise.
10. To formulate standards and make appropriate inspections and investigations in accordance with such standards in connection with all licensing activities delegated by law to the department, including early childhood programs, nonmedical adult care facilities and maternity homes, and persons or organizations receiving and placing children, and to require those facilities, persons, and organizations to submit reports and information as the department may determine necessary.
11. To permit the making of any surveys of human service needs and activities if determined to be necessary.
12. To issue subpoenas, administer oaths, and compel attendance of witnesses and production of documents or papers whenever necessary in making the investigations provided for herein or in the discharge of its other duties. A subpoena may not be issued to compel the production of documents or papers relating to any private child-caring or child-placing agency or to compel the attendance as a witness of any officer or employee of those facilities except upon the order of a judge of the district court of the judicial district in which the facilities are located.
13. To provide insofar as staff resources permit appropriate human services, including social histories, social or social-psychological evaluations, individual, group, family, and marital counseling, and related consultation, when referred by self, parent, guardian, human service zone, court, physician, or other individual or agency, and when application is made by self (if an adult or emancipated youth), parent, guardian, or agency having custody; also, on the same basis, to provide human services to

children and adults in relation to their placement in or return from the life skills and transition center, state hospital, or North Dakota youth correctional center.

14. To provide insofar as staff resources permit social services, including social-psychological evaluations, predisposition reports, treatment, and aftercare services when requested by the judge of a juvenile court. A court order under section 27-20.3-09, 27-20.4-08, or 27-20.4-17 or pursuant to rules adopted by the judicial branch regarding treatment, if available, at the state hospital or life skills and transition center shall comply with the requirements set forth in chapters 25-03.1, 25-03.3, and 25-04.
15. To provide insofar as staff resources permit social services, including social-psychological evaluations, predisposition reports, and treatment, when requested by the judge in a criminal case. A court order under section 12.1-32-02 or 12.1-32-07 or pursuant to rules adopted by the judicial branch regarding treatment, if available, at the state hospital or life skills and transition center shall comply with requirements set forth in chapters 25-03.1, 25-03.3, and 25-04.
16. To act as the official agency of the state in the administration of the supplemental nutrition assistance program and to direct and supervise human service zone administration of that program. The department with the consent of the legislative assembly or the budget section if the legislative assembly is not in session may terminate the program if the rate of federal financial participation in administrative costs provided under Public Law 93-347 is decreased or limited, or if the state or counties become financially responsible for all or a portion of the coupon bonus payments under the Food Stamp Act. Any request considered by the budget section must comply with section 54-35-02.9. The department may not deny assistance under the supplemental nutrition assistance program to any individual who has been convicted of a felony offense that has as an element the possession, use, or distribution of a controlled substance as defined in section 102(6) of the Controlled Substances Act [21 U.S.C. 802(6)].
17. To administer, allocate, and distribute any funds made available for the making of direct cash assistance payments, housing stabilization supports, and rental assistance and to promote cooperation and working agreements with public agencies and including the housing finance agency and department of commerce, and private human service agencies.
18. To act as the official agency of the state in the administration of the home energy assistance program; to direct and supervise human service zone administration of that program; and to take such actions, give such directions, and adopt such rules, subject to review in the courts of this state, as may be necessary or desirable to carry out this subsection. For purposes of the administration of the energy assistance program, funds are obligated at the earlier of the time a written commitment is made to pay a vendor or contractor for services or supplies delivered or to be delivered, or at the time payment is made to a vendor or contractor for services or supplies delivered or to be delivered. The provisions of this subsection concerning obligation of funds apply to payments and commitments made on or after July 1, 1991. The department with the consent of the legislative assembly or the budget section if the legislative assembly is not in session may terminate the program if the rate of federal financial participation in administrative costs is decreased or limited to less than fifty percent of total administrative costs, or if the state or counties become financially responsible for all or a portion of the cost of energy assistance program benefits. Any request considered by the budget section must comply with section 54-35-02.9.
19. To administer, allocate, and distribute any funds made available for the payment of the cost of the special needs of any child under the age of twenty-one years, who is living in an adoptive home and would probably go without adoption except for acceptance by the adopted family, and whose adopted family does not have the economic ability and resources, as established by the department, to take care of the special needs of the child, including legal fees, maintenance costs, medical and dental expenses, travel costs, and other costs incidental to the care of the child.

20. To exercise and carry out any other powers and duties granted the department under state law.
21. To administer, allocate, and distribute any funds made available for the payment of supervised independent living services, to develop standards regarding a supervised independent living program, to approve supervised independent living services for the purpose of providing foster care placement, and to apply for and administer federal and other funds that may be made available to undertake any of the activities described in this subsection.
22. With the approval of the governor, to lease or transfer use of any part of the life skills and transition center facilities or properties, located in section thirteen, township one hundred fifty-seven north, range fifty-three west, located in Walsh County, North Dakota, to the federal government, or any public or private agency, organization, or business enterprise, or any worthy undertaking, under the following provisions:
    a. The department determines that the facility or property is not needed to serve any present or reasonably foreseeable need of the life skills and transition center.
    b. The transaction is exempt from the provisions of section 50-06-06.6.
    c. The term of any lease may not exceed ninety-nine years.
    d. All required legal documents, papers, and instruments in any transaction must be reviewed and approved as to form and legality by the attorney general.
    e. Any funds realized by any transaction must be deposited in the state's general fund.
23. To act as a decedent's successor for purposes of collecting amounts due to the department or human service zone, unless otherwise directed or determined by the department. Any affidavit submitted by the department under section 30.1-23-01 must conform to the requirements of that section except that the affidavit may state that twenty days have elapsed since the death of the decedent.
24. To provide those services necessary for the department and for human service zones to comply with the provisions of any law, rule, order, or regulation of the United States or any federal agency or authority requiring civil service or merit standards or classifications as a condition for providing funds administered by the department.
25. For purposes of administration of programs, and subject to legislative appropriation, funds are obligated at the time a written commitment is made to pay a vendor or contractor for services or supplies either delivered or to be delivered. This subsection applies to payments and commitments made on or after January 1, 1997.
26. To determine eligibility for medical assistance and children's health insurance program benefits when the department receives a joint application for these benefits.
27. To develop a system of services and supports to provide behavioral health services and supports in the community for children at risk of or identified as having a behavioral health condition and for the families of these children. This system must include early intervention, treatment, and recovery services and supports and must interface with, but not include, child protective services or juvenile court.
28. To provide resources on mental health awareness and suicide prevention to the behavioral health resource coordinator at each public school and to the designated individual at a nonpublic school. The resources must include information on identifying warning signs, risk factors, and the availability of resources in the community.
29. To administer, allocate, and distribute any funds made available for kinship care services and payments and services in response to the federal Family First Prevention Services Act as part of the Bipartisan Budget Act of 2018 [Pub. L. 115-123].
30. To contract with another human service zone or any other public or private person to discharge any of the department's duties or exercise any of the department's powers to administer human services.
31. To act on behalf of the department of public instruction to administer part B, section 619 of the Individuals with Disabilities Education Act [Pub. L. 108-446; 229 Stat. 2647; 20 U.S.C. 1411 et seq.].
32. In the event of a disruption of operations, to provide meals at a fair value or without a charge to employees of the department at the North Dakota state hospital, life skills

and transition center, and state-operated behavioral health clinics twenty-four hour staffed residential units as required by the job assignments of the employees.

33. May pay a stipend, within the limit of legislative appropriation, to a recipient or a provider of a recipient receiving assistance or services under any program administered by or under the supervision and direction of the department to allow the recipient or provider to serve on a council or board.
34. Notwithstanding any other requirements, to appeal an order of a judge of the district court or juvenile court that orders the department to perform or provide a function, service, or duty.
35. To require providers that receive funding from the department to submit process and outcome measures to the department for programs and services supported by state funding for the department to evaluate the administration of the programs and services using the appropriation.

Powers and duties of the department. (Effective after June 30, 2027) The department has the following powers and duties to be administered by the department through its state office or state-operated behavioral health clinics, human service zones, or otherwise as directed by the department:

1. To act as the official agency of the state in any social welfare or human service activity initiated by the federal government not otherwise by law made the responsibility of another state agency.
2. To administer, allocate, and distribute any state and federal funds that may be made available for the purpose of providing financial assistance, care, and services to eligible persons and families who do not have sufficient income or other resources to provide a reasonable subsistence compatible with decency and health.
3. To provide preventive, rehabilitative, and other human services to help families and individuals to retain or attain capability for independence or self-care.
4. To do needed research and study in the causes of social problems and to define appropriate and effective techniques in providing preventive and rehabilitative services.
5. To provide for the study, and to promote the well-being, of a child in need of protection, a child in need of services, and delinquent children.
6. To provide for the placing and supervision of children in need of substitute parental care, subject to the control of any court having jurisdiction and control of any such child.
7. To recommend appropriate human services related legislation to the legislative assembly.
8. To direct and supervise human service zone activities and administer a statewide program for state-funded human services, staffing, and administration costs related to the administration of human services.
9. To secure, hold, and administer for the purpose for which it is established any property and any funds donated to it either by will or deed, or otherwise, or through court order or otherwise available to the department, and to administer those funds or property in accordance with the instructions in the instrument creating them or in accordance with the instructions in the court order or otherwise.
10. To formulate standards and make appropriate inspections and investigations in accordance with such standards in connection with all licensing activities delegated by law to the department, including early childhood programs, nonmedical adult care facilities and maternity homes, and persons or organizations receiving and placing children, and to require those facilities, persons, and organizations to submit reports and information as the department may determine necessary.
11. To permit the making of any surveys of human service needs and activities if determined to be necessary.
12. To issue subpoenas, administer oaths, and compel attendance of witnesses and production of documents or papers whenever necessary in making the investigations provided for herein or in the discharge of its other duties. A subpoena may not be issued to compel the production of documents or papers relating to any private

child-caring or child-placing agency or to compel the attendance as a witness of any officer or employee of those facilities except upon the order of a judge of the district court of the judicial district in which the facilities are located.

13. To provide insofar as staff resources permit appropriate human services, including social histories, social or social-psychological evaluations, individual, group, family, and marital counseling, and related consultation, when referred by self, parent, guardian, human service zone, court, physician, or other individual or agency, and when application is made by self (if an adult or emancipated youth), parent, guardian, or agency having custody; also, on the same basis, to provide human services to children and adults in relation to their placement in or return from the life skills and transition center, state hospital, or North Dakota youth correctional center.
14. To provide insofar as staff resources permit social services, including social-psychological evaluations, predisposition reports, treatment, and aftercare services when requested by the judge of a juvenile court. A court order under section 12.1-32-02 or 12.1-32-07 or pursuant to rules adopted by the judicial branch regarding treatment, if available, at the state hospital or life skills and transition center shall comply with requirements set forth in chapters 25-03.1, 25-03.3, and 25-04.
15. To provide insofar as staff resources permit social services, including social-psychological evaluations, predisposition reports, and treatment, when requested by the judge in a criminal case. A court order under section 12.1-32-02 or 12.1-32-07 or pursuant to rules adopted by the judicial branch regarding treatment, if available, at the state hospital or life skills and transition center shall comply with requirements set forth in chapters 25-03.1, 25-03.3, and 25-04.
16. To act as the official agency of the state in the administration of the supplemental nutrition assistance program and to direct and supervise human service zone administration of that program. The department with the consent of the legislative assembly or the budget section if the legislative assembly is not in session may terminate the program if the rate of federal financial participation in administrative costs provided under Public Law 93-347 is decreased or limited, or if the state or counties become financially responsible for all or a portion of the coupon bonus payments under the Food Stamp Act. Any request considered by the budget section must comply with section 54-35-02.9. The department may not deny assistance under the supplemental nutrition assistance program to any individual who has been convicted of a felony offense that has as an element the possession, use, or distribution of a controlled substance as defined in section 102(6) of the Controlled Substances Act [21 U.S.C. 802(6)].
17. To administer, allocate, and distribute any funds made available for the making of direct cash assistance payments, housing stabilization supports, and rental assistance and to promote cooperation and working agreements with public agencies and including the housing finance agency and department of commerce, and private human services agencies.
18. To act as the official agency of the state in the administration of the home energy assistance program; to direct and supervise human service zone administration of that program; and to take such actions, give such directions, and adopt such rules, subject to review in the courts of this state, as may be necessary or desirable to carry out this subsection. For purposes of the administration of the energy assistance program, funds are obligated at the earlier of the time a written commitment is made to pay a vendor or contractor for services or supplies delivered or to be delivered, or at the time payment is made to a vendor or contractor for services or supplies delivered or to be delivered. The provisions of this subsection concerning obligation of funds apply to payments and commitments made on or after July 1, 1991. The department with the consent of the legislative assembly or the budget section if the legislative assembly is not in session may terminate the program if the rate of federal financial participation in administrative costs is decreased or limited to less than fifty percent of total administrative costs, or if the state or counties become financially responsible for all or

a portion of the cost of energy assistance program benefits. Any request considered by the budget section must comply with section 54-35-02.9.

19. To administer, allocate, and distribute any funds made available for the payment of the cost of the special needs of any child under the age of twenty-one years, who is living in an adoptive home and would probably go without adoption except for acceptance by the adopted family, and whose adopted family does not have the economic ability and resources, as established by the department, to take care of the special needs of the child, including legal fees, maintenance costs, medical and dental expenses, travel costs, and other costs incidental to the care of the child.
20. To exercise and carry out any other powers and duties granted the department under state law.
21. To administer, allocate, and distribute any funds made available for the payment of supervised independent living services, to develop standards regarding a supervised independent living program, to approve supervised independent living services for the purpose of providing foster care placement, and to apply for and administer federal and other funds that may be made available to undertake any of the activities described in this subsection.
22. With the approval of the governor, to lease or transfer use of any part of the life skills and transition center facilities or properties, located in section thirteen, township one hundred fifty-seven north, range fifty-three west, located in Walsh County, North Dakota, to the federal government, or any public or private agency, organization, or business enterprise, or any worthy undertaking, under the following provisions:
    a. The department determines that the facility or property is not needed to serve any present or reasonably foreseeable need of the life skills and transition center.
    b. The transaction is exempt from the provisions of section 50-06-06.6.
    c. The term of any lease may not exceed ninety-nine years.
    d. All required legal documents, papers, and instruments in any transaction must be reviewed and approved as to form and legality by the attorney general.
    e. Any funds realized by any transaction must be deposited in the state's general fund.
23. To act as a decedent's successor for purposes of collecting amounts due to the department or human service zone, unless otherwise directed or determined by the department. Any affidavit submitted by the department under section 30.1-23-01 must conform to the requirements of that section except that the affidavit may state that twenty days have elapsed since the death of the decedent.
24. To provide those services necessary for the department and for human service zones to comply with the provisions of any law, rule, order, or regulation of the United States or any federal agency or authority requiring civil service or merit standards or classifications as a condition for providing funds administered by the department.
25. For purposes of administration of programs, and subject to legislative appropriation, funds are obligated at the time a written commitment is made to pay a vendor or contractor for services or supplies either delivered or to be delivered. This subsection applies to payments and commitments made on or after January 1, 1997.
26. To determine eligibility for medical assistance and children's health insurance program benefits when the department receives a joint application for these benefits.
27. To develop a system of services and supports to provide behavioral health services and supports in the community for children at risk of or identified as having a behavioral health condition and for the families of these children. This system must include early intervention, treatment, and recovery services and supports and must interface with, but not include, child protective services or juvenile court.
28. To provide resources on mental health awareness and suicide prevention to the behavioral health resource coordinator at each school. The resources must include information on identifying warning signs, risk factors, and the availability of resources in the community.

29. To administer, allocate, and distribute any funds made available for kinship care services and payments and services in response to the federal Family First Prevention Services Act as part of the Bipartisan Budget Act of 2018 [Pub. L. 115-123].
30. To contract with another human service zone or any other public or private person to discharge any of the department's duties or exercise any of the department's powers to administer human services.
31. To act on behalf of the department of public instruction to administer part B, section 619 of the Individuals with Disabilities Education Act [Pub. L. 108-446; 229 Stat. 2647; 20 U.S.C. 1411 et seq.].
32. In the event of a disruption of operations, to provide meals at a fair value or without a charge to employees of the department at the North Dakota state hospital, life skills and transition center, and state-operated behavioral health clinics twenty-four hour staffed residential units as required by the job assignments of the employees.
33. May pay a stipend, within the limit of legislative appropriation, to a recipient or a provider of a recipient receiving assistance or services under any program administered by or under the supervision and direction of the department to allow the recipient or provider to serve on a council or board.
34. Notwithstanding any other requirements, to appeal an order of a judge of the district court or juvenile court that orders the department to perform or provide a function, service, or duty.
35. To require providers that receive funding from the department to submit process and outcome measures to the department for programs and services supported by state funding for the department to evaluate the administration of the programs and services using the appropriation for the program or service.

50-06-05.2. State-operated behavioral health clinics - Licensure.

1. Community-based behavioral health services must be delivered through state-operated behavioral health clinics in the areas designated by the governor's executive order 1978-12 dated October 5, 1978. The department shall request appropriations and resources sufficient for:
   a. Accreditation and to ensure maintenance of the accreditation for the state-operated behavioral health clinics, including associated facilities, by the social current or by a similar national accrediting body accepted by the department; and
   b. Certification as a certified community behavioral health clinic.
2. The state-operated behavioral health clinics are subject to licensing or certification by the department. The department may use the accreditation as a basis for licensing in lieu of adopted rules for the operation of the state-operated behavioral health clinics. The department may adopt rules for the operation of the state-operated behavioral health clinics. A state-operated behavioral health clinic may not operate without a license or certification issued in accordance with this section or section 50-06-41.4. State-operated behavioral health clinics are authorized to receive federal and other funds available to finance, in whole or in part, the services and operations of the state-operated behavioral health clinics.

50-06-05.3. State-operated behavioral health clinics - Powers - Duties - Advisory groups.

1. State-operated behavioral health clinics shall provide services and assistance to all eligible individuals and families to support individuals in achieving social, emotional, and economic self-sufficiency by providing services and assistance to:
   a. Build resilience, self-sufficiency, and independence;
   b. Support individuals to succeed in the least restrictive environments, reduce the need for institutional care by providing access to community-based and other supportive services that span the continuum of care;
   c. Facilitate access to specialized care when needed and coordinate timely referrals and transitions to appropriate levels of care;
   d. Provide outpatient diagnostic and treatment services; and

e. Provide rehabilitative and crisis support for individuals with mental health, emotional, or substance use challenges, including those with complex needs, to promote continuity of care and successful reentry from inpatient settings.

2. State-operated behavioral health clinics shall deliver services in the manner prescribed by the department.
3. State-operated behavioral health clinics may provide behavioral health collaborative care and consultation services, including psychiatric consultation, with private providers and correctional facility providers.
4. Each state-operated behavioral health clinic must have a behavioral health clinic advisory group consisting of the human service zone directors of the region served, the public health directors of the region served, two current county commissioners appointed by the commissioner of the department or the commissioner's designee, and five additional members appointed by the commissioner of the department or the commissioner's designee. Each behavioral health clinic advisory group member must be a resident of the region the member is appointed to serve. The term of office for each appointed member is two years and arranged so that the term of three of the appointed members expires at the end of the first year and the term of the remaining four appointed members expires at the end of the second year, except for those first members appointed, three members shall serve a one-year term and four members shall serve a two-year term. The commissioner of the department or the commissioner's designee shall select the appointed members of each behavioral health clinic advisory group on the basis of population of the counties in the region served by the state-operated behavioral health clinic. Each county in the region must be represented by at least one member on the behavioral health clinic advisory group. To the extent possible, appointed membership of the behavioral health clinic advisory group must reflect regional interests in the fields of mental health and substance use disorders. The commissioner of the department or the commissioner's designee shall appoint a chairman for each behavioral health clinic advisory group from the membership of the behavioral health clinic advisory group. The commissioner of the department or the commissioner's designee shall fill a vacancy occurring within a behavioral health clinic advisory group for other than the expiration of a term in the same manner as original appointments, except that appointments must be made only for the unexpired term. The department shall compensate appointed members of a behavioral health clinic advisory group at the rate of forty-five dollars per day, not to exceed twenty-five days in any one year. The department also shall pay members for mileage and actual expenses incurred in attending meetings and in the performance of their official duties in the amounts provided by law for other state officers.

50-06-05.4. Duties of behavioral health clinic advisory groups.

Each behavioral health clinic advisory group of the state-operated behavioral health clinics shall perform the following duties:

1. Provide information to the department relative to needs assessment and the planning and development of resources for the effective and efficient delivery of high-quality behavioral health services fully accessible to all citizens.
2. Review services and programs provided by the state-operated behavioral health clinics and make periodic recommendations for improvement in services, programs, or facilities.
3. Promote cooperation and working agreements with public agencies, including public health and corrections and private behavioral health agencies.
4. Promote local and regional financing from public and private sources.

50-06-05.5. Director of state-operated behavioral health clinic - Medical director.

Each state-operated behavioral health clinic must be headed by a director. The state-operated behavioral health clinic director must be accountable to the commissioner of the department or the commissioner's designee. Each state-operated behavioral health clinic director may employ the staff necessary to discharge the state-operated behavioral health

clinic's responsibilities. A state-operated behavioral health clinic director, subject to the approval of the commissioner of the department or the commissioner's designee, and within the limit of legislative appropriations, may make contractual arrangements with public or private agencies or with individuals and organizations to discharge the state-operated behavioral health clinic's service delivery responsibilities. Each regional director shall hire a qualified medical professional who must be designated as the medical director of the state-operated behavioral health clinic. The medical director is responsible for coordinating mental health and medically related services. The medical director's position may be part time or full time as determined appropriate by the state-operated behavioral health clinic director, with the concurrence of the commissioner of the department or the commissioner's designee. As used in this section, "qualified medical professional" means a board-eligible or board-certified psychiatrist, when such an individual can be employed, and when this is not possible, an individual possessing at least a medical degree.

50-06-05.6. Committee on aging - Appointment - Expenses.

Repealed by S.L. 2025, ch. 479, § 39.

50-06-05.7. Multicounty agreement to administer social service programs - Selection of regional administration.

Repealed by S.L. 2019, ch 391, § 139.

50-06-05.8. Department to assume costs of human services.

The department shall pay each human service zone's expenses for administering human services for calendar years after December 31, 2019, based on the payment amount calculated for each human service zone under chapter 50-35. The commissioner of the department or commissioner's designee shall authorize expenditures from the human service finance fund to reimburse the department for the department's costs of providing human services that historically have been provided by a county or human service zone, or for a new service or program based on federal or state law.

50-06-05.9. Long-term care services providers - Home and community-based services.

The department of human services shall establish guidelines for long-term care services providers to deliver home and community-based services to allow individuals to remain in their homes and communities.

50-06-06. Powers and duties of the board.

Repealed by S.L. 1971, ch. 466, § 8.

50-06-06.1. Indians - General assistance contract authorized.

Repealed by S.L. 2019, ch 391, § 139.

50-06-06.2. Clinic services - Provider qualification - Utilization of federal funds.

Within the limits of legislative appropriation therefor and in accordance with rules established by the department, the department may defray the costs of preventive diagnostic, therapeutic, rehabilitative, or palliative items or services furnished medical assistance eligible individuals by state-operated behavioral health clinics or designated behavioral health providers. Within the limits of legislative appropriations and to the extent permitted by state and federal law and regulations established thereunder, it is the intent of the legislative assembly that federal funds available under title XIX of the Social Security Act [42 U.S.C. 1396 et seq.] be utilized to defray the costs of identifiable mental health clinic services furnished eligible individuals in state-operated behavioral health clinics and that federal funds available under title XX of the Social Security Act [42 U.S.C. 1397 et seq.] be utilized to defray the costs of identifiable human services furnished to eligible individuals by human service zones and state-operated behavioral health clinics.

50-06-06.3. Facility staff training.

It is the intent of the legislative assembly that the department maintain a facility staff training system to assure adequate and appropriate staff development and training for the providers of community-based care on behalf of individuals with developmental disabilities.

50-06-06.4. Comprehensive community residential program.

It is the intent of the legislative assembly that the department implement a comprehensive community residential program for children with developmental disabilities, including the use of intermediate care facilities and other such foster home and group home resources as deemed appropriate.

50-06-06.5. Continuum of services for individuals with serious and persistent mental illness.

1. The department shall develop a plan for an integrated, multidisciplinary continuum of services for individuals with serious and persistent mental illness. The continuum may consist of an array of services provided by private mental health professionals, private agencies, human service zones, state-operated behavioral health clinics, community-based residential care and treatment facilities, and private and public inpatient psychiatric hospitals. Within the limits of legislative appropriations, the plan for a continuum may include:
   a. Programs, and appropriate related facilities, to provide socialization skills.
   b. Programs, and appropriate related facilities, to provide basic living skills.
   c. Appropriate residential facilities and other housing options.
   d. Appropriate training, placement, and support to enhance potential for employment.
   e. Appropriate delivery and control of necessary medication.
   f. Appropriate economic assistance.
   g. An inpatient facility with appropriate programs to respond to persons who require hospitalization.
   h. Peer and recovery support.
   i. Crisis service that is available twenty-four hours a day seven days a week.
2. The continuum of care must provide that a person requiring treatment be submitted to the least restrictive available conditions necessary to achieve the purposes of treatment. The department shall ensure appropriate cooperation with human service zones and private providers in achieving the continuum of care.

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

The commissioner of the department or commissioner's designee may lease real or personal property at the life skills and transition center or the state hospital upon a specific finding that the granting of each such leasehold interest will result in a net economic gain for the department, taking into account all identifiable costs. Any lease of space for the purpose of providing child care services must meet requirements as determined by the department. The commissioner of the department or commissioner's designee may prescribe the terms and conditions of any leases entered into pursuant to this section and may renew existing leases. The term of any lease may not exceed ninety-nine years.

50-06-06.7. Sale of surplus steam heat - Terms - Not to be construed as the distribution of heat.

The department, with the approval of the governor, is authorized but not required to determine if surplus steam heat is or may be produced at the life skills and transition center, and to sell any surplus steam heat to the city of Grafton. The sale may be on such terms and conditions as may be deemed necessary by the department, provided that no sale may be made for less than the cost of producing the surplus steam heat. A sale of steam heat, if made by the department to the city of Grafton, may not be construed as the distribution of heat under title 49.

50-06-06.8. Administration of child care block grant and at-risk child care programs.
Repealed by S.L. 1997, ch. 404, § 78.

50-06-06.9. Insurance payments by the department.
Notwithstanding any other eligibility requirements for human services programs, the department, pursuant to rules adopted by the department, may pay health insurance premiums, copayments, and deductibles for a person with human immunodeficiency virus infection, or for any person maintaining a health insurance policy covering a person with human immunodeficiency virus infection if:

1. The payment of premiums, copayments, and deductibles is determined to be a cost-effective alternative to the payment of future medical assistance and economic assistance costs for that person; and
2. The department determines that the person is otherwise unable to afford the cost of the premiums, copayments, and deductibles.

50-06-06.10. Family life education program.
The department shall enter into an agreement with the North Dakota state university extension service for the design of a program to educate and support individuals at all points within the family life cycle. The program must provide support for families and youth with research-based information relating to personal, family, and community concerns and must contain a research component aimed at evaluation of planned methods or programs for prevention of family and social problems. The program must address the following inter-related topics:

1. Child and youth development.
2. Parent education with an emphasis on parents as educators.
3. Human development.
4. Interpersonal relationships.
5. Family interaction and family systems.
6. Family economics.
7. Intergenerational issues.
8. Impact of societal changes on the family.
9. Coping skills.
10. Community networks and supports for families.

50-06-06.11. Child care provider payments.
Within the limits of federal regulations, the department shall directly pay early childhood facilities monthly under child care assistance programs administered by the department.

50-06-06.12. Child care provider reimbursement system.
Repealed by S.L. 1995, ch. 462, § 2.

50-06-06.13. Treatment services for children with serious emotional disorders.

1. The department shall establish a program to provide out-of-home treatment services for a Medicaid-eligible child with a serious emotional disorder. The department may not require a parent or legal guardian to transfer legal custody of the child in order to have the child placed in an out-of-home treatment program if the sole reason for the placement is the need to obtain services for the child's emotional or behavioral problems. With departmental approval, a parent with legal and physical custody or a legal guardian of the child may obtain treatment services for the child through the program. A parent without physical custody of a child, who disagrees with a child's treatment under this section, may request a judicial determination regarding the child's treatment.
2. The department may establish a program to prevent out-of-home placement for a Medicaid-eligible child with a behavior health condition as defined in the "Diagnostic

and Statistical Manual of Mental Disorders", American psychiatric association, fifth edition, text revision (2013).

50-06-06.14. Placement of children - Least restrictive care.

The department and human service zones shall explore the option of kinship care if a child is unable to return home due to safety concerns. Absent kinship options, the department and human service zones shall provide permanency options that are in the least restrictive care and near the family's home as required by the federal Adoption and Safe Family Act of 1997 [Pub. L. 105-89; 111 Stat. 2115; 42 U.S.C. 671].

50-06-06.15. Mental health program registry.

The department shall establish and maintain a registry of mental health programs in the state. A mental health program shall provide the information and documentation necessary to the department at least annually in the form and manner prescribed by the department. The department shall make the registry available to the public on the department's website.

50-06-07. Office and office equipment.

Repealed by S.L. 1981, ch. 486, § 37.

50-06-08. Executive director and employees - Appointment - Compensation.

Repealed by S.L. 1981, ch. 486, § 37.

50-06-09. Executive director - Qualifications - Term of office.

Repealed by S.L. 1981, ch. 486, § 37.

50-06-10. Executive director - Oath of office - Bond.

Repealed by S.L. 1981, ch. 486, § 37.

50-06-11. Reciprocal agreements by department.

The department, with the approval of the attorney general, may:

1. Enter into reciprocal agreements with corresponding state agencies of other states having like statutory authority, regarding the interstate residence, care, and transportation of indigent persons.
2. Arrange with the proper officials in this state for:
   a. The acceptance, transfer, and support of persons receiving any form of public aid or relief or likely to become a public charge in other states; and
   b. The acceptance, transfer, and support of persons from another state receiving any form of public aid or relief or likely to become a public charge in this state, in accordance with the terms of the reciprocal agreement with other states.

50-06-12. Human service zone bound by reciprocal agreements of department - Duty of state and human service zone when person determined not entitled to support.

Any agreement made by the department under the provisions of section 50-06-11 for the acceptance, transfer, and support of any person from another state is binding on the human service zone where such person is residing. Neither this state nor any human service zone in this state shall be committed to the support of any person who is held by the department not to be entitled to public support under the laws of this state.

50-06-13. Biennial report to governor and office of management and budget.

Repealed by S.L. 1981, ch. 486, § 37.

50-06-14. Financing of welfare programs.

Repealed by S.L. 2021, ch. 356, § 2.

50-06-14.1. Limitation on state reimbursement for rental expenses of long-term care facilities.

The department shall limit the reimbursement for rental expense paid by a provider of services when a provider sells its skilled nursing facility, intermediate care facility, basic care facility, or other facility furnishing care to its residents, when a care rate is based, in part, upon property costs unique to that facility, to a third party who leases the facility back to the provider. The department's reimbursement for rental expense may not exceed the lesser of the rental expense paid by the provider or the cost of ownership of the facility. The cost of ownership includes depreciation, interest, real estate taxes, and other expenses properly related to the facility. The department shall apply this limit to rates set for each facility's first fiscal year beginning on or after July 1, 1985, but shall consider, in setting such rates, all sales occurring on or after July 18, 1984.

50-06-14.2. Department to establish reasonable rates.

Repealed by S.L. 1993, ch. 2, § 28.

50-06-14.3. Department of human services to develop basic care facility ratesetting methodology.

Repealed by S.L. 1999, ch. 428, § 3.

50-06-14.4. Alzheimer's and related dementia and twenty-four-hour care projects.

Repealed by S.L. 1999, ch. 424, § 1.

50-06-15. Confidentiality of information contained in records - Penalty.

1. Individually identifiable information concerning an individual applying for or receiving assistance or services under any program administered by or under the supervision and direction of the department is confidential, except that any such information, including an individual's social security number, may be used and disclosed:
   a. In the administration of any such program;
   b. In accordance with a program's participation in the department's master client index data matching system, unless prohibited by federal law;
   c. As specifically authorized by the rules of the department;
   d. As permitted or required by other law; or
   e. Notwithstanding confidentiality laws set forth in titles 14, 23, 25, 43, and 50 and the department's rules, within and between the department's divisions to assist with or to provide assistance or services under any program administered by or under the supervision and direction of the department. The disclosure of information under this subdivision must comply with applicable federal laws and regulations.
2. A vendor, agent, or contractor of the department must agree to maintain the confidentiality of individually identifiable information disclosed to that person by the department or by any individual applying for or receiving assistance or services and may use and disclose confidential information only to the extent that person's agreement with the department permits the use and disclosure of any such information.
3. As used in this section, "individually identifiable information" means information, including an individual's name, address, telephone number, facsimile number, social security number, electronic mail address, program identification number, protected health information, personally identifiable information, or any other unique identifying number, characteristic, or code, as well as demographic information collected from an individual, that:
   a. Is created or received by the department; and
   b. Relates to:
      (1) The past, present, or future assistance or services applied for or received by an individual under any program administered by or under the supervision

and direction of the department that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual; or

(2) A report, or any other information obtained, concerning an applicant or a provider of or an individual applying for or receiving assistance or services under any program administered by or under the supervision and direction of the department.

4. Except as otherwise specifically provided by law, a report concerning an applicant or a provider of or an individual applying for or receiving assistance or services under any program administered by or under the supervision and direction of the department, as well as any other information obtained, is confidential if the report is made in good faith, and may be disclosed to:
   a. Authorized staff of the department and its authorized agents who further may disclose to persons who have a definite interest in the well-being of the adults or children concerned, who are in a position to serve their interests, and who need to know the contents of the records to assure the well-being and interests of the adults or children concerned.
   b. Any person who is the subject of the report; provided, however, that the identity of the persons reporting or supplying information under this chapter is protected until the information is needed for use in an administrative or legal proceeding arising out of the report.
   c. Public officials and their authorized agents who require the information in connection with the discharge of their official duties.
   d. A court, including an administrative hearing officer, when the court determines the information is necessary for the determination of an issue before the court.
   e. A person engaged in a bona fide research purpose approved by the department's institutional review board; provided, however, that no individually identifiable information as defined in subsection 3 is made available to the researcher unless the information is absolutely essential to the research purpose and the department gives prior approval.
5. Any person who discloses, authorizes, or knowingly permits, participates in, or acquiesces in the disclosure of any confidential information in violation of this section is subject to the penalty provided in section 12.1-13-01.

50-06-15.1. Exchange and transfer of patient records.

The department shall implement a procedure for the exchange and transfer, among treatment units within the department and treatment units of agencies under contract with the department, of records relating to the examination, custody, care, and treatment of mental health clients receiving services supported by public funds, subject to standards for confidentiality. The department shall adopt, in accordance with chapter 28-32, rules necessary to implement this section.

50-06-16. Rulemaking authority.

The department may adopt rules necessary to carry out the responsibilities of the department in conformity with any statute administered or enforced by the department. All rules adopted must be published in the North Dakota Administrative Code. Rules adopted by agencies prior to January 1, 1982, which relate to functions or agencies covered by this chapter remain in effect until such time as they are specifically amended or repealed. The department is not required to adopt rules to establish the process for the administration of funds appropriated to the department in an appropriation identified by the legislative assembly as a one-time funding item.

50-06-17. Biennial report - Budget estimates.

The department shall submit to the governor and the office of management and budget the biennial report and budget estimate in accordance with sections 54-06-04 and 54-44.1-04.

50-06-18. Developmental disabilities service providers.

Repealed by S.L. 2003, ch. 231, § 3.

50-06-19. Exemption from insurance premium tax.

No tax otherwise due under section 26.1-03-17 may be required of a stock or mutual insurance company, nonprofit health service corporation, or health maintenance organization with respect to service fees collected by any third-party administrator providing administrative services or premiums, capitation payments, or policy fees paid by the department for coverage or services provided to a recipient of benefits.

50-06-20. Programs funded at state expense - Interpretation.

1. The state shall bear the cost, in excess of the amount provided by the federal government, of:
   a. As provided in section 50-24.1-14, medical assistance services provided under chapter 50-24.1;
   b. Energy assistance program benefits provided under subsection 18 of section 50-06-05.1;
   c. Supplements provided under chapter 50-24.5 as basic care services;
   d. Services, programs, and costs listed in section 50-09-27;
   e. Welfare fraud detection programs;
   f. Human services provided by the human service zones or the department;
   g. General assistance under chapter 50-01;
   h. Special projects approved by the department and agreed to by any affected human service zone; and
   i. Programs and services unique to the human service zone which have been included in the approved human service zone plan.
2. The state shall bear the costs of amounts expended for service payments for elderly and disabled and expanded service payments for elderly and disabled.
3. This section does not grant any recipient of services, benefits, or supplements identified in subsection 1, any service, benefit, or supplement that a recipient could not claim in the absence of this section.

50-06-20.1. Human services grant program - Eligible counties - Reports.

Repealed by S.L. 2019, ch. 391, § 138.

50-06-21. Gambling disorder prevention, awareness, crisis intervention, rehabilitation, and treatment services.

The department shall administer, develop, and implement a gambling disorder prevention, awareness, crisis intervention, rehabilitation, and treatment services program or contract with qualified treatment service providers for the development and implementation of a program for gambling prevention, awareness, crisis intervention, rehabilitation, financial counseling, and mental health treatment services. The program may provide outpatient services, partial care services, aftercare services, intervention services, financial counseling services, consultation services, or other forms of preventive, rehabilitative, or treatment services for individuals with a gambling disorder. An individual who provides treatment services must be a licensed professional operating within the individual's scope of practice. An individual who provides financial counseling services must be a certified consumer credit counselor with an accredited financial counseling agency. The department may establish a sliding payment scale for services under the program. The department may establish a centrally located repository of educational materials on identifying and treating gambling disorders. Any service fee collected by qualified treatment service providers for services provided under the contract must be applied toward the program's gambling disorder services. The term "qualified treatment service provider" means an entity based in North Dakota which is experienced in and capable of delivering gambling disorder education, prevention, awareness, crisis intervention, rehabilitation, financial counseling, and mental health treatment services as defined by the department of health and

human services. The term "gambling disorder" means a chronic, progressive disease that is characterized by a preoccupation with gambling, loss of control over gambling behaviors, and oftentimes disregard for the negative consequences as a result of gambling. Gambling disorder includes gambling behavior that compromises, disrupts, or damages personal, family, or vocational pursuits.

50-06-22. Gambling disorder prevention and treatment fund - Continuing appropriation.

Funds deposited in the gambling disorder prevention and treatment fund under section 53-12.1-09 are appropriated to the department on a continuing basis for the purpose of providing the services under section 50-06-21.

50-06-23. Placement of children - Least restrictive care.

Repealed by S.L. 2017, ch. 353, § 10.

50-06-24. Guardianship services.

The department may create and coordinate a unified system for the provision of guardianship services to vulnerable adults who are ineligible for developmental disabilities program management services. The system must include a base unit funding level at the same level as developmental disability corporate guardianship rates, provider standards, staff competency requirements, and guidelines and training for guardians. The department shall adopt rules for guardianship services to vulnerable adults which are consistent with chapters 30.1-26, 30.1-28, and 30.1-29.

50-06-25. Biennial report on programs and services.

Expired under S.L. 2005, ch. 411, § 3.

50-06-26. Alternatives-to-abortion program.

1. As used in this section, "support services" includes medical services and post-abortion services.
2. The department shall establish and maintain an alternatives-to-abortion program that disburses funds to nongovernmental entities that provide services that promote childbirth instead of abortion by providing information, counseling, support services, and material assistance to pregnant women, women who believe they may be pregnant, and parents or other relatives caring for children twelve months of age or younger.
3. The department, in consultation with a nongovernmental entity that provides alternatives-to-abortion services, shall contract to inform the public about this program.
4. A religious organization receiving disbursements under the alternatives-to-abortion program may retain its independence from state and local governments, including the organization's control over the definition, development, practice, and expression of its religious beliefs.
5. The department may not require a religious organization to alter its form of internal governance, or remove religious art, icons, scripture, or other symbols as a condition to receiving disbursements from the alternatives-to-abortion program.
6. If an individual receiving services under the alternatives-to-abortion program has an objection to the religious character of the entity providing alternatives-to-abortion services, the department shall, within a reasonable period of time after the date of the objection, make reasonable efforts to provide the individual with assistance of an equal value from an alternative provider accessible to the individual.
7. Except as otherwise provided by law, a religious organization may not discriminate against an individual in regard to providing alternatives-to-abortion services on the basis of religion, religious belief, or refusal to actively participate in religious practice.

8. If a religious organization segregates funds received from the alternatives-to-abortion program into a separate account, then only the account in which funds were deposited may be subject to an audit by the state.
9. Funds from the alternatives-to-abortion program may not be used for religious worship, instruction, or proselytization.

50-06-27. Prescription drug monitoring program.

Repealed by S.L. 2007, ch. 212, § 2.

50-06-28. Substance abuse treatment pilot program.

Expired under S.L. 2005, ch. 414, § 4.

50-06-29. Application for aging and disability resource center funding.

The department shall operate an aging and disability resource center for the state. The resource center will be a single point of information program at the community level which will help people make informed decisions about the full range of long-term care service and support options, including both institutional and home and community-based care, and which will provide unbiased information and assistance to individuals needing either public or private resources, to professionals seeking assistance on behalf of their clients, and to individuals planning for their future long-term care needs. The resource center must be free from a conflict of interest which would inappropriately influence or bias the actions of a contractor, staff member, board member, or volunteer of the resource center to limit the information given to a consumer to steer the consumer to services that may also be provided by the resource center.

50-06-30. Interagency agreement between the department of health and human services and the department of corrections and rehabilitation.

The commissioner of the department or commissioner's designee and the director of the department of corrections and rehabilitation may amend the interagency agreement entered under this section which became effective August 1, 2007. The amended agreement must provide that the department of corrections and rehabilitation shall train, consult, and assist the department of health and human services with the provision and enforcement of safety and security procedures at the state hospital for all patients at the state hospital, including those committed to the state hospital under chapter 25-03.1 or placed at the state hospital for evaluation or civil commitment and treatment under chapter 25-03.3 and for all staff, visitors, and volunteers at the state hospital. The amended interagency agreement must provide that the commissioner of the department or commissioner's designee shall continue to be responsible for the custody and care of patients at the state hospital, including those committed to the state hospital under chapter 25-03.1 or placed at the state hospital for evaluation or civil commitment and treatment under chapter 25-03.3, including responsibility for all assessments, evaluations, and treatment required under chapter 25-03.3, the provision of all necessary staffing, including maintenance staff, and the provision of all daily care and health care.

50-06-31. Report to legislative council - Individuals committed to state hospital.

Before March first of each even-numbered year, the department shall report to the legislative council on services provided by the department of corrections and rehabilitation relating to individuals at the state hospital who have been committed to the care and custody of the commissioner of the department or commissioner's designee.

50-06-32. Autism spectrum disorder task force - Appointment - Duties - Annual reports.

Repealed by S.L. 2023, ch. 69, § 3.

50-06-32.1. Autism spectrum disorder voucher program pilot project - Legislative management report - Appeal.

Repealed by S.L. 2023, ch. 44, § 39.

50-06-33. Dementia care services.

As used in this section, "client" means an individual with symptoms in alignment with mild cognitive impairment or dementia and the individual's caregivers. The department shall contract with a private provider for a dementia care services program in each area of the state served by a state-operated behavioral health clinic. The dementia care services must include:

1. Providing information to medical professionals, law enforcement, first responders, public health officials, and the public regarding:
   a. The symptoms of Alzheimer's disease and related dementia;
   b. The benefits of early detection and diagnosis;
   c. Availability of treatments;
   d. Research opportunities; and
   e. Available services;
2. Providing consultation services to assess biological, psychological, social, emotional, and spiritual needs;
3. Facilitating the referral of clients; and
4. Offering on demand training to direct care providers to manage and provide for the care of individuals with symptoms in alignment with mild cognitive impairment or dementia.

50-06-34. Program for services to transition-aged youth at risk - Definition - Rules - Continuing appropriation.

1. The department shall develop, within current appropriations, a program for services to transition-aged youth at risk. The department shall use a wraparound planning process. The department shall adopt rules to establish eligibility, services, and a distinct statewide interagency advisory council on transition-aged youth at risk, with youth and family representation, and with regional subcommittees. For the purposes of this section, "transition-aged youth" means children and young adults at risk due to:
   a. Deprivation or other activities resulting in youth being involved with the foster care or juvenile justice system;
   b. Serious mental illness or serious disabilities that do not qualify the youth for developmental disabilities program management; or
   c. Suicidal tendencies.
2. Services under the program must include:
   a. Individualized assessments to determine the needs and appropriate services to individual transition-aged youth at risk;
   b. Single plan of care to coordinate services among available service systems, emphasizing existing case management resources;
   c. Independent living skills, including self-advocacy training;
   d. Enhanced or extended vocational rehabilitation, including transition from education to employment and from secondary education to higher education;
   e. In-home support, including mentors, individual and family training, and access to respite care; and
   f. Development of a statewide independent living skills curriculum for youth and families.
3. Services to an individual youth must be appropriate to that individual and need not include all services of the program.
4. The department may accept and receive grants and other sources of funding for the development of a program for services to transition-aged youth at risk. All moneys received by the department as gifts, grants, or donations for the development of a program for services to transition-aged youth at risk under this section are appropriated on a continuing basis to the department.

50-06-35. Department food assistance contracts.

The department shall contract with a statewide charitable food recovery and distribution organization to develop and implement new methods of delivering charitable food assistance services in underserved counties, to include a mobile food pantry program and prepacked food

basket program; expand the recovery of surplus food from the retail and wholesale food industry for distribution to charitable feeding programs; provide training, technical assistance, and equipment grants to community food pantries and emergency meal programs; and develop a cross-referral system between charitable feeding programs and government assistance programs that help clients achieve self-sufficiency.

50-06-36. Developmental disability provider review.

Repealed by S.L. 2017, ch. 331, § 14.

50-06-36.1. Regional crisis support services for individuals with an intellectual or developmental disability.

The department shall establish regional crisis support services for individuals with an intellectual or developmental disability. The regional crisis support services teams shall provide timely crisis assistance to individuals with an intellectual or developmental disability.

50-06-37. Developmental disabilities system reimbursement project.

The department, in conjunction with developmental disabilities community providers, shall maintain a prospective payment system based on a state-approved assessment.

1. The department shall maintain a steering committee consisting of no more than eighteen representatives from all interested providers which must include no more than two clients, no more than one family member of a client, a representative of the department, and a representative of the North Dakota protection and advocacy project.
2. The department may contract with a consultant to continuously improve, in collaboration with the steering committee, the payment system and the resource allocation model tying funding to the state-approved assessment.
3. The department shall conduct the standardized assessment of eligible individuals residing at the life skills and transition center.
4. Data must be analyzed by the steering committee, and the steering committee shall recommend to the department any rate adjustments, resource allocation modifications, or process assumptions, including the state-approved assessment.
5. The department and the steering committee shall report development activities and status information to an interim legislative committee.

50-06-38. Review and limitation.

Intermediate care facility providers shall submit all facility construction or remodeling proposals to the department prior to enactment of a contract for the completion of the project. The department shall review all intermediate care facility construction or remodeling proposals and may limit allowable construction and remodeling costs to ensure the costs are reasonable and appropriate.

50-06-39. Expedited ratesetting process - Nursing and basic care facilities.

Repealed by S.L. 2017, ch. 331, § 14.

50-06-40. Medication therapy management program.

1. The department shall establish a medication therapy management program available to Medicaid-eligible individuals in the medical and hospital benefits coverage group. The purpose of the medication therapy management program is to coordinate health care and improve the health of individuals in the identified health populations and to manage health care expenditures.
2. The department may involve physicians, pharmacists, and other health professionals in the program. Any physicians, pharmacists, and other health professionals who provide face-to-face or telephonic medication therapy management services to covered individuals in the identified health population are entitled to reimbursement.
3. The department may request the assistance of the North Dakota pharmacists association or a specified delegate to implement a formalized medication therapy

program. This program must facilitate enrollment procedures, provide standards of care, enable consistent documentation of clinical and economic outcomes, and structure an outcomes reporting system.

50-06-41. Behavioral health services quarterly report.

The department shall publish a quarterly report of all behavioral health services provided by or supported by the department. The report must include each type of behavioral health service, the number of clients served for each service, and the amount of state and federal funds budgeted and spent for each service. Data must be identified for behavioral health services by human service region and by mental health services provided to children, mental health services provided to adults, and substance abuse services.

50-06-41.1. Peer support certification.

The behavioral health division shall establish and implement a program for the certification of peer support specialists. In developing the program, the division shall:

1. Define a peer support specialist;
2. Establish eligibility requirements for certification;
3. Establish application procedures and standards for the approval or disapproval of applications for certification;
4. Enter reciprocity agreements with other states as deemed appropriate to certify nonresident applicants registered under the laws of other states having requirements for peer support specialists; and
5. Establish continuing education and certification renewal requirements.

50-06-41.2. Community behavioral health program.

1. The department of health and human services shall establish and implement a community behavioral health program to provide comprehensive community-based services for individuals who have serious behavioral health conditions.
2. In developing the program, the department shall:
   a. Establish a referral and evaluation process for access to the program.
   b. Establish eligibility criteria that includes consideration of behavioral health condition severity.
   c. Establish discharge criteria and processes.
   d. Develop program oversight and evaluation processes that include outcome and provider reporting metrics.
   e. Establish a system through which the department:
      (1) Contracts with and pays behavioral health service providers.
      (2) Supervises, supports, and monitors referral caseloads and the provision of services by contract behavioral health service providers.
      (3) Requires contract behavioral health service providers to accept eligible referrals and to provide individualized care delivered through integrated multidisciplinary care teams.
      (4) Provides payments to contract behavioral health service providers on a per-month per-referral basis based on a pay-for-performance model that includes consideration of identified outcomes and the level of services required.

50-06-41.3. Behavioral health bed management system.

1. The department shall establish and maintain a behavioral health bed management system to improve utilization of behavioral health bed capacity.
2. Public and private providers of residential or inpatient behavioral health services, except the department of corrections and rehabilitation and geropsychiatric facilities, shall participate in and report daily.
3. Geropsychiatric facilities shall participate in and report weekly and within forty-eight hours of a bed becoming available.

4. Public and private providers of residential or inpatient behavioral health services required to participate in and report to the department shall provide the information and documentation necessary to maintain the behavioral health bed management system in the form and manner prescribed by the department, unless otherwise specified.

50-06-41.4. Certified community behavioral health clinics - Rules.

1. To operate in this state, a certified community behavioral health clinic must be certified by the department.
2. The department shall adopt rules for the certification of community behavioral health clinics, including assessment of need in the proposed location.
3. The department may deny a request to become or revoke a certified community behavioral health clinic's certification based on failure to comply with the rules adopted by the department or deny a request to become a certified community behavioral health clinic based on the assessment of need determination.

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

1. The department shall establish and administer, within the limits of legislative appropriations, a voucher system to address underserved areas and gaps in the state's substance abuse treatment system and to assist in the payment of addiction treatment services and medical costs provided by licensed substance abuse treatment programs, excluding state-operated behavioral health clinics and hospital- or medical clinic-based programs for medical management of withdrawal. An out-of-state licensed substance abuse treatment program located within a bordering state may participate in the voucher program to serve an underserved area of this state pursuant to the rules adopted by the department. The department shall develop rules to include processes and requirements for an out-of-state provider to receive reimbursement only for outpatient and community-based services upon a provider completing an assessment of need and receiving approval from the department.
2. Services eligible for the voucher program include only those levels of care recognized by the American society of addiction medicine, with particular emphasis given to underserved areas and programs. The department shall ensure that a licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers collects and reports process and outcome measures.
3. The department shall develop requirements and provide training and technical assistance to a licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers. A licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers shall provide evidence-based services.
4. The department shall allocate funding appropriated for the substance use disorder treatment voucher as follows:
    a. Except as provided in subdivisions c and d, no more than fifty percent of the appropriated amount may be allocated for residential substance use disorder services administered by licensed substance abuse treatment programs with more than sixteen beds.
    b. The remaining appropriation must be allocated for residential programs with sixteen or fewer beds, nonresidential outpatient, and ancillary substance use disorder services administered by licensed substance abuse treatment programs.
    c. The department, during the last quarter of the biennium, may reallocate projected unused funds that were allocated under subdivision b to residential facilities outlined in subdivision a.
    d. The department may reimburse a licensed substance abuse treatment program with more than sixteen beds the incurred direct medical costs of an eligible individual who does not have resources to cover the medical costs. The department may develop rules and may not exceed the total amount appropriated for medical cost reimbursement.

50-06-42.1. Substance use disorder treatment voucher system grants. (Expired effective July 1, 2027)

1. A licensed substance abuse treatment program, excluding state-operated behavioral health clinics and hospital or medical clinic-based programs for medical management of withdrawal, may apply for a competitive substance use disorder treatment voucher system grant. A licensed substance abuse treatment program is eligible for a one-time grant award. To receive a grant, a licensed substance abuse treatment program shall:
   a. Submit an application in the form and manner prescribed by the department;
   b. Enter a grant agreement with the department;
   c. Use grant funds for a licensed substance abuse treatment program with fewer than seventeen beds in an underserved area, as determined by the department, in the state's substance abuse treatment system;
   d. Use the grant funds to support the provision of substance use disorder treatment in underserved areas of the state's substance abuse treatment system;
   e. Provide and disclose information needed to comply with the department's data collection requirements; and
   f. Operate in compliance with grant requirements.
2. The department, within legislative appropriations, may distribute up to two grants under this section to licensed substance abuse treatment programs.
3. The department may recapture grant funds distributed to a licensed program found by the department to be out of compliance with the requirements established by the grant program, including ending or reducing the operation of the substance use disorder treatment services in the underserved area.
4. The department may not collect property, equipment, or supplies purchased with grant funds from the licensed substance abuse treatment program after successful completion of the terms of the grant.
5. The grant term must be for five years.

50-06-43. Task force on children's behavioral health - Membership - Duties - Reports to governor and legislative management.

Repealed by S.L. 2019, ch. 394, § 5.

50-06-43.1. Children's cabinet - Membership - Duties - Report.

Repealed by S.L. 2025, ch. 480, § 2.

50-06-43.2. Commission on juvenile justice - Reports.

Repealed by S.L. 2021, ch. 363, § 2.

50-06-44. Alcohol and drug education program - Rules - Fees.

1. The department shall adopt rules for an evidence-based alcohol and drug education program for individuals who violate section 5-01-08 or 39-08-01, or equivalent ordinances, or subparagraph a of paragraph 1 of subdivision d of subsection 7 of section 19-03.1-23. The rules must allow for the program provider to charge a fee to a participant in the program.
2. The department shall adopt rules for an evidence-based alcohol and drug education program certification.

50-06-45. North Dakota legislative health care task force - Duties - Membership - Legislative management report.

There is created a North Dakota legislative health care task force. The task force shall meet at least once each quarter and may request, obtain, review, and analyze information relating to North Dakota health care, including data, reports, audits, and other information as requested by the task force. The department of health and human services shall provide staff services for the task force. The task force shall submit a report of its activities and any recommendations to improve health care in the state to the legislative management by October first of each year.

The chairman of the task force must be a member of the legislative assembly appointed by the chairman of the legislative management. The chairman of the task force may invite guests to participate in task force activities. The task force consists of the following members:

1. The chairman of the house appropriations committee human resources division, or the chairman's designee;
2. The chairman of the senate appropriations committee human resources division, or the chairman's designee;
3. The chairman of the house human services committee, or the chairman's designee;
4. The chairman of the senate human services committee, or the chairman's designee;
5. One member of the house of representatives as appointed by the house minority leader;
6. One member of the senate as appointed by the senate minority leader;
7. The commissioner of the department of health and human services, or the commissioner's designee;
8. Two members of the department of health and human services, including the state health officer and one member appointed by the commissioner of the department of health and human services;
9. One member from the governor's office, appointed by the governor;
10. The insurance commissioner, or the insurance commissioner's designee;
11. Two members to represent the North Dakota health insurance industry;
12. One member of the public, appointed by an organization that represents North Dakota businesses;
13. One member appointed by the Indian affairs commissioner to represent tribal health care;
14. One member from a North Dakota association that represents physicians;
15. Five members from a North Dakota association that represents hospitals, of which:
    a. Two members must represent rural hospitals, including one representative of a hospital in a city with a population of ten thousand or more and one representative of a hospital in a city with a population under ten thousand;
    b. Two members must represent urban hospitals, including one representative of an independent hospital and one representative of an integrated health care system; and
    c. One member must represent a psychiatric hospital; and
16. Any other members appointed by the chairman of legislative management.

50-06-46. Cross-disability advisory council - Appointment - Duties. (Expired effective August 1, 2027)

1. The cross-disability advisory council shall participate with and provide feedback to the department regarding the implementation, planning, and design of the cross-disability children's waiver, level of care reform for the comprehensive developmental disabilities Medicaid home and community-based waiver, and a service option that will allow payment to a legally responsible individual who provides extraordinary care to an eligible individual through the Medicaid 1915(c) waivers. This subsection does not apply to the Medicaid 1915(c) home and community-based services aged and disabled waivers.
2. The department shall contract with a qualified, independent third party to facilitate and provide support services to the council. The contracted facilitator and the department shall appoint the cross-disability advisory council members in accordance with subsection 3 and establish the length of member terms and the structure of the cross-disability advisory council. A representative from the contracted facilitator shall serve as the presiding officer of the advisory council.
3. The cross-disability advisory council consists of fifteen voting members who represent a broad range of disabilities and regions of the state. The members are:
    a. Two individuals with a disability, who receive Medicaid home and community-based services;

b. One individual with a developmental disability or who is Medicaid qualified, who does not receive Medicaid home or community-based services;
c. Seven individuals that work with individuals with disabilities, individuals with behavioral health needs, or individuals with fetal alcohol spectrum disorder;
d. One individual representing tribal communities, with a focus on disability services;
e. Two individuals who are parents or guardians of children under the age of eighteen with disabilities; and
f. Two individuals who are parents or guardians of individuals age eighteen or over with disabilities.

4. Upon request of the department, state agency representatives shall participate with the cross-disability advisory council in a nonvoting role.
5. The cross-disability advisory council shall meet at least quarterly and may appoint subcommittees to address specific topics or disabilities, which may include autism spectrum disorder, traumatic brain injury, and fetal alcohol spectrum disorder. A majority of the voting members of the council constitutes a quorum.
6. The cross-disability advisory council shall:
   a. Discuss strategies to address gaps or needs regarding individuals with disabilities and Medicaid home and community-based services, including eligibility of legally responsible individuals;
   b. Provide for the active participation of stakeholders, including consumers and providers; and
   c. Receive information from the department and its consultants.
7. The cross-disability advisory council members, excluding the contracted facilitator, are entitled to reimbursement from the department for travel and lodging at the same rate as provided for state officers and employees.

50-06-47. Pay for success fund - Continuing appropriation - Report to legislative management.

1. There is created in the state treasury the pay for success fund. The fund consists of all transfers to the fund and fund earnings. Moneys in the fund are appropriated to the department of health and human services on a continuing basis for defraying the expenses associated with a pay for success program developed by the department. The department shall develop the program with outcomes focused on improving educational, social, or emotional achievement of at-risk children, improving the health of children, and increasing participation in the workforce by individuals who qualify for government assistance.
2. The pay for success program may include a performance-based grant, contract, or other agreement for initiatives to improve outcomes that result in increased public value and social benefits, including improved outcomes, cost-savings, increased public revenue, or minimal administrative requirements.
3. The pay for success program must include the following:
   a. A provision that a bonus payment may be provided to the recipient of the grant, contract, or agreement to expand capacity for a proposed initiative;
   b. A provision that a bonus payment may be provided to the recipient of the grant, contract, or agreement only after a twenty-percent cost reduction has been achieved;
   c. A provision that a bonus payment may not exceed half of the cost reduction;
   d. A formal evaluation to determine whether the program has met its proposed outcomes; and
   e. An annual report to the legislative management on the progress of the program.
4. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.
5. All moneys designated for the fund from whatever source derived must be deposited by the state treasurer in the pay for success fund. The state treasurer shall invest moneys in the fund in interest-bearing accounts as is designated by the department of health and human services and the interest earned must be retained in the fund. The

state treasurer shall apply the prudent investor rule in investing the moneys in the fund. The commissioner of the department of health and human services or the director's designee shall administer the fund.