

**FISCAL NOTE**  
**Requested by Legislative Council**  
**12/23/2016**

Amendment to: HB 1136

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>						
<b>Appropriations</b>						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1136 revises North Dakota Century Code for statutory updates relating to the responsibilities of the Department. Section 13 of the bill requires the department to establish and administer a voucher system to address underserved areas and gaps in the state's substance abuse treatment system.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

No fiscal impact.

Section 9 - This requirement previously indicated that DHS issue an RFP prior to January 1, 2006, which was completed. The Department, in 2017 SB2039 is proposing to remove the sentence, "Before January 1, 2006, the department of human services shall issue a request for proposal for the provision of residential treatment services to meet the needs of youth with a history of sexual offenses within the state and explore options of therapeutic foster care for those youth who would benefit from this service level." as the RFP was issued prior to January 2006, and currently the volume of juvenile sex offenders is low and even lower for those requiring specialized sex off residential care.

Section 13 related to a substance abuse voucher system has no fiscal impact as it was implemented July 1, 2016 based upon 2015 SB2048 and the funding to continue the voucher is included in the Department's 17-19 Executive Budget HB1072.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

**Name:** Jennifer Scheet

**Agency:** Dept of Human Services

**Telephone:** 701-328-4608

**Date Prepared:** 01/04/2017

**FISCAL NOTE**  
**Requested by Legislative Council**  
**12/23/2016**

Bill/Resolution No.: HB 1136

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>						
<b>Appropriations</b>						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1136 revises North Dakota Century Code for statutory updates relating to the responsibilities of the Department. Section 13 of the bill requires the department to establish and administer a voucher system to address underserved areas and gaps in the state's substance abuse treatment system.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

No fiscal impact.

Section 9 - This requirement previously indicated that DHS issue an RFP prior to January 1, 2006, which was completed. The Department, in 2017 SB2039 is proposing to remove the sentence, "Before January 1, 2006, the department of human services shall issue a request for proposal for the provision of residential treatment services to meet the needs of youth with a history of sexual offenses within the state and explore options of therapeutic foster care for those youth who would benefit from this service level." as the RFP was issued prior to January 2006, and currently the volume of juvenile sex offenders is low and even lower for those requiring specialized sex off residential care.

Section 13 related to a substance abuse voucher system has no fiscal impact as it was implemented July 1, 2016 based upon 2015 SB2048 and the funding to continue the voucher is included in the Department's 17-19 Executive Budget HB1072.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

**Name:** Jennifer Scheet

**Agency:** Dept of Human Services

**Telephone:** 701-328-4608

**Date Prepared:** 01/04/2017

**2017 HOUSE HUMAN SERVICES**

**HB 1136**

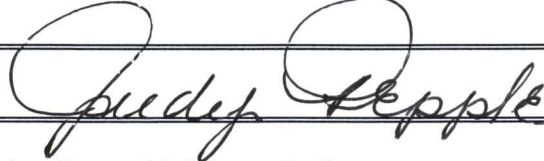
# 2017 HOUSE STANDING COMMITTEE MINUTES

**Human Services Committee**  
Fort Union Room, State Capitol

House Bill 1136  
1/9/2017  
26694

- Subcommittee  
 Conference Committee

Committee Clerk Signature



**Explanation or reason for introduction of bill/resolution:**

relating to substance use disorder treatment voucher system; relating to departmental updates for statutory consistency, technical corrections, powers and duties of the department, department structure, program activities, regional human service centers, leases, and aging and disability resource center funding; relating to office and equipment, developmental disability provider review, expedited rate setting process, and coordinating services for pregnant women; and to declare an emergency

**Minutes:**

1,

**Chairman Weisz:** called the committee to order.

**Chairman Weisz:** We will open the hearing for HB 1136  
Is there any testimony in support of HB 1136?

**Jonathan Alm,** Attorney with Dept. of Human Services  
(Attachment 1) :45

07:15

**Chairman Weisz:** For this amendment, the residential child care facility would?

**J. Alm:** What the amendment would do is replace it with residential approved by the department.

**Chairman Weisz:** The question I have is why the need for the emergency clause?

**J. Alm:** The emergency clause is for the substance abuse voucher program.

**Chairman Weisz:** Questions from the committee?

**Chairman Weisz:** In the repeal section where you are repealing the expedited rate setting process. Why don't we need that one anymore?

**J. Alm:** It was inserted in 2013 just for that period.

**Representative Porter:** In section 13 is there somewhere already defined what under served areas in gap carriers are? If someone goes into West Central Human Services and they are

told they will get them in in 3 weeks, is that underserved or a gap. Or is that normal business and a voucher would be given?

**J. Alm:** I might have Pam Sagness come up and speak. I know we do have legislative rules for the voucher program.

**Pam Sagness,** Dept. of Human Services

They would receive a voucher as long as they met the criteria that was established in rules. There were several things that were identified during the last session.

**Representative Porter:** Is it possible for us to get a copy of your rules related to that for the definition component so we can see that?

**P. Sagness:** Yes

**Chairman Weisz:** Further questions from the committee?  
If not, is there any further testimony in support of HB 1136?

**Chairman Weisz:** Any one in opposition to HB 1136.

Close the hearing on HB 1136

Committee work

Does the committee need time on this one?

**Representative Porter:** I would just like to review the voucher to be sure it is working the way we had intended it to.

**Chairman Weisz:** I am not sure who can answer that. It might even be for Maggie Anderson. When we pasted the voucher in 11/15.

Ok we will table this one for now.

**Representative P. Anderson:** Can I ask Maggie how the program is working?

**P. Sagness:** The voucher program actually started in July of this last year. As of last week we had 48 individuals that had accessed the voucher. The majority right now of the providers right now are the licensed treatment providers. The majority of the 48 individuals are from the urban areas and the majority of the treatment has been through Heartview. We have some transportation issues for them to access treatment. Those in residential treatment centers go home and then have difficulty accessing services. That's another way they use the voucher for transportation. Meeting with the providers they identified problems such as large deductibles and the transportation issues.

**Chairman Weisz:** So why aren't the rural providers getting on board?

**P. Sangness:** The majority of our providers in the rural areas are one person providers and they work for cash. They are not used to billing. It's different for them to know what kind of codes to use, how they would bill. They are concerned about filling out paperwork and how that would just be more difficult than their current operations are. We do have a few providers that are a one man shop, in general the service they provide is covered which is evaluation. Often these are court ordered, so they have to pay that. They are concerned about the administrative costs and the time that it will takes to submit a bill once you request the service.

**Chairman Weisz:** So the voucher still may not cure our problem in the rural areas. It looks like some of the barriers are still going to be there. Like finding a provider which we were hoping the voucher would help.

**P. Sangness:** If I may add I think that being able to access technology will be key in some of those rural areas. Like Heartview will be available to assist them.

**Chairman Weisz:** Any more questions?

Adjourn for the day.



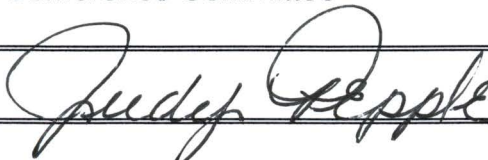
# 2017 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee  
Fort Union Room, State Capitol

1136  
1/11/2017  
26796

- Subcommittee  
 Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to substance use disorder treatment voucher system; relating to departmental updates for statutory consistency, technical corrections, powers and duties of the department, department structure, program activities, regional human service centers, leases, and aging and disability resource center funding; relating to office and office equipment, developmental disability provider review, expedited ratesetting process, coordinating services for pregnant women and to declare an emergency

## Minutes:

**Chairman Weisz:** The chair will entertain a motion.

There are amendments. Does everyone have a copy of the amendments?  
Where they added residential child care facility.

HB 1136 with ammendments

**Representative Porter:** Move to adopt amendments to HB 1136

**Chairman Weisz:** Is there a second?

**Representative Westlind:** seconded the motion.

**Chairman Weisz:** any further discussion on the amendment?

Voice vote to pass amendments  
Motion carried amendments adopted.

**Chairman Weisz:** We have an amended bill in front of us.  
What are the committee's wishes?

**Representative Seibel:** I make a motion for do pass as amended on HB1136

**Representative P. Anderson:** second

**Chairman Weisz:** Any discussion on HB 1136?  
Seeing none, the clerk will call the roll for a do pass as amended on HB 1136

Roll call vote taken

Motion carried to do pass as amended 14 yes 0 no

**Chairman Weisz:** Are there any volunteers to carry this bill.

**Representative Westlind:** Will carry the bill.

17.8080.01001  
Title.02000

Adopted by the Human Services Committee

January 11, 2017

*One 1/11/17*

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1136

Page 7, line 4, after the comma insert "which is"

Page 7, line 5, after "agency" insert "or residential child care facility"

Page 7, line 5, after "and" insert "which is"

Renumber accordingly

Date: 1-11-17  
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1136**

House Human Services Committee

Subcommittee

Amendment LC# or Description: 17.8080.01001 Title 02000

- Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Rep. Porter    Seconded By Rep. Westlind

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz			Rep. P. Anderson		
Vice Chairman Rohr			Rep. Schneider		
Rep. B. Anderson					
Rep. D. Anderson					
Rep. Damschen					
Rep. Devlin					
Rep. Kiefert					
Rep. McWilliams					
Rep. Porter					
Rep. Seibel					
Rep. Skroch					
Rep. Westlind					

*voice vote carried*

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Date: 1-11-17  
Roll Call Vote #: 2

2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1136

House Human Services Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar  
Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Rep. Seibel Seconded By Rep. P. Anderson

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	✓		Rep. P. Anderson	✓	
Vice Chairman Rohr	✓		Rep. Schneider	✓	
Rep. B. Anderson	✓				
Rep. D. Anderson	✓				
Rep. Damschen	✓				
Rep. Devlin	✓				
Rep. Kiefert	✓				
Rep. McWilliams	✓				
Rep. Porter	✓				
Rep. Seibel	✓				
Rep. Skroch	✓				
Rep. Westlind	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Westlind

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**HB 1136: Human Services Committee (Rep. Weisz, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1136 was placed on the Sixth order on the calendar.

Page 7, line 4, after the comma insert "which is"

Page 7, line 5, after "agency" insert "or residential child care facility"

Page 7, line 5, after "and" insert "which is"

Renumber accordingly

2015 SENATE HUMAN SERVICES

HB 1136

# 2017 SENATE STANDING COMMITTEE MINUTES

Human Services Committee  
Red River Room, State Capitol

HB 1136  
2/21/2017  
Job Number 28524

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*W. Lee* for *Marne Johnson*

## Explanation or reason for introduction of bill/resolution:

A bill relating to substance use disorder treatment voucher system, relating to departmental updates for statutory consistency, technical corrections, powers and duties of the department, department structure, program activities, regional human service centers, leases, and aging and disability resource center funding; to repeal sections relating to office and office equipment, developmental disability provider review, expedited rate setting process, coordinating services for pregnant women; and to declare an emergency.

Minutes:

Testimony attached #

1 Attachment

**Chair J. Lee** opened the public hearing on HB 1136. All members were present.

**Johnathon Alm, Attorney, Department of Human Services**, introduced and testified in support of the bill. (see attachment 1)

**Senator Anderson:** On page 11-12 of the bill, case management was changed to program. Why was the term changed in these instances?

**Mr. Alm:** Each program division director looked to make sure what they are using in the program and out in the field matches up with our statute says. Those changes were made to reflect the changes in the practices.

**Chair J. Lee:** What changes were made in the House?

**Mr. Alm:** The House accepted an amendment that the department presented before, which was to add transitional living to allow RCCS to provide those services of those who were holding a different license.

**Chair J. Lee:** So you enhanced your own language?

**Mr. Alm:** Correct.

**No opposition or neutral testimony.**



**V-Chair Larsen:** They're talking about changing the Breath North Dakota funding, is that funding interested in going to any of these programs?

**Maggie Anderson, Department of Human Services,** answered the question:

In the executive budget request there was funding proposed to be used from the Tobacco Trust Fund – 15 million dollars. That would replace the general fund in Medicaid grants. Then there was about 1.7 million that would fund an optional adjustment request to establish Medicaid Opioid Treatment Program. That amount was reduced by the House through their amendments. So we still have close to 16 million dollars going to the Senate that would use the Tobacco Trust Fund to fund Medicaid services. In addition to that, tobacco cessation for the pregnant women is a Medicaid state plan serviced today, and that is Medicaid funded. That 15 million dollars was to replace the general fund in the department's budget.

**V-Chair Larsen:** Can you break down the 15 million that is going to Medicaid and the part that's going to Medicaid expansion?

**Maggie Anderson:** All of the 15 million is going to Medicaid. None of it is going toward the Medicaid expansion.

**Senator Heckaman:** On the first page of Mr. Alms testimony on the bottom of the one paragraph, it says they are adding children's health insurance, Medicaid waivers, and autism to the Departments Administration of Medical Service Programs. What division were they in before?

**Maggie Anderson:** I don't believe that we hadn't identified a division when we started the autism services waiver and then the voucher. So they are a part of the division and the children's health insurance program was not specifically identified. So we had not identified all of those things within medical services

**Chair J. Lee:** If we see that the bill shifts the financial responsibilities for county social services and moves it to the state, how does that affect what we're talking about in some of these areas? Will we be looking at another amendment?

**Maggie Anderson:** There could be some tweaks next time, but the shifting of the finance should be contained in 2206. There could be changes over time, but the department has prepared an amendment and I believe it was adopted with Senate Human Services.

**Chair J. Lee:** So we wouldn't see any barriers to that happening from this or vice versa?

**Maggie Anderson:** No you shouldn't.

**Senator Kreun** motioned Do Pass. V-Chair Larsen seconded.

A Roll Call Vote was taken. Yea: 7 Nay: 0 Absent: 0.  
The motion carried.

**Senator Anderson** carried the bill.

Date: 2/21 2017

Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1136

Senate Human Services Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

- Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar
- Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By sen. Kreun Seconded By sen. Larsen

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	X		Senator Joan Heckaman	X	
Senator Oley Larsen (Vice-Chair)	X		Senator Merrill Piepkorn	X	
Senator Howard C. Anderson, Jr.	X				
Senator David A. Clemens	X				
Senator Curt Kreun	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Anderson

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**HB 1136, as engrossed: Human Services Committee (Sen. J. Lee, Chairman)**  
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
Engrossed HB 1136 was placed on the Fourteenth order on the calendar.

**2017 TESTIMONY**

**HB 1136**

HB 1136  
Att. 1  
1-9-17

**Testimony**  
**House Bill Number 1136 - Department of Human Services**  
**House Human Services Committee**  
**Representative Robin Weisz, Chairman**  
**January 9, 2017**

Chairman Weisz, and members of the House Human Services Committee, I am Jonathan Alm, an attorney with the Department of Human Services (Department). I appear before you to support House Bill 1136, which was introduced on behalf of the Department.

The Department recognizes the Interim Human Services Committee has introduced Senate Bill 2039 that also proposes changes to chapter 50-06. However, this bill is a comprehensive review of the entire chapter and was initiated by the Department after the 2015 legislative session before the Department knew the direction of the Interim Human Services Committee's work.

The proposed changes in Sections 1 and 2 of the Bill update citations; amend the language used for the home energy assistance program, early childhood programs, adult foster care homes, and medical assistance. Changes in these sections also remove the matching fund program for city or county tax levies for senior citizen activities and services from the list of programs administered by the Department through its Aging Services Division as this program is administered by the Treasurer's office; and add children's health insurance program, medicaid waivers, and autism services to the Department's administration of medical service programs.

The proposed changes in Section 3 of the Bill replace "social legislation" with "human services related legislation" and remove "to inform the

public as to social conditions and ways of meeting social needs” to reflect the duties of the Department; update language used for early childhood programs; remove language regarding reports to be kept confidential for the use of the judge as confidentiality of court records are addressed in various court rules; and remove obsolete language regarding the Department’s duty to coordinate services for pregnant women. The Department provides various programs and services for pregnant women: medicaid coverage which includes all medicaid-funded services as well as targeted case management for high-risk pregnant women and tobacco cessation counseling; substance use counseling or mental health services; and third trimester TANF assistance. However, the Department does not coordinate services for pregnant women. Related to this proposed removal of “to coordinate services for pregnant women” is the proposed repeal of section 50-08.1-01 in Section 14 of this Bill. Based on the information received from the Department of Health, section 50-08.1-01 is largely duplicative with section 14-02.1-02.1 as those duties are being performed by the Department of Health.

The proposed changes in Section 4 of the Bill remove language regarding reimbursement for county social service board co-locating its offices with a regional human service center because this language is no longer needed.

The proposed changes in Section 5 of the Bill remove (1) “including health, mental health, education, manpower, social, food and nutrition, and housing service” as those services are either not performed by the human service center or could be included in the general definition of “human service” and (2) the statutory reference to the location of the human service centers as it is already addressed in section 50-06-05.2.

The proposed changes in Section 6 of the Bill establish that the regional director and medical director of the regional center are two separate personnel and updates the "qualified medical professional" definition.

The proposed changes in Section 7 of the Bill remove the exemption concerning child care services from the exemption of the lease at Life Skills and Transition Center (LSTC) resulting in a net economic gain for the Department and the need for consultation with the administrator of the state fire and tornado fund. All leases at the LSTC currently result in a net economic gain for the Department. The Department has also been notified that the administrator of the state fire and tornado fund has no need to consult the Department on lease renewals.

The proposed change in Section 8 of the Bill simply updates a citation.

The proposed changes in Section 9 of the Bill remove the requirement for the Department to issue a request for proposal before January 1, 2006, as the Department has satisfied this requirement and the time has passed.

The proposed changes in Sections 10 and 12 of the Bill simply update language by replacing "developmental disabilities case management" with "developmental disabilities program management".

The proposed changes in Section 11 of the Bill update and clarify language regarding the Department operating an aging and disability resource center (ADRC). The Department applied for federal funds prior to December 31, 2007, received funding, and carried out the directives.

During the 2009 legislative session House Bill 1476, which would have provided funding to continue development of the aging and disability resource center, failed to pass. Currently, the Department operates an ARDC and Older Americans Act funds are used to provide ADRC services.

The proposed changes in Section 13 of the Bill are to codify the substance abuse treatment voucher system to address underserved areas and gaps in the State's substance abuse treatment system. Section 4 of 2015 Senate Bill 2048 required the Department to establish and administer a voucher system, however it was not codified. The proposed changes include medical clinics and hospitals as substance abuse disorder voucher providers to allow for medical detoxification or withdrawal management which is only provided in medical facilities. This change will address an important need in the substance abuse system by improving access to services for those seeking recovery from a substance use disorder.

The proposed changes in Section 14 of the Bill repeal four sections as the sections are either outdated and no longer applicable, redundant, or being performed by another agency. The four repealed sections are: section 50-06-01.5, suitable office and office equipment; 50-06-36, developmental disability provider review; 50-06-39, expedited ratesetting process – nursing and basic care facilities; and 50-08.1-01, coordination of services for pregnant women.

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



Proposed Amendments to House Bill No. 1136

Page 7, line 5, after "agency" insert "or residential child care facility"

Renumber accordingly

**50-06-01.5. Office and office equipment.**

The department must be provided with suitable offices in the state capitol. The department may purchase through the office of management and budget, out of the funds appropriated, any furniture, office and filing equipment, office supplies, stationery, and postage necessary for the efficient conduct of department business.

**50-06-36. Developmental disability provider review.**

With respect to private providers for individuals with developmental disabilities, the department shall conduct a review of the audit and reimbursement process and a review and reconsideration of the ninety-five percent occupancy rule.

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

The department shall establish an expedited ratesetting process by which nursing and basic care facilities may request an increase in the established rate due to additional costs incurred by the facility for providing health insurance policies to the facility's employees, to the extent those costs are directly related to the facility's compliance with the federal Patient Protection and Affordable Care Act of 2010 [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-152]. The process must provide that to be approved for a rate adjustment that is reflected in the facility's January 1, 2014, rates, the facility must submit the adjustment request to the department by October 1, 2013.

**50-08.1-01. Coordination of services for pregnant women.**

The department shall:

1. Collect information concerning all existing private and public organizations in this state offering services to pregnant women who are experiencing problems in connection with their pregnancies due to medical, economic, social, or psychological factors. The information must be geographically indexed and designed to inform the woman of public and private agencies and services available to assist a woman through pregnancy, upon childbirth, and while the child is a dependent, including adoption agencies. This information must include the nature of the services offered, the conditions under which and the locations at which services are available, the service area covered, and the legal status and organizational structure of the organization.
2. Disseminate information collected under this subsection to all existing organizations offering services to pregnant women and to potential organizations desiring to offer such services. This information must be disseminated in such a manner that existing and potential organizations are assisted in their efforts to serve pregnant women.
3. Serve as a clearinghouse for information and advice on creating, administering, and maintaining an effective organization offering services to pregnant women.
4. Establish and widely advertise a statewide toll-free telephone number that persons may call to obtain information concerning organizations near them offering services to pregnant women, and in other ways disseminate information concerning organizations offering services to pregnant women.

**Testimony**  
**Engrossed House Bill 1136 - Department of Human Services**  
**Senate Human Services Committee**  
**Senator Judy Lee, Chairman**  
**February 21, 2017**

Chairman Lee, and members of the Senate Human Services Committee, I am Jonathan Alm, an attorney with the Department of Human Services (Department). I appear before you to support Engrossed House Bill 1136, which was introduced on behalf of the Department.

The Department recognizes the Interim Human Services Committee has introduced Senate Bill 2039 that also proposes changes to chapter 50-06. However, this bill is a comprehensive review of the entire chapter and was initiated by the Department after the 2015 legislative session before the Department knew the direction of the Interim Human Services Committee's work.

The proposed changes in Sections 1 and 2 of the Bill update citations; amend the language used for the home energy assistance program, early childhood programs, adult foster care homes, and medical assistance. Changes in these sections also remove the matching fund program for city or county tax levies for senior citizen activities and services from the list of programs administered by the Department through its Aging Services Division as this program is administered by the Treasurer's office; and add children's health insurance program, medicaid waivers, and autism services to the Department's administration of medical service programs.

The proposed changes in Section 3 of the Bill replace "social legislation" with "human services related legislation" and remove "to inform the

public as to social conditions and ways of meeting social needs” to reflect the duties of the Department; update language used for early childhood programs; remove language regarding reports to be kept confidential for the use of the judge as confidentiality of court records are addressed in various court rules; adds residential child care facility to the definition of “transitional living facility”; and remove obsolete language regarding the Department’s duty to coordinate services for pregnant women. The Department provides various programs and services for pregnant women: medicaid coverage which includes all medicaid-funded services as well as targeted case management for high-risk pregnant women and tobacco cessation counseling; substance use counseling or mental health services; and third trimester TANF assistance. However, the Department does not coordinate services for pregnant women. Related to this proposed removal of “to coordinate services for pregnant women” is the proposed repeal of section 50-08.1-01 in Section 14 of this Bill. Based on the information received from the Department of Health, section 50-08.1-01 is largely duplicative with section 14-02.1-02.1 as those duties are being performed by the Department of Health.

The proposed changes in Section 4 of the Bill remove language regarding reimbursement for county social service board co-locating its offices with a regional human service center because this language is no longer needed.

The proposed changes in Section 5 of the Bill remove (1) “including health, mental health, education, manpower, social, food and nutrition, and housing service” as those services are either not performed by the human service center or could be included in the general definition of

1136  
#1  
2/21

"human service" and (2) the statutory reference to the location of the human service centers as it is already addressed in section 50-06-05.2.

The proposed changes in Section 6 of the Bill establish that the regional director and medical director of the regional center are two separate personnel and updates the "qualified medical professional" definition.

The proposed changes in Section 7 of the Bill remove the exemption concerning child care services from the exemption of the lease at Life Skills and Transition Center (LSTC) resulting in a net economic gain for the Department and the need for consultation with the administrator of the state fire and tornado fund. All leases at the LSTC currently result in a net economic gain for the Department. The Department has also been notified that the administrator of the state fire and tornado fund has no need to consult the Department on lease renewals.

The proposed change in Section 8 of the Bill simply updates a citation.

The proposed changes in Section 9 of the Bill remove the requirement for the Department to issue a request for proposal before January 1, 2006, as the Department has satisfied this requirement and the time has passed.

The proposed changes in Sections 10 and 12 of the Bill simply update language by replacing "developmental disabilities case management" with "developmental disabilities program management".

The proposed changes in Section 11 of the Bill update and clarify language regarding the Department operating an aging and disability

1136  
#1  
2/21

resource center (ADRC). The Department applied for federal funds prior to December 31, 2007, received funding, and carried out the directives. During the 2009 legislative session House Bill 1476, which would have provided funding to continue development of the aging and disability resource center, failed to pass. Currently, the Department operates an ARDC and Older Americans Act funds are used to provide ADRC services.

The proposed changes in Section 13 of the Bill are to codify the substance use disorder treatment voucher system to address underserved areas and gaps in the State's substance use disorder treatment system. Section 4 of 2015 Senate Bill 2048 required the Department to establish and administer a voucher system, however it was not codified. The proposed changes include medical clinics and hospitals as substance use disorder treatment voucher providers to allow for medical detoxification or withdrawal management which is only provided in medical facilities. This change will address an important need in the substance use disorder treatment system by improving access to services for those seeking recovery from a substance use disorder.

The proposed changes in Section 14 of the Bill repeal four sections as the sections are either outdated and no longer applicable, redundant, or being performed by another agency. The four repealed sections are: section 50-06-01.5, suitable office and office equipment; 50-06-36, developmental disability provider review; 50-06-39, expedited ratesetting process – nursing and basic care facilities; and 50-08.1-01, coordination of services for pregnant women.

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

1136  
#1  
2/21

**50-06-01.5. Office and office equipment.**

The department must be provided with suitable offices in the state capitol. The department may purchase through the office of management and budget, out of the funds appropriated, any furniture, office and filing equipment, office supplies, stationery, and postage necessary for the efficient conduct of department business.

**50-06-36. Developmental disability provider review.**

With respect to private providers for individuals with developmental disabilities, the department shall conduct a review of the audit and reimbursement process and a review and reconsideration of the ninety-five percent occupancy rule.

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

The department shall establish an expedited ratesetting process by which nursing and basic care facilities may request an increase in the established rate due to additional costs incurred by the facility for providing health insurance policies to the facility's employees, to the extent those costs are directly related to the facility's compliance with the federal Patient Protection and Affordable Care Act of 2010 [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-152]. The process must provide that to be approved for a rate adjustment that is reflected in the facility's January 1, 2014, rates, the facility must submit the adjustment request to the department by October 1, 2013.

**50-08.1-01. Coordination of services for pregnant women.**

The department shall:

1. Collect information concerning all existing private and public organizations in this state offering services to pregnant women who are experiencing problems in connection with their pregnancies due to medical, economic, social, or psychological factors. The information must be geographically indexed and designed to inform the woman of public and private agencies and services available to assist a woman through pregnancy, upon childbirth, and while the child is a dependent, including adoption agencies. This information must include the nature of the services offered, the conditions under which and the locations at which services are available, the service area covered, and the legal status and organizational structure of the organization.
2. Disseminate information collected under this subsection to all existing organizations offering services to pregnant women and to potential organizations desiring to offer such services. This information must be disseminated in such a manner that existing and potential organizations are assisted in their efforts to serve pregnant women.
3. Serve as a clearinghouse for information and advice on creating, administering, and maintaining an effective organization offering services to pregnant women.
4. Establish and widely advertise a statewide toll-free telephone number that persons may call to obtain information concerning organizations near them offering services to pregnant women, and in other ways disseminate information concerning organizations offering services to pregnant women.