

FISCAL NOTE
Requested by Legislative Council
01/10/2019

Amendment to: SB 2031

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$12,196,834		\$13,925,737
Expenditures			\$12,196,834	\$12,196,834	\$13,925,737	\$13,925,737
Appropriations					\$13,925,737	\$13,925,737

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 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).*

SB 2031 will allow the Department of Human Services to expand the providers who may enroll with ND Medicaid for targeted case management services for individuals with serious mental illness and individuals with serious emotional disturbance

- 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.*

SB 2031 Section 1 allows for the Department to expand the providers who can render Medicaid Targeted Case Management Services for individuals with serious mental illness and individuals with serious emotional disturbance. The bill appropriates one additional FTE along with the additional grant expenditures, for an estimated total of \$24,393,668 of which \$12,196,834 are general funds. The additional FTE will perform provider training, monitoring, utilization review and program integrity efforts. The Department estimates about 16,500 potential clients who are not currently served by the providers who are able to provide the targeted case management and also estimates 50% of those would utilize this service. For clients with emotional disturbance we projected a monthly cost of \$234, clients with serious mental illness we projected a monthly cost of \$546. Assuming implementation on October 2019, the estimate is for 21 months for the 2019 - 2021 biennium.

For the 2021-2023 biennium an appropriation and expenditure amount of \$27,851,474, of which \$13,925,737 are general funds would be needed. The 2021-2023 estimate is the 2019-2021 estimate increased for 24 months, rather than 21, and maintains the one FTE.

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.*

The services provided under SB 2031 are eligible to receive matching Medicaid federal funds based off the Federal Medical Assistance Percentage (FMAP).

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.*

SB 2031 Section 1 allows for the Department to expand the providers who can render Medicaid Targeted Case Management Services for individuals with serious mental illness and individuals with serious emotional disturbance. The bill appropriates one additional FTE along with the additional grant expenditures, for an estimated total of \$24,393,668 of which \$12,196,834 are general funds. The additional FTE will perform provider training, monitoring, utilization review and program integrity efforts. The Department estimates about 16,500 potential clients who are not currently served by the providers who are able to provide the targeted case management and also estimates 50% of those would utilize this service. For clients with emotional disturbance we projected a monthly cost of \$234, clients with serious mental illness we projected a monthly cost of \$546. Assuming implementation on October 2019, the estimate is for 21 months for the 2019 - 2021 biennium.

For the 2021-2023 biennium an appropriation and expenditure amount of \$27,851,474, of which \$13,925,737 are general funds would be needed. The 2021-2023 estimate is the 2019-2021 estimate increased for 24 months, rather than 21, and maintains the one FTE.

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.*

Section 1 of SB 2031 contains an appropriation of \$24,393,668, of which \$12,196,834 is general fund, for the 2019-2021 biennium. Section 1 also authorizes the Department one additional FTE to implement this service.

Sections 2 & 3 of SB 2031 allows the Department of human services to request deficiency funding for the purpose of expanding the types of providers recognized as Medicaid providers of targeted case management for individuals with serious emotional disturbance and serious mental illness if the expansion results in expenditures that exceed the amount appropriated to the Department for this service. Section 2 & 3 of SB 2031 would need to be added to the base level budget in SB 2012.

To meet the requirements in Section 1 of SB 2031 for the 2021-2023 biennium an appropriation amount of \$27,851,474, of which \$13,925,737 are general funds would be needed.

Name: Rhonda Obrigewitch

Agency: Human Services

Telephone: 325-4585

Date Prepared: 01/15/2019

2019 SENATE HUMAN SERVICES

SB 2031

2019 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2031
1/8/2019
Job # 30512

- Subcommittee
 Conference Committee

Committee Clerk: Justin Velez/ Florence Mayer

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of human services for targeted case management services; and to expand Medicaid providers for targeted case management.

Minutes:

Testimony Attached # 1 - 6

Senator Kathy Hogan, District 21, Fargo: Introduced SB 2031 and provided Testimony Attachment #1.

(3:45) Maggie Anderson, Department of Human Services, Director of the Medical Services: Testified in support of SB 2031 and provided Attachment # 2. This estimate was prepared 2 years ago for a similar bill, to also expand SMI/SED targeted case management. We haven't changed anything except the red lettering you can see on page 2 of Attachment #2. We originally prepared this for HB 1040. In order to come up with this estimate we looked at prevalent information of those who have serious mental illness or emotional disturbance. We knew how many people being served from that population receiving these services at the human service center, took the difference of that, figured out how many people might present for services. We then looked at the number of units of service, targeted case management is billed on a 15-minute unit to Medicaid. So looked at the average number of units the average person receives during the month, took that times the rate we pay for this service. We came up with an average cost per person, per month. Then we looked at how long people are generally engaged in this service. We found individuals with a serious emotional disturbance received the service for about 18 months, and individuals with a serious mental illness received the service for about 6 months. This equals the totals you see in the middle of page 2, then added administrative cost. The total comes to \$24M.
Explanation of Page #1. We want people to have choice of providers.

(11:31) Chair Lee: Your recommendation would be to include these 2 sections as amendments, so we are being more specific?

Maggie Anderson: I would see these 2 paragraphs replacing the language in the bill. With these 2 paragraphs you would no longer need the \$24M, it would just be a recognition that the next biennium you may need to appropriate that money. If we build it and people come.

Chair Lee: LC is preparing green sheets to see what would have been in the governor's recommendation and what the policies were. It is important for us to look at this individually and make sure it doesn't get overlooked. Appropriations won't overlook this either. If this bill gets moved forward, it will get referred to appropriations, then we can be assured this particular item will be a part of it. We may end up killing this bill and leaving it in the budget. That's what we've done with others. Usually for those who choose to send us cards about "how could you kill that bill", it is still very much there in something else. Not the same number, but still there. Do you see any risks with doing it that way?

(14:00) Maggie Anderson: If it's included in 2012 in the departments appropriation bill, as this language is here, I see no risks in doing that.

Senator Larsen: Your discussion of this is there's no funding, but if the funding comes. Had discussion yesterday who lived way out and there was a lack of providers. Do you see that might go over \$12M, and then we're stuck having to pay it because we didn't put a cap on it?

Maggie Anderson: When you add a service to the Medicaid program, it is a service for any individual eligible. Let's say our estimated 50% receiving this service turned into 60%, we would need to serve those additional if they met the criteria, were Medicaid eligible and there was a provider to serve them. Keep in mind this is a service that has criteria that an individual has to meet. I can get copies of our state plan to you. The simple answer is, if more people show up who meet all these criteria, yes we will need to pay that. We can't cap it.

Senator Larsen: If I'm seeking this treatment through a private entity, have you found that the providers will not accept Medicaid and its kind of a cap put into itself? Does this pay how Blue Cross would pay, or is it different?

(17:45) Maggie Anderson: Targeted case management is different in regard to answering your question. Most private insurance companies don't pay for targeted case management. They may pay some care coordination fees. But targeted case management is a different higher involved level service that is pretty specific to Medicaid programs. Private providers can't provide it under Medicaid because our state plan restricts them. We haven't had to deal with that situation yet.

Chair Lee: Seems to me on one hand we would be spending additional funding on the targeted case management, but on the other we would be saving money farther down the road because they wouldn't have deteriorated in their condition. We wouldn't want to tell people they aren't bad enough yet to refer.

Maggie Anderson: Excellent point. You may actually show savings in other areas, because of the result of the behavioral health services. That was definitely part of our discussion. Let's see how the money moves and then come back at the next session.

(20:44) Senator Anderson: Why don't you explain the 1915i and how it affects the Medicaid program.

Maggie Anderson: We have a slide on it, I will run upstairs and make copies of it. So that others have time to testify.

Chair Lee: Who would like to testify next?

(22:25) Carlotta McCleary, Executive Director for Mental Health America of ND and ND Federation of Families for Children's Mental Health: Testified in support of SB 2031. Testimony Attachment # 3. Speaking on behalf of Mental Health Advocacy Network (MHAN).

(26:43) Heather Simonich, Operations Director of PATH ND: Testified in support of SB 2031. Provided Testimony Attachment #4.

(30:22) Senator Hogan: Can you get us a 1 or 2-page summary about the grant and what you're going to do with the project? That's the first I've heard of it and I'm very excited.

Maggie Anderson: Of course, I will get you a summary of that grant.

(32:13) Trina Gress, Vice President, Community Options: Testified in support of SB 2031. Provided Testimony Attachment #5.

Maggie Anderson: Brought copies of her slide from budget testimony (Attachment #6). It covers the 1915i and the Peer Support Service.

Senator Anderson: When you say 1915i, it gives me the impression there must be an A, B, C, D, E, F, G that preceded that. Just wondering how that came about.

(39:31) Maggie Anderson: In Medicaid we talk a lot of numbers. For example, 1915c is the Medicaid waivers for home and community based services. There is also 1915b waivers, used for selective contracting. 1915i is actually a state plan service, even though it has the same number as many of the waivers. There isn't necessarily a 1915a, or 1915d, I don't know how they name these.

(41:37) Senator Hogan: This just covers adults?

Maggie Anderson: That is correct.

Senator Hogan: It's almost related; you need both aspects described here. This slide is very helpful.

Senator Lee: Any further questions/testimony?

Loraine Davis: I'm very familiar with the Department of Commerce and trying to find that pot of money to be able to provide those necessary case management services. It would be vital for this to get funded. I would be in support of this bill. Keep in mind the cultural aspect, and recognize that when we think about case management we think about people who can relate to our population. We have traditional spiritual leaders that as long as they have computer skills, that they would be qualified. We would want to make sure they are qualified to provide some case management services. It's important for us to start thinking to provide services

effectively. In mental health services, there are clients who don't feel understood when they go other places. We need to understand the culture and realize how important and effective this will be.

(44:28) Chair Lee: Any questions? Please everyone, make sure to sign the clipboard.

Is there any opposition?

I just want to add, I'm absolutely committed to cultural sensitivity, but my school district has 52 languages spoken in its schools. When you go to the Cass County Social Services Office, the little iPad you register on is automatically in 6 languages. If you don't speak one of those 6, you can talk to a person who either speaks that language or has access to an interpreter who can help you. My point is, it's very important for us to be tuned in to what's going on with the American Indian population, but it's also extremely important for us to recognize the challenges for people who are coming from a small village with dirt floors. If they're a refugee, they don't really want to be here, they'd rather be at home. They are here because they had to come, and they are trying to adapt in. The head kicker on one of our football teams is from a refugee family. Our Soccer team wins everywhere, and the only Caucasian in the picture is the coach. I think that's pretty cool. It isn't only Latino, African Americans, but that we recognize the challenges we have with our Tribal populations here. Because for many of our states, it is a much larger component. We have to be tuned in to all of them. I'm just asking you all to raise our consciences when we are looking at cultural sensitivity. We have over 1,00 Muslims in West Fargo. I think that's important to know when we're thinking about what we're doing. Our schools have multiple diets available for their hot lunch programs. Because not only of religious and spiritual concerns, but dietary ones as well. Cultural sensitivity involves a lot of cultures. We are lucky to be encountering so many of them and not just 1 or 2. We need to all work together on that part.

Without further ado or soapboxing, I will close the hearing on SB 2031.

2019 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2031
1/8/2019
Job # 31144

- Subcommittee
 Conference Committee

Committee Clerk: Justin Velez

Explanation or reason for introduction of bill/resolution:

To provide an appropriation to the department of human services for targeted case management services.

Minutes:

No Attachments

Madam Chair Lee: Now we are going to talk about SB 2031. Which is the target of case management with 12 million. There is one FTE in this. Keep in mind that the Department of Human Services had 32 FTE's cut two years ago and they are dying trying to keep up over there, so I don't want to be foolish about the way we spend our money either but I think we have to be careful not to expect them to continue to do stuff with low staff.

Senator K. Roers: I'm hoping that you guys can help me process this a little bit because I have a hard time. This one I know is the broad but is this duplicative of anything we have seen or things that are to come or, I just really got confused when we got about here.

Madam Chair Lee: Well this was one of them that was in the governors proposed budget, but was not specifically noted because it's an obligation. They have to do this, right now there are just select groups that are covered by targeted case management and its now a requirement that every eligible person receive targeted case management services and not just these little pockets we have been doing. They had it in their base budget from the department when it went out of the department, and it's supposed to show up in the green sheet. Appropriations isn't going to consider it and it's something we have to do.

Senator K. Roers: Can you just remind me where the requirement came from?

Madam Chair Lee: The feds.

Senator Hogan: I think the definitions that Maggie Anderson gave us on sections 9 and 10, right now the only people who get reimbursed are the human service centers and almost every state private agencies reduced this reimbursement and it built a much broader system of services and particularly helped out rural areas. This is a big systems change issue to expand the coverage and availability of case management for these two populations. The policy piece is some ways more important than the budget piece from my point of view, and

if it's on the green sheet you would think that some of the people on the appropriations committee understand how important this policy, but this is really policy so should we be rolling definitions into this bill as the policy change.

Senator Anderson: I got the sense that Maggie Anderson wanted us to add these two sentences, I'm not sure why she number them 6,9, and 10 because the bill only has only one section.

Senator Hogan: They came around the budget bill.

Senator Anderson: So they're actually in the budget.

Senator Hogan: I think we need the policy more; in some ways the money follows the policy this is big policy change.

Senator K. Roers: So it may actually be, this would be sections 1 and 2 and the appropriation is section 3

Senator Hogan: That is what I would do. Follow the logic.

Senator K. Roers: And the structure of the previous one.

Senator O. Larsen: Senator Hogan said that the human services were where they could serve also the tribal entity as well. I would concur with Senator Anderson that I like what Maggie Anderson had to say about the melding of that together, I would like to see a cap on that because especially now let's let it go a little bit and see where it's going to go. I don't want it to go tomorrow to 20 million dollars.

Madam Chair Lee: We can't cap it. It's an entitlement and we have to fund it. If 12 million dollars is not enough they have to continue to provide the services and the emergency would have to come to the short fall and have to deal with it in 2021.

Senator O. Larsen: If we didn't put Maggie Anderson's piece in there, it says here for the 12 million would it still go above 12 million with this language?

Madam Chair Lee: It might just even be 7 million.

Senator O. Larsen: Exactly. If this legislation says 12 million this is capped here. We can't go over 12 million in our bill.

Madam Chair Lee: Except it says "or as so much of the sum is maybe necessary..." There is no doubt in my mind that this is an entitlement.

Senator Hogan: Lets walkthrough the document that she told us about the un-met need and why. The budget sheet, the SMI's are the adults and the SED's are the kids, and they are surveying 6,000 at the human service centers now and so 16,000 people who are eligible that means they have both Medicaid and a diagnoses of a serious mental illness are not

getting served. This is a pretty powerful statement. A lot of it is just because they can't get to a human service center. It's just access.

Madam Chair Lee: All this isn't going to be accomplished, setting up more options it's going to be telemedicine and telehealth.

Senator Hogan: Part of me says, even if we had the funding do we have to the workforce, do we have the people there? I would be very surprised if we served half the number they are budgeting, because it takes a long time to roll out the structure.

Madam Chair Lee: July 1, 2020 is when this is going into effect. So there would be one year of the program.

Senator Hogan: That's a date we should probably change because she budgeted only for a year.

Senator K. Roers: In her budget she is assuming October 2019 this she wanted July, 1 so that they had the setup.

Madam Chair Lee: That was my understanding.

Senator Anderson: I'm going to move that we amend the bill to include these two sections that Maggie Anderson suggested here, once we get this fixed up we can take a look at it tomorrow afternoon.

Madam Chair Lee: Is there a Second to the motion to amend?

Seconded by Senator K. Roers

Madam Chair Lee: We are amending in Maggie Andersons section 9 and section 10 from the executive budget, relating to targeted case management. Any discussion?

**ROLL CALL VOTE TAKEN:
6 YEA, 0 NAY, 0 ABSENT
ADOPT AMENDMENT**

Senator O. Larsen: I had a little discussion on this still if that's okay. As I looked on 2029 they had implemented that 1.7 to run the program and they do not have any funding to implement this program but also have another position there, not that I'm going to inject money into this to run the program but we just got done with one bill that wants to expand the program and they need that 2 million to do it so if that goes than that funding should be able to help this as well, again I'm not supportive of adding more FTE's to that.

Senator Anderson: Question for Senator O. Larsen. What your saying is what we ought to do is take the FTE's out of all these bills and let them work that out themselves, is that kind of what you were entertaining?

Senator O. Larsen: On some of them yes, I don't know about all of them. As I look at a management thing, this FTE, how many people are they managing? I just don't want to have

a manager, I don't want a full time person looking at a program, this program here when how many people are out in the community utilizing and if there's 100 people that are letting it go out to the providers maybe you need one person but if its 20 I don't know. I just know that increasing, even though we did lose the 32 I'm not going to deny that they did take a pretty heavy cut, however many programs come together I myself just can't see 10 new people being hired, I can't see half of the people being hired back of the 32 I guess that's where I'm at with it. I don't disagree that the needs are increasing and the reason I believe the needs are increasing is because we are going out and expanding these programs to find the people that are in need so that they are not stabbing my little old lady going to get her groceries to her house. I understand the concept of it and where it's going but I want to be very careful.

Madam Chair Lee: We can ask Pam Sagness and Maggie Anderson to come down and answer some more questions for us perhaps tomorrow afternoon we could have them for a short time.

Senator O. Larsen: I've been around here long enough to see that I've seen these issue come and when we really are held to the fire on it and when it's all said and done it's like if they are serious we can get by and we can handle it so, it's a little juggling thing so I understand that too.

Madam Chair Lee: Okay moving on to SB 2032.

2019 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2031
1/8/2019
Job # 31015

- Subcommittee
 Conference Committee

Committee Clerk: Justin Velez

Explanation or reason for introduction of bill/resolution:

To provide an appropriation to the department of human services for targeted case management services.

Minutes:

No Attachment

(03:03) Madam Chair Lee: We have not officially voted on the amended bill. We wanted to see the language in the amendment before we voted on the bill. We have the language for the amendment in front of us now on SB 2031 and if this is satisfactory to everyone than great if not, bring it up now.

(05:09) Senator Anderson: I move a **DO PASS, AS AMENDED, REREFER TO APPROPRIATIONS.**

Seconded by Senator Hogan

Madam Chair Lee: Any discussion on the amended bill? If not, please call the roll.

ROLL CALL VOTE TAKEN

5 YEA, 1 NO, 0 ABSENT

Senator Anderson will carry the bill to the floor.

Madam Chair Lee ends committee discussion on SB 2031

January 8, 2019

Handwritten signature and date: 1/8/19

PROPOSED AMENDMENTS TO SENATE BILL NO. 2031

Page 1, line 2, after "services" insert "; and to expand Medicaid providers for targeted case management"

Page 1, after line 13, insert:

"SECTION 2. TARGETED CASE MANAGEMENT - SERIOUS EMOTIONAL DISTURBANCE. Beginning on or after October 1, 2019, the department of human services, medical services division, shall expand the types of providers recognized as Medicaid providers of targeted case management for individuals with a serious emotional disturbance. If the expansion results in expenditures that exceed the amount appropriated to the department of human services for this service, and the department of human services certified this to the sixty-seventh legislative assembly, the department shall request deficiency funding for the purpose of expanding the types of providers recognized as Medicaid providers of targeted case management services for individuals with severe emotional disturbance, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. TARGETED CASE MANAGEMENT - SERIOUS MENTAL ILLNESS. Beginning on or after October 1, 2019, the department of human services, medical services division, shall expand the types of providers recognized as Medicaid providers of targeted case management of individuals with a serious mental illness. If the expansion results in expenditures that exceed the amount appropriated to the department of human services for this service, and the department of human services certifies this to the sixtyseventh legislative assembly, the department shall request deficiency funding for the purpose of expanding the types of providers recognized as Medicaid providers of targeted case management services for individuals with severe mental illness, for the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2031**

Senate Human Services Committee

Subcommittee

Amendment LC# or Description: 19.0282.01001

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. Anderson Seconded By Sen. K. Roers

Senators	Yes	No	Senators	Yes	No
Chair Lee	X		Senator Hogan	X	
Vice Chair Larsen	X				
Senator Anderson	X				
Senator Clemens	X				
Senator Roers	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

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

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2031**

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. Anderson Seconded By Sen. Hogan

Senators	Yes	No	Senators	Yes	No
Chair Lee	x		Senator Hogan	x	
Vice Chair Larsen		x			
Senator Anderson	x				
Senator Clemens	x				
Senator Roers	x				

Total (Yes) 5 No 1

Absent 0

Floor Assignment Sen. Anderson

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

REPORT OF STANDING COMMITTEE

SB 2031: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2031 was placed on the Sixth order on the calendar.

Page 1, line 2, after "services" insert "; and to expand Medicaid providers for targeted case management"

Page 1, after line 13, insert:

"SECTION 2. TARGETED CASE MANAGEMENT - SERIOUS EMOTIONAL DISTURBANCE. Beginning on or after October 1, 2019, the department of human services, medical services division, shall expand the types of providers recognized as Medicaid providers of targeted case management for individuals with a serious emotional disturbance. If the expansion results in expenditures that exceed the amount appropriated to the department of human services for this service, and the department of human services certified this to the sixty-seventh legislative assembly, the department shall request deficiency funding for the purpose of expanding the types of providers recognized as Medicaid providers of targeted case management services for individuals with severe emotional disturbance, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. TARGETED CASE MANAGEMENT - SERIOUS MENTAL ILLNESS. Beginning on or after October 1, 2019, the department of human services, medical services division, shall expand the types of providers recognized as Medicaid providers of targeted case management of individuals with a serious mental illness. If the expansion results in expenditures that exceed the amount appropriated to the department of human services for this service, and the department of human services certifies this to the sixtyseventh legislative assembly, the department shall request deficiency funding for the purpose of expanding the types of providers recognized as Medicaid providers of targeted case management services for individuals with severe mental illness, for the biennium beginning July 1, 2019, and ending June 30, 2021."

Re-number accordingly

2019 SENATE APPROPRIATIONS

SB 2031

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2031
1/23/2019
Job # 31267

- Subcommittee
 Conference Committee

Committee Clerk Signature Rose Laning/ Dan Johnston II
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Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of human services for targeted case management services; and to expand Medicaid providers for targeted case management.

Minutes:

Testimony Attached # 1 – 5.

Legislative Council: Brady Larson
OMB: Becky Deichert

Chairman Holmberg: Called the committee to order on SB 2031.

Senator Kathy Hogan, District 21, Fargo, ND

See attachment #1 for testimony in support of SB 2031.

Maggie Anderson, Medical Services Division, Department of Human Services: See attachment #2 for testimony in support of SB 2031.

(10:00) Senator Mathern: I'm wondering about one other variable, It is kind of what we call the "woodwork effect", where I can see your point about if we do this earlier, it is more expensive, but acute stuff will come down. I am just wondering if in the first 2-4 years, actually both will happen; that acute will stay up and this will go up because we will be finding more kids who need services. Isn't that generally what happens?

Maggie Anderson: That is certainly a potential. As we build various services, there is a new service that we have in the executive request called, Residential Habilitation, which mirrors the service currently provided for the developmentally disabled population and as we build the fiscal estimate for that, we assume that there would be people who would have otherwise selected nursing homes, the PACE program, or the Medicaid waiver. We try to account for all of that as we're coming up with our estimate and offset some of those costs. It's also possible that we're going to have the same number of people that went into a nursing home and we're going to have the same number of people who select this new service, so there is a risk of that. We're hoping that if we can get to those children earlier, that we can avoid those expenditures and not have as many of them. Let's say there are 10 children out there in western ND and say they live in Bowman, and they don't drive into the Dickinson

Human Service Center, to Badlands Human Service Center and they're going without services. Absent us expanding this, they may have ended up in a psychiatric residential treatment facility in Bismarck or Fargo. We would hope to have avoided that cost and that out of home placement and that placement away from their school system. It is a possibility. We hoping that by expanding this service to other providers, that we can actually show that savings and provide earlier services, better services, to kids and avoid those out of home placings.

(13:20) Matthew McCleary – testifying for Carlotta McCleary.

Carlotta McCleary, Executive Director, Mental Health Advocacy Network (MHAN)

See attachment #3 for testimony in support of SB 2031.

(17:01) Gerry Teevens, Special Education Director, Department of Public Instruction

No written testimony. Supporting SB 2031.

The department is in support of this bill and we support the efforts of the DHS to improve those services in the communities where our schools are. Because of lack of providers being able to provide services for our children, there are many that do have to be placed out of homes, so I'm here to support this bill.

Senator Wanzek: In visiting with local school superintendents across the state, it has come to my attention that behavioral health in schools is one of the major concerns. Do feel that this bill, if passed, it could help the schools in identifying services that they could utilize for children that have behavioral health issues?

Gerry Teevens: Yes, I do. We get calls in our special education office very frequently. This is not new information, but just a growth in the number of students with mental health and behavioral issues. Teachers are not trained to provide the type of services that children will need. The community support is what is essential. I believe extending the number of providers that can be available to provide services will be a win-win for everyone, especially the children.

Chairman Holmberg: Closed the hearing on SB 2031.

Additional testimony submitted to the Committee:

Heather Simonich, Operations Director of PATH of Nexus:

See attachment #4 for testimony in support of SB 2031.

Jessica Thomasson, CEO, Lutheran Social Services of North Dakota

See attachment #5 for testimony in support of SB 2031

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2031
2/14/2019
JOB # 32786

Subcommittee
 Conference Committee

Committee Clerk: Alice Delzer

Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for DHS re: Appropriation for targeted case management services (Do Not Pass.)

Minutes:

No testimony submitted

Senator Dever: opened the hearing for the subcommittee on SB 2031. All subcommittee members were present: Senator Dever, Chair., Senator Erbele and Senator Mathern. Brady Larson, Legislative Council and Stephanie Gullickson, OMB were also present. (This hearing took place during the subcommittee hearing on SB2012 in the am on 02-14-19.)

Senator Dever: We are considering SB 2031. Are there any motions?

Senator Erbele Moved a Do Not Pass. 2nd by Senator Mathern.

Senator Dever: We have a motion for a do not pass on Sb 2031 because the language in 2031 now included in the budget for 2012. We will have the clerk call the roll on a do not pass on SB 2031.

A Roll Call vote was taken. Yea:3; Nay: 0; Absent: 0.

Discussion followed regarding Medicaid Expansion.

The hearing was closed on SB 2031.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2031
2/15/2019
JOB # 32827

- Subcommittee
 Conference Committee

Committee Clerk: Alice Delzer

Explanation or reason for introduction of bill/resolution:

A BILL for DHS regarding Appropriation for targeted case management services (Do Not Pass.)

Minutes:

No testimony submitted

Chairman Holmberg: Called the Committee to order on SB 2026. All committee members were present. Adam Mathiak, Legislative Council and Becky Deichert, OMB were also present.

Chairman Holmberg: We're following the model we did two years ago, when we had that duplicative series of bills, they were all Appropriation bills and the rules do not allow for that, but the rules are suspendable. So last time, what happened is we brought 25 bills up to the floor, the motion was Senator Klein moved to suspend Joint Rule 206 through the 17th legislative day, which motion prevailed, and then the second reading of Senate bills on the consent calendar for all 24 votes went as one vote and we were done. My understanding according to talking to John Bjornson this morning is we can in committee have a motion that we would list the bills that we are putting on the consent calendar for a Do Not Pass and then we would vote on that, one vote, and then they would go up on the consent calendar. If you recall, we also have two bills in there that had been signed and they had to do with the Attorney General's budget that the items were folded into the budget. So, before we do it we need to have someone from the committee move that we do a Do Not Pass and place these bills on the consent calendar, as these bills are now duplicative to SB 2012.

The list is as follows:

- SB 2026 - Do Not Pass – Improving Mental Health Services
- SB 2028 - Do Not Pass - Behavioral Health Prevention & Early Intervention Services
- SB 2029 - Do Not Pass – Implementation of Community Behavioral Health Program
- SB 2030 - Do Not Pass - Relating to State's Behavioral Health System
- SB 2031 - Do Not Pass - Targeted Case Management Services
- SB 2032 - Do Not Pass - Peer Support Specialist Certification
- SB 2168 - Do Not Pass - Adjustments to QSP Rates
- SB 2175 - Do Not Pass - Substance Use Disorder Treatment Voucher System
- SB 2298 - Do Not Pass - 1915(i) Medicaid State Plan Amendment for Children
- SB 2242 - Do Not Pass – Grants to children's advocacy centers.

Chairman Holmberg: Committee members you may think when the budget comes it is rich, but the bottom line is they are putting the entire issues regarding these bills on the same table. If someone would make the following motion that the Appropriations Committee put a Do Not Pass and place on the consent calendar.

V. Chairman Wanzek: Moved a Do Not Pass and place on the consent calendar on the afore-mentioned bills. 2nd by V. Chairman Krebsbach.

Chairman Holmberg: Call the roll on a Do Not Pass and place them on the consent calendar on the afore-mentioned bills.

A Roll Call vote was taken. Yea: 14; Nay: 0; Absent: 0.

Chairman Holmberg: I did talk to John in Legislative Council and if the front desk has a problem have them call up to Legislative Council and they will say it is fine. **I Will carry the consent calendar.**

Senator Dever: This will be on Monday but SB 2012 will be on Tuesday.

Chairman Holmberg: The only other thing with this is, keep in mind that any senator has the right to pull a bill off the consent calendar and have a debate on this. the two from the Attorney General are already on the consent calendar. This will just join them. I believe there are two more bills that you passed, SB 2106 and SB 2191, Let's hear about them. (These bills were assigned to new jobs.)

The hearing was closed.

Date: 2-14-19 AM
 Roll Call Vote #: 7

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2031**

Senate Appropriations 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 Erbele Seconded By Mathern

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern	<input checked="" type="checkbox"/>	
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson		
Senator Erbele	<input checked="" type="checkbox"/>				
Senator Poolman					
Senator Bekkedahl					
Senator G. Lee					
Senator Dever	<input checked="" type="checkbox"/>				
Senator Sorvaag					
Senator Oehlke					
Senator Hogue					

Total (Yes) 3 No 0

Absent 0

Floor Assignment _____

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



Date: 2-15-2019

Roll Call Vote #: 1

**2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2031**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 2026, 2028, 2029, 2030, 2031, 2032
2168, 2175, 2298, 2242

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 Wanzek Seconded By Krebsbach

Senators	Yes	No	Senators	Yes	No
Senator Holmberg	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator Grabinger	✓	
Senator Wanzek	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Poolman	✓				
Senator Bekkedahl	✓				
Senator G. Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Holmberg

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

REPORT OF STANDING COMMITTEE

SB 2031, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO NOT PASS** and **BE PLACED ON THE CONSENT CALENDAR** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2031 was placed on the Tenth order on the calendar.

2019 TESTIMONY

SB 2031

#1 SB 2031
1/8-19
Att. #1 pg 1/1

TESTIMONY
Senate Human Services Committee
SB 2031
January 8, 2019
Senator Kathy Hogan

Chairman Lee and members of the Senate Human Service Committee, my name is Kathy Hogan, and I represent District 21 the heart of Fargo.

SB 2031 is the second of the interim human services behavioral health bills. This bill is the vehicle for the major expansion of essential services for adults with severe mental illness and for children with severe emotional disturbances. The wording in this bill parallel current language in the NDCC regarding the primary focus of the ND Department of Human Services and current professional language regarding target populations.

Over the last two sessions, we have expanded services for adults with substance use disorders services first through the voucher program (2015) and in 2017 expanding the voucher to include Medically Assisted Treatment. With the Free Through Recovery expansion, we have been able to serve significant numbers of new people.

Adults and children with serious mental health issues still have serious difficulty accessing a range of needed services. This bill was broadly written to allow for potential use of a 1915i Medicaid waiver to expand services, to build a structure parallel to *Free Through Recovery* including using private providers, vouchers or contracts but with different target populations and key partnerships.

In reviewing the Governor's budget, it appears that the Governor has also request some funds similar to this bill although it is unclear what the focus of those funds would be.

Thank you, Madam Chair, I would be more than willing to answer any questions.

#2 SB 2031
1/8/19
Att.#2 pg. 1/2

Department of Human Services
Medical Services Division
Executive Budget Proposals Related to Targeted Case Management
Senate Bill 2031

SECTION 9. TARGETED CASE MANAGEMENT – SERIOUS EMOTIONAL DISTURBANCE. The department of human services, medical services division, shall expand the types of providers recognized as Medicaid providers of targeted case management for individuals with a serious emotional disturbance beginning on or after dates of service October 1, 2019. Should this expansion result in expenditures that exceed the amount appropriated to the department of human services for this service, and the department of human service certifies such to the sixty-seventh legislative assembly, the department shall request emergency funding for the purpose of expanding the types of providers recognized as Medicaid providers of targeted case management services for individuals with severe emotional disturbance, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 10. TARGETED CASE MANAGEMENT – SERIOUS MENTAL ILLNESS The department of human services, medical services division, shall expand the types of providers recognized as Medicaid providers of targeted case management for individuals with a serious mental illness beginning on or after dates of service October 1, 2019. Should this expansion result in expenditures that exceed the amount appropriated to the department of human service for this service, and the department of human service certifies such to the sixty-seventh legislative assembly, the department shall request emergency funding for the purpose of expanding the types of providers recognized as Medicaid providers of targeted case management services for individuals with severe mental illness, for the biennium beginning July 1, 2019, and ending June 30, 2021.

Department of Human Services
SMI and SED Targeted Case Management Estimate - Prepared in September 2016
 Originally Prepared for 2017 House Bill 1040 - 2019 Senate Bill 2031

	SMI	SED
Prevalence (From National Survey on Drug Use and Health and SAMHSA)	22,835	3,917
No. Clients Served by HSCs and other exclusions (PRTF, RCCF, nursing home, basic care, etc)	6,354	645
Potential Clients Unserved	16,481	3,272
% of Potential Eligible for Medicaid/TCM (Assumed 50%)	8,241	1,636
Rate per 15-minute unit	\$ 19.51	\$ 19.51
Avg No. of 15-minute units per month (based on average units at HSC)	12	28
Average Cost Per Person Per Month	\$ 234.12	\$ 546.28
Average Number of Months of TCM received per client in 24 month period	6 mos	18mos
2019-2021 Total Estimate (Assumed Oct 2019 Start Date or 21 monhts)	\$ 10,128,645.77	\$ 14,075,996.76
Federal Share	\$ 5,064,322.88	\$ 7,037,998.38
State Share	\$ 5,064,322.88	\$ 7,037,998.38
Staff needed in DHS - Medical Services for provider training, monitoring, utilization review and program integrity efforts. Estimate for program administrator/registered nurse-level position.		
	Estimated Cost of FTE \$ 189,025.00	
	Federal Share \$ 94,512.50	
	State Share \$ 94,512.50	
Total Increased Services and Administration Staffing Needs	\$ 24,393,667.53	
	Federal Share \$ 12,196,833.76	
	State Share \$ 12,196,833.76	

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 Att. #2 pg. 2/2



**Testimony SB 2031
Human Services Committee
Senator Judy Lee, Chairman
January 8, 2019**

Chairman Lee and members of the committee, my name is Carlotta McCleary. I am the Executive Director for both Mental Health America of North Dakota and North Dakota Federation of Families for Children's Mental Health. Today I speak on behalf of the Mental Health Advocacy Network (MHAN). MHAN advocates for a consumer/family driven mental health system of care that provides an array of service choices that are timely, responsive and effective.

MHAN has provided testimony since the 2015 session and the most recent interim human service and health service committee meetings regarding our priorities. We argue that peer to peer and family support, consumer choice, diversion from corrections, a core services zero-reject model, and conflict free grievance and appeals processes, and the access to a full and functional continuum of care serve as the backbone to correcting the crisis in North Dakota's behavioral health system.

MHAN is testifying in support of SB 2031. SB 2031 provides funding to expand targeted case management for adults with serious mental illness and children with serious emotional disorders by allowing the private sector to also do this much needed work.

When adults with serious mental illnesses or families who have a child with a serious emotional disorder need someone to coordinate their care due to needing supports in multiple systems, that adult or family supporting a child is captive by the regional Human Service Centers because that is the only way you can access case management services.

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Furthermore, those case managers are the only way to access certain services, thereby serving as gatekeepers to additional services that are needed for this population. While these services are intended to be effective, they are not available equitably in all regions, nor are they adequate to meet the need. MHAN believes that the state should redirect funding to allow consumers choice and access to services (such as targeted case management) in the private sector. Such choice can foster results driven accountability. This was a key component to the recommendations of the Human Services Research Institute study released last year. But this idea is not new to the North Dakota state legislature. In 2014 the Schulte report, which the legislature commissioned during the 63rd legislative assembly, also highlighted this problem and the solution to it. “Although some may think that this DHS directed system is more functional and streamlined, in actuality it has created less competition and thereby a lower standard of care. The HSCs are the sole provider of many services not giving consumers any options. In a state where all available providers are needed in order to get the work accomplished, the dominance of the HSC system of care is counter-productive. The issue of lack of care coordination or case management was the second most common concern noted throughout the state. Challenges include not being able to access case management, with the lack of choice due to having only one provider of services (DHS), a culture of dependence upon the government system, and a lack of uniform eligibility criteria for program participation was noted.”

SB 2031 is an attempt to address a problem that the state legislature has been aware of for nearly five years. As MHAN had said in previous testimony, the North Dakota mental health crisis will not be solved through one solution or one program. This crisis is deeply

SB 2031
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embedded in the fabric of the North Dakota mental health service delivery system. That
being said, the expansion of targeted case management into the private sector is a crucial
start to solving this crisis.

I would be happy to take any questions you have.

Carlotta McCleary, Spokesman
Mental Health Advocacy Network (MHAN)
523 North 4th Street
Bismarck ND 58501

Email: cmccleary@mhand.org

Phone: (701)255-3692

#4

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AH. # 4
pg. 1

**Testimony
Senate Bill 2031
Senate Human Services Committee
Senator J. Lee, Chairman
January 8, 2019**

Chairman Lee, members of the Senate Human Services Committee, I am Heather Simonich, Operations Director of PATH ND. PATH is a member of the Nexus family of services, providing child welfare and behavioral health services. We are here today to testify in support of SB2031, relating to an appropriation to the Department of Human Services for targeted case management services.

Your committee is familiar with the recommendations of the behavioral health systems study completed by the Human Services Research Institute in 2018. SB2031 addresses the recommendation concerning the need to expand outpatient and community-based services, including in-home and school-based clinical services. The need to modify the case management system so that more individuals can access these services was noted in the report.

In the 2015-2017 biennium, PATH partnered with the Mid-Dakota Education Cooperative and the Department of Public Instruction to develop and disseminate a professional development curriculum for educators on trauma-sensitive schools. This curriculum provided education regarding the impact of childhood trauma, how it manifests in the school setting, and practical strategies for educators to support the behavioral health needs of their students. To date, training has been provided to over 7,000 ND education professionals representing 82 school districts. The response from our educators has been an urgent call for creative partnerships to increase access to high-quality services and supports for students and their families.

Because of that need, in 2018 PATH partnered with the Mid-Dakota Education Cooperative to apply for a federal grant to develop a model and

Infrastructure for the creation of Full Service Community Schools in North Dakota. Our group was awarded one of fifteen federal grants, providing \$2.5M over 5 years. Three identified elementary schools (Fargo, Minot and Mandan) are participating. Part of this funding is specifically identified to pilot school-based targeted case management (TCM) services.

Working within the school setting, collaborating with educators, provides a more natural setting for parent engagement in the case management process. Receiving case management services is voluntary, and families will likely be less threatened and more comfortable when this is affiliated with school services rather than mental health or social service providers.

Currently, PATH is able to provide TCM only for youth who meet criteria through the Medicaid State Plan for Child Welfare Targeted Case Management. This means there must be involvement with the child welfare system via an abuse/neglect allegation. Ultimately, our goal is to serve children and families early and prevent child welfare involvement. At this time, there is no reimbursement mechanism for us to provide case management for children with Serious Emotional Disturbances (SED), thus limiting the timeliness and access to this much-needed service.

Funding for additional SED case management delivered by qualified providers in the private sector under the State Medicaid Plan for SED would allow youth and their families to receive services sooner and will increase the capacity of case management services statewide.

Because SB2031 would strengthen the continuum of care for children in North Dakota by improving the range and capacity for case management, we urge your support.

Thank you for the opportunity to testify before your committee today. I am happy to answer any questions you may have.

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**66th North Dakota Legislature
Senate Human Services Committee
January 8, 2019**

Chairwoman Judy Lee and members of the Committee, my name is Trina Gress, I am a Vice President of Community Options. I stand here before you to advocate in support of SB 2031.

The North Dakota Behavioral Health System (HSRI) study final report released April 2018 identified the need for improving the system of behavioral health care in North Dakota. Section 4 of the HSRI study identified a recommendation to be "Expand outpatient and community-based services."

Community Options is a Free Through Recovery (FTR) provider. We serve 110 individuals each month. As a provider, we provided targeted case management services to those individuals who are justice involved. SB 2031 would allow for case management services for individuals with severe mental illness and individuals with severe emotional disturbance without the prerequisite of having a criminal background. I would ask that you reference my testimony from yesterday regarding the call from the discharge social worker at Sanford. In a world where case management existed that individual with Schizoaffective Disorder would have been discharged into the community with the assurance that a community-based agency would follow up.

SB 2031 is just one piece to the overall puzzle. The results of the recent study are not surprising for many advocates who have been asking the state of North Dakota (ND) for a change in the behavioral health system. Our system is in crisis and has been for quite some time. In conclusion, Community Options suggests that you consider supporting this bill and implement in ND.

Thank you for your time, are there any questions?

Sincerely Submitted,

Trina Gress

Peer Support and 1915i break down of criteria, services and expenditures. 2019-2021 Biennium

These estimates do not expand Medicaid eligibility levels, and assume Expansion is administered as Fee for Service. Must be eligible for Medicaid or Medicaid Expansion to be screened for Peer Support or 1915i services.

Peer Support OAR

Offered to all Eligible individuals that meet qualifying criteria. Such as individuals with SUD, SMI and TBI who need support to manage their condition. People with SUD, SMI and TBI can be difficult to connect with and reach by traditional health care providers, due to their living arrangements, distrust of traditional health care providers and other factors.

The service offered through the Peer Support OAR is Peer Support and is not as comprehensive as the 1915i State Plan OAR proposed.

1915i State Plan OAR

Available to individuals aged 18 and older and diagnosed with a mental health condition and/or substance use disorder and/or brain injury and currently experiencing one or more of the following needs-based criteria:

- * Housing instability as demonstrated by homelessness or being at risk of homelessness
- * Intensive service needs as demonstrated by past year use of: Behavioral health-related inpatient hospital, State hospital, Behavioral health or brain injury-related long-term care facility/nursing home; Residential treatment services; Repeated (more than one) behavioral health-related emergency department in the past year; or Adults age 18 and older who were in treatment foster care in the past year
- * Intensive forensic service needs as identified by criminal justice system involvement: Repeated law enforcement contacts, Parole and probation, Jail and prison; or Adults 18 and older involved in the juvenile justice system in the past year
- * Any other significant functional limitations expected to result in homelessness, intensive service need, or justice involvement

The services offered through the 1915i OAR are **service coordination, employment and education supports, housing supports, peer support, and wraparound supports.**

Peer Support OAR ONLY Funded				1915i State Plan OAR ONLY Funded			
	Total	Peer Support for those not eligible for 1915i Services	1915i Peer support "Crossover"		1915i Peer support "Crossover"	Additional Services and Recipients 1915i	Total
FTE	0.5	0	0.5	FTE	0.5	2.5	3.0
General	\$ 432,287	\$ 152,392	\$ 279,895	General	\$ 279,895	\$ 2,553,466	\$ 2,833,361
Federal	\$ 563,906	\$ 152,392	\$ 411,514	Federal	\$ 411,514	\$ 3,844,914	\$ 4,256,428
Total	\$ 996,193	\$ 304,784	\$ 691,409	Total	\$ 691,409	\$ 6,398,380	\$ 7,089,789

This is the population overlap and consists of the same people

Total Peer	\$ 996,193
Total 1915i	\$ 7,089,789
Total	\$ 8,085,982
Less: Crossover	\$ (691,409)
Adjusted Total	\$ 7,394,573

Total if both OARs are funded				
	Peer Support for those not eligible for 1915i Services	Additional Services and Recipients 1915i	1915i Peer support "Crossover"	Total to Fund Both OARs
FTE	0	2.5	0.5	3
General	\$ 152,392	\$ 2,553,466	\$ 279,895	\$ 2,985,753
Federal	\$ 152,392	\$ 3,844,914	\$ 411,514	\$ 4,408,820
Total	\$ 304,784	\$ 6,398,380	\$ 691,409	\$ 7,394,573

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Att. # 6
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1-23-2019
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TESTIMONY
Senate Appropriations Committee
SB 2031
January 8, 2019
Senator Kathy Hogan

Chairman Holmberg and members of the Senate Appropriations Committee, my name is Kathy Hogan, and I represent District 21 the heart of Fargo.

SB 2031 is the second of the interim human services behavioral health bills. This bill is the vehicle for the major expansion of essential services for adults with severe mental illness and for children with severe emotional disturbances. The wording in this bill parallel current language in the NDCC regarding the primary focus of the ND Department of Human Services and current professional language regarding target populations.

Over the last two sessions, we have expanded services for adults with substance use disorders services first through the voucher program (2015) and in 2017 expanding the voucher to include Medically Assisted Treatment. With the Free Through Recovery expansion, we have been able to serve significant numbers of new people.

Adults and children with serious mental health issues still have serious difficulty accessing a range of needed services. This bill was broadly written to allow for potential use of a 1915i Medicaid waiver to expand services, to build a structure parallel to *Free Through Recovery* including using private providers, vouchers or contracts but with different target populations and key partnerships. The amendments that were added included the formal definition of targeted case management.

In reviewing the Governor's budget, it appears that the Governor has also request some funds similar to this bill although it is unclear what the focus of those funds would be.

Thank you, Chairman Holmberg I would be more than willing to answer any questions.

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 1-23-2019
 PS 1

Department of Human Services
SMI and SED Targeted Case Management Estimate - Prepared in September 2016
 Originally Prepared for 2017 House Bill 1040 - 2019 Senate Bill 2031

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Total Increased Services and Administration Staffing Needs	\$ 24,393,667.53
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State Share	\$ 12,196,833.76



**Testimony SB 2031
Senate Appropriations Committee
Senator Ray Holmberg, Chairman
January 23, 2019**

Chairman Holmberg and members of the committee, my name is Carlotta McCleary. I am the Executive Director for both Mental Health America of North Dakota and North Dakota Federation of Families for Children's Mental Health. Today I speak on behalf of the Mental Health Advocacy Network (MHAN). MHAN advocates for a consumer/family driven mental health system of care that provides an array of service choices that are timely, responsive and effective.

MHAN has provided testimony since the 2015 session and the most recent interim human service and health service committee meetings regarding our priorities. We argue that peer to peer and family support, consumer choice, diversion from corrections, a core services zero-reject model, and conflict free grievance and appeals processes, and the access to a full and functional continuum of care serve as the backbone to correcting the crisis in North Dakota's behavioral health system.

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When adults with serious mental illnesses or families who have a child with a serious emotional disorder need someone to coordinate their care due to needing supports in multiple systems, that adult or family supporting a child is captive by the regional Human Service Centers because that is the only way you can access case management services. Furthermore, those case managers are the only way to access certain services, thereby serving as gatekeepers

3 SB 2031
1-23-2019
AJ2

to additional services that are needed for this population. While these services are intended to be effective, they are not available equitably in all regions, nor are they adequate to meet the need. MHAN believes that the state should redirect funding to allow consumers choice and access to services (such as targeted case management) in the private sector. Such choice can foster results driven accountability. This was a key component to the recommendations of the Human Services Research Institute study released last year. But this idea is not new to the North Dakota state legislature. In 2014 the Schulte report, which the legislature commissioned during the 63rd legislative assembly, also highlighted this problem and the solution to it. “Although some may think that this DHS directed system is more functional and streamlined, in actuality it has created less competition and thereby a lower standard of care. The HSCs are the sole provider of many services not giving consumers any options. In a state where all available providers are needed in order to get the work accomplished, the dominance of the HSC system of care is counter-productive. The issue of lack of care coordination or case management was the second most common concern noted throughout the state. Challenges include not being able to access case management, with the lack of choice due to having only one provider of services (DHS), a culture of dependence upon the government system, and a lack of uniform eligibility criteria for program participation was noted.”

SB 2031 is an attempt to address a problem that the state legislature has been aware of for nearly five years. As MHAN had said in previous testimony, the North Dakota mental health crisis will not be solved through one solution or one program. This crisis is deeply embedded in the fabric of the North Dakota mental health service delivery system. That

#3

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1-23-2019

pg 3

being said, the expansion of targeted case management into the private sector is a crucial start to solving this crisis.

I would be happy to take any questions you have.

Carlotta McCleary, Spokesman
Mental Health Advocacy Network (MHAN)
523 North 4th Street
Bismarck ND 58501

Email: cmcleary@mhand.org

Phone: (701)255-3692

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**Testimony
Senate Bill 2031
Senate Appropriations Committee
Senator R. Holmberg, Chairman
January 23, 2019**

Chairman Holmberg, members of the Senate Appropriations Committee, I am Heather Simonich, Operations Director of PATH of Nexus. PATH of Nexus provides child welfare and behavioral health services from nine offices throughout North Dakota. We are here today to testify in support of SB2031, relating to an appropriation to the Department of Human Services for targeted case management services.

Your committee is familiar with the recommendations of the behavioral health systems study completed by the Human Services Research Institute in 2018. SB2031 addresses the recommendation concerning the need to expand outpatient and community-based services, including in-home and school-based clinical services. Additionally, the need to modify the case management system so that more individuals can access these services was noted in the report.

In the 2015-2017 biennium, PATH partnered with the Mid-Dakota Education Cooperative and the Department of Public Instruction to develop and disseminate a professional development curriculum for educators on trauma-sensitive schools. This curriculum provided education regarding the impact of childhood trauma, how it manifests in the school setting, and practical strategies for educators to support the behavioral health needs of their students. To date, training has been provided to over 7,000 ND education professionals representing 82 school districts. The response from our educators has been an overwhelming and urgent call for creative partnerships to increase access to high-quality services and supports for students and their families.

Because of that need, in 2018 PATH again partnered with the Mid-Dakota Education Cooperative to apply for a federal grant to develop a model and infrastructure for the creation of Full Service Community Schools in North Dakota. Our group was awarded one of fifteen federal grants, providing \$2.5M over 5 years. Three identified elementary schools (Fargo, Minot and Mandan) are participating. A portion of this grant funding is to pilot school-based targeted case management (TCM) services.

As you have heard, navigating our behavioral health system is complex. Importantly, targeted case management services help children gain access to needed medical, social, educational and other services necessary for appropriate care and treatment. Equally important, TCM services actively engage the child's family in the process. Seventy years' worth of resiliency research tells us the most powerful predictor of resilience in children is a supportive caregiver. High quality TCM services engage and support the family by providing routine home visits and 24 hour, 7 days a week availability for emergency case management services. Furthermore, working within the school setting, collaboratively with educators, provides a more natural setting for parent engagement in the case management process. Receiving case management services is voluntary, and families will likely be less threatened and more comfortable when services are aligned with the school rather than mental health or social service providers.

Currently, PATH is able to provide TCM only for youth who meet criteria through the Medicaid State Plan for Child Welfare Targeted Case Management. This means there must be involvement with the child welfare system via an abuse/neglect allegation. Ultimately, our goal is to serve children and families early and prevent child welfare involvement. However, at this time there is no reimbursement mechanism for us to provide case management for children with Serious Emotional Disturbances (SED), thus limiting the timeliness and access to this much-needed service.

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Funding for additional SED case management delivered by qualified providers in the private sector under the State Medicaid Plan for SED would allow youth and their families to receive services sooner and will increase the capacity of case management services statewide.

Because SB2031 would strengthen the continuum of care for children in North Dakota by improving the range and capacity for case management, we urge your support.

Thank you for the opportunity to testify before your committee today. I am happy to answer any questions you may have.

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SENATE HUMAN SERVICES COMMITTEE

**TESTIMONY IN SUPPORT OF SB2031
“Targeted Case Management”**

Chairman Holmberg and Committee Members. I am Jessica Thomasson, CEO for Lutheran Social Services of North Dakota. On behalf of Lutheran Social Services of North Dakota I am testifying today in support of SB2031.

Allowing private providers to offer targeted case management, as outlined in SB2031, will create a pathway for more people with serious mental illness and chronic mental health issues to secure the services that will help them find and maintain successful recovery. Targeted case management can help us create an individualized approach to care that puts additional focus on prevention and early intervention and is specifically designed to meet complex needs.

Expanding the potential workforce that is eligible to receive reimbursement for providing this service will mean that Human Service Centers would no longer have to bear the full responsibility for providing targeted case management to everyone who needs it in their jurisdiction, because they would no longer be the only provider who could offer the service.

Our experience tells us that it is absolutely possible for people with complex mental health issues to get the care they need, in their home communities, if we work together. The expansion of targeted case management as outlined in SB2031 will help move us to this desired outcome.

We would encourage your support of SB2031. Thank you for the opportunity to speak to you today. I would be happy to answer any questions you have for me.

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