

Department 325 - Department of Health and Human Services - Human Services Divisions
Senate Bill No. 2012

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 Executive Budget	\$1,990,026,154	\$3,458,144,154	\$5,448,170,308
2023-25 Base Level	1,554,787,657	2,895,308,345	4,450,096,002
Increase (Decrease)	\$435,238,497	\$562,835,809	\$998,074,306

Selected Budget Changes Recommended in the Executive Budget

	General Fund	Other Funds	Total
Departmentwide			
1. Provides funding for state employee salary and benefit increases, of which \$27,595,301 is for salary increases and \$9,914,190 is for health insurance increases	\$22,572,454	\$14,937,037	\$37,509,491
2. Adjusts funding to increase general fund support for traditional Medicaid due to changes in the state's federal medical assistance percentage (FMAP)	\$21,621,657	\$0	\$21,621,657
3. Adds funding for Medicaid cost, caseload, and utilization changes, including \$344,486,119 for medical services, \$108,980,250 for long-term care, and \$50,597,755 for developmental disabilities	\$122,273,746	\$381,790,378	\$504,064,124
4. Provides for inflationary increases of 4 percent the 1 st year of the biennium and 3 percent the 2 nd year of the biennium for human service providers in the 2023-25 biennium	\$46,887,871	\$46,892,127	\$93,779,998
5. Replaces ongoing funding of \$31.5 million appropriated during the 2021-23 biennium from the community health trust fund and \$1 million of funding from the health care trust fund with funding from the general fund	\$32,500,000	(\$32,500,000)	\$0
6. Adds funding for a new Capitol space rent model	\$842,674	\$0	\$842,674
7. Adds one-time funding for operating inflation	\$10,282,172	\$10,282,172	\$20,564,344
8. Provides one-time funding from the strategic investment and improvements fund (SIIF) for a procurement and grants management system	\$0	\$11,000,000	\$11,000,000
9. Provides one-time funding of \$60.0 million, of which \$20.4 million is from the community health trust fund and \$39.6 million is from federal funds, to replace the child support case management system	\$0	\$60,000,000	\$60,000,000
Program and Policy			
1. Increases funding for home- and community-based services (HCBS), including the addition of 14 FTE positions for HCBS case management and other HCBS duties	\$9,949,931	\$4,749,311	\$14,699,242
2. Increases funding to serve vulnerable adults, including guardianship fee increases and the addition of 2 FTE positions for aging services and developmental disabilities investigations	\$578,236	\$207,736	\$785,972
3. Increases senior meal rates from \$4.60 to \$8.89 for home-delivered meals and from \$4.60 to \$7.62 for congregate meals and provides for up to two home-delivered meals per day	\$12,992,444	\$0	\$12,992,444
4. Adds funding from the general fund for foster care needs to allow federal temporary assistance for needy families (TANF) funding to be reallocated for economic assistance programs	\$7,496,368	\$0	\$7,496,368
5. Increases funding for child health and well-being to:			
• Add 2 FTE early intervention positions	\$173,204	\$173,204	\$346,408
• Add 4 FTE child response and protection positions	938,472	0	938,472
• Add funding to provide assistance to unlicensed kin caregivers	960,000	0	960,000

• Increase funding for children's advocacy centers to provide total funding of \$3.2 million	1,600,000	0	1,600,000
Total	\$3,671,676	\$173,204	\$3,844,880
6. Eliminates the autism spectrum disorder voucher program and increases funding for the autism waiver program	\$3,868,959	\$4,607,797	\$8,476,756
7. Adds funding for medical assistance programs to:			
• Increase the eligibility level the children's health insurance program from 170 to 210 percent of the federal poverty level	\$1,389,270	\$2,878,042	\$4,267,312
• Increase the eligibility level for medically needy individuals from 83 to 90 percent of the federal poverty level	6,300,000	4,200,000	10,500,000
• Increase the maximum benefit level and available slots for the medically fragile waiver	186,400	206,022	392,422
Total	\$7,875,670	\$7,284,064	\$15,159,734
8. Adds 2 FTE positions for developmental disability program management	\$162,006	\$168,618	\$330,624
9. Provides funding for community-based behavioral health and support to:			
• Convert 28.5 temporary human service center positions to FTE positions to provide behavioral health services	\$950,906	\$0	\$950,906
• Add 1 FTE behavioral health services navigator position in the behavioral health division	189,272	0	189,272
• Add 1 FTE substance use disorder voucher program processor position in the behavioral health division	34,674	0	34,674
• Add ongoing funding from the general fund and one-time funding from SIIF for pregnant and parenting women residential services, including one-time funding for improvements to residential facilities	600,000	1,000,000	1,600,000
Total	\$1,774,852	\$1,000,000	\$2,774,852
10. Increases funding from the general fund for the community connect peer support program and funding from special funds from the Department of Corrections and Rehabilitation for the free through recovery peer support program	\$7,019,514	\$8,326,380	\$15,345,894
11. Provides funding for a workforce initiative to:			
• Add one-time funding to increase capacity for the early childhood rating infrastructure	\$3,000,000	\$0	\$3,000,000
• Convert 1 temporary FTE position and add 0.50 FTE position for criminal background check processing	116,473	25,564	142,037
• Add one-time funding to further automate the background check process	1,000,000	0	1,000,000
• Add 2 FTE positions to provide assistance to businesses who employ direct care workers to maintain and increase services	49,800	267,941	317,741
• Add one-time funding to create quality tiers in the child care reimbursement program	3,000,000	0	3,000,000
• Increase utilization rates of children ages 0 to 3 served by the child care assistance program	22,000,000	0	22,000,000
• Improve the ability of lower income parents to obtain quality child care	12,900,000	0	12,900,000
• Increase funding for kindergarten readiness	2,400,000	0	2,400,000
• Add 2 FTE positions for child care grant and support programs	476,962	0	476,962
• Expand the best in class program	16,000,000	0	16,000,000
• Provide early childhood career development grants	2,000,000	0	2,000,000
• Expand public-private child care benefits using one-time funding from the legacy earnings fund	0	5,000,000	5,000,000

• Provide child care business operating grants using one-time funding from the legacy earnings fund	0	7,000,000	7,000,000
• Create a pilot program for child care during nontraditional hours using one-time funding from the legacy earnings fund	0	1,000,000	1,000,000
Total	\$62,943,235	\$13,293,505	\$76,236,740
12. Adds one-time funding for program integrity audits	\$2,250,000	\$2,250,000	\$4,500,000

Field Services

1. Adds funding for crisis services to:

• Convert 16 temporary positions to FTE peer support specialist positions	\$1,580,901	\$0	\$1,580,901
• Add 1 FTE nurse position for crisis residential services at the Northwest Human Service Center	182,516	0	182,516
• Add 4 FTE mobile crisis positions	1,050,419	0	1,050,419
• Increase funding for locum tenus contracts	2,475,200	0	2,475,200
• Increase funding for contracted medical providers	6,086,500	0	6,086,500

Total	\$11,375,536	\$0	\$11,375,536
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| 2. Adds one-time funding to replace federal and special fund revenue with funding from the general fund due to decreased revenues and increased operating costs at human service centers and the State Hospital | \$36,028,141 | (\$36,028,141) | \$0 |
| 3. Provides one-time funding of \$735,154 from SIIF to replace the fire alarm system and resurface the parking lot at the Southeast Human Service Center | \$0 | \$735,154 | \$735,154 |
| 4. Provides one-time funding of \$10 million from SIIF for the architectural design of a new state hospital | \$0 | \$10,000,000 | \$10,000,000 |

County Social Services

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|---|--------------|-----|--------------|
| 1. Transfers \$200 million from the tax relief fund to the human service finance fund and appropriates the funding for costs associated with the county social and human services program | | | |
| 2. Adds funding from the general fund for the costs of 85 FTE positions | \$19,816,722 | \$0 | \$19,816,723 |

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

Transfers - Sections 3, 4, and 5 would allow the Department of Health and Human Services (DHHS) to transfer appropriation authority between line items in Senate Bill No. 2012 and House Bill No. 1004.

Contingent FTE positions - Section 6 would authorize DHHS to increase direct care FTE positions for field services subject to the availability of funds.

Community health trust fund - Section 7 would identify \$20.4 million of funding in the budget is from the community health trust fund for the child support case management system replacement project.

Human service finance fund - Section 8 would identify \$200 million of funding in the budget is from the human service finance fund for the county social and human service finance project.

Legacy earning fund - Section 9 would identify \$13 million of funding in the budget is from the legacy earnings fund for defraying the expenses of various child care programs.

Special assessments - Section 10 would authorize DHHS to pay special assessments at the State Hospital and Life Skills and Transition Center.

Capital projects - Section 11 would authorize DHHS to proceed with capital projects at the State Hospital.

Permanent supportive housing grants - Section 12 would identify \$4,672,536 in the budget is from the general fund for permanent supportive housing grants.

Child care financial assistance - Section 13 would identify \$5 million in the budget is for financial assistance and direct payments for child care services.

Medicaid expansion - Section 14 would provide DHHS may not spend more for the Medicaid Expansion program than the amount is appropriated in the bill with certain exceptions.

Children's health insurance program - Section 15 would provide the statutory changes need to increase the eligibility level of the children's health insurance program from 175 to 210 percent of the federal poverty level.

Autism spectrum disorder voucher program - Section 16 would repeal the statutory provisions related to the autism spectrum disorder voucher program.

Building leases - Section 17 would authorize DHHS to enter agreements for the lease of facilities for human service centers.

State Hospital land lease - Section 18 would authorize DHHS to lease land at the State Hospital to the Adjutant General to construct a training and storage facility.

Provider outcomes - Section 19 would provide that DHHS require providers to submit process and outcome measures as requested by the department.

Community behavioral health program - Section 20 would authorize DHHS to transfer funds between line items for the community behavioral health program.

Early childhood information systems - Section 21 would exempt DHHS from state procurement practices for selecting a vendor to develop early childhood information systems.

Carryover exemptions - Sections 22 through 34 would authorize DHHS to continue unexpended appropriations for various purposes into the 2023-25 biennium.

Utilization rate adjustments - Section 35 would provide intent that DHHS seek a deficiency appropriation from the 69th Legislative Assembly if utilization rates exceed estimates used in the budget.

Provider inflation increase - Section 36 would provide for providers to receive an inflationary increase of 4 percent the 1st year and 3 percent the 2nd year of the 2023-25 biennium.

Basic care facility rebasing - Section 37 would provide for DHHS to rebase basic care facility rates.

Federal funding appeal limitation - Section 38 would provide an individual may not appeal a denial of service by DHHS due to the unavailability of federal coronavirus relief funding.

Early childhood program reports - Section 39 would require DHHS to provide reports to the Legislative Management regarding early childhood programs.

Continuing Appropriations

Child support collection and disbursement - North Dakota Century Code Section 14-09-25 - Allows the department to receive child support payments and provide the funds to the custodial parent or appropriate governmental entity for those custodial parents receiving governmental assistance.

Child support improvement account - Section 50-09-15.1 - Allows the department to receive federal child support incentive funds and spend the funds in accordance with its business plan to improve the child support collection process.

Child support cooperative agreements - Section 50-09-33 - Allows the department to accept federal funds and other income generated by the department under a cooperative agreement with an Indian tribe for child support enforcement services for hiring staff and payment of other expenses as necessary for carrying out the department's duties under the agreement.

Transition to independence - Section 50-06-34 - Allows the department to receive grants and other sources of funding for the development of a program for services to transition-aged youth at risk.

Deficiency Appropriations

Senate Bill No. 2025 includes \$25 million from the general fund and \$285 million from other funds to maintain the current level of Medicaid enrollment during the extension of the public health emergency related to COVID-19.

Significant Audit Findings

The June 30, 2021, State Auditor's report for the Department of Human Services identified the following audit findings:

- **Not verifying income eligibility** - The department is not adequately verifying that individuals applying for the substance use disorder voucher program have income at or below 200 percent of the federal poverty level.
- **Not verifying Medicaid eligibility** - The department paid up to \$1,066,655 through the substance use disorder program for services provided to individuals that could have received services through the Medicaid program. This resulted in 293 individuals not being served through the voucher program due to a lack of funding for the program.
- **Employees not properly paid** - Employees at the Life Skills and Transition Center and State Hospital were underpaid by \$132,000 due to the department not paying the appropriate shift differential for employees working overnight on a weekend.
- **Noncompliance with performance bonus requirements** - The department paid a total of \$157,000 in performance bonuses to employees that were not eligible to receive a bonus. Bonuses were provided to 61 employees who were not employed in state government for at least 1 year before receiving the bonus and 69 bonuses were provided to ineligible temporary employees.

- **Child care correction orders not resolved (prior audit finding)** - The department is not properly monitoring corrective orders issued to child care providers.
- **Timely contact for victims of child abuse (prior audit finding)** - The department is not responding in the required time frame when reports of suspected child abuse are received.
- **Financial statement errors (prior audit finding)** - The department reported incorrect financial statement amounts totaling \$629 million to the Office of Management and Budget for the state's annual comprehensive financial report.
- **Drug Rebate and Analysis System receivables balance (prior audit finding)** - There is a lack of internal controls for the Drug Rebate and Analysis Management System which can result in an overstatement of receivables for the Medicaid drug rebate system.

Major Related Legislation

House Bill No. 1026 - Legislative Management study - Provides for a legislative management study regarding the implementation of behavioral health and acute psychiatric treatment recommendations.

House Bill No. 1027 - Community behavioral health clinics - Requires each human service center to become a certified community behavioral health clinic.

House Bill No. 1028 - Community health worker task force - Creates a community worker health task force and provides an appropriation to allow the task force to contract with a third party to provide services to the task force.

House Bill No. 1029 - Community health workers - Provides definitions for the certification of community health workers by DHHS and requires the department to seek a Medicaid state plan amount to authorize Medicaid reimbursement for services provided by community health workers.

House Bill No. 1035 - Cross-disability advisory council - Creates a cross-disability advisory council to advise DHHS regarding the implementation, planning, and design of the cross-disability children's waiver and repeals the autism spectrum disorder task force.

House Bill No. 1036 - TANF benefit level - Establishes the TANF program maximum basis standard of need benefit level to be at least 50 percent of the federal poverty level based on household size.

House Bill No. 1043 - Psychiatric residential treatment facility - Adjusts the admissions requirements for psychiatric residential treatment facilities.

House Bill No. 1044 - Medical assistance primary care provider - Repeals a statutory section that requires the medical assistance program to recognize physician assistants and advanced practice registered nurses as primary care providers.

House Bill No. 1045 - Health care facility survey - Allows the use of a third-party reviewer for health care facility surveys.

House Bill No. 1046 - Human service zone indirect costs - Adjusts the allowable indirect cost payments that may be paid to a human service zone.

House Bill No. 1047 - Health insurance information - Updates the information that needs to be provided to DHHS from health insurers.

House Bill No. 1048 - Developmental disability program administration - Adjusts the duties of DHHS relating to developmental disabilities services, including the requirement for the department to establish funding for family members and corporate guardianships.

House Bill No. 1049 - Adult foster home zoning - Requires adult foster homes to be considered a permitted use in a single-family or equivalent least-density residential zone.

House Bill No. 1050 - Substance use disorder language - Updates language regarding substance use disorder programs.

House Bill No. 1051 - Field services meals - Allows DHHS to provide meals at a fair value or without a charge to employees at the State Hospital, Life Skills and Transition Center, and continually staffed residential units at human service centers.

House Bill No. 1091 - Family foster care for children - Allows for the certification of kinship relatives to provide foster care to children.

House Bill No. 1110 - Autism spectrum disorder voucher program - Increases the eligibility level of the autism spectrum disorder voucher program from 200 to 250 percent of federal poverty level.

Senate Bill No. 2026 - State Hospital building demolition - Appropriates funding to demolish buildings at the State Hospital.

Senate Bill No. 2030 - Study of value-based purchasing - Requires DHHS to study value-based purchasing and to report its funding to the Legislative Management.

Senate Bill No. 2031 - Prescription drug reference rate pilot program - Requires the Insurance Commissioner to create a prescription drug reference rate pilot program.

Senate Bill No. 2034 - Children's Cabinet membership - Adjusts the legislative membership of the Children's Cabinet and adds the Executive Director of DHHS to the membership of the cabinet.

Senate Bill No. 2035 - Guardianship services - Provides an appropriation to DHHS to increase funding for developmental disability guardianships and provides an appropriation to the Office of Management and Budget to increase funding for indigent guardianship grants.

Senate Bill No. 2051 - Criminal history checks - Adjusts the requirements of DHHS to conduct criminal history records checks.

Senate Bill No. 2052 - Life Skills and Transition Center - Adjusts the duties and requirements to access services at the Life Skills and Transition Center.

Senate Bill No. 2071 - Medical assistance for pregnant women - Increases the Medicaid eligibility level for medical assistance for pregnant women from 162 to 200 percent of the federal poverty level.

Senate Bill No. 2077 - Gambling disorder prevention - Allows DHHS to administer a gambling disorder program rather than contracting for services.

Senate Bill No. 2083 - Behavioral health collaborative care - Authorizes the State Hospital and human service centers to provide behavioral health collaborative care and consultation services.

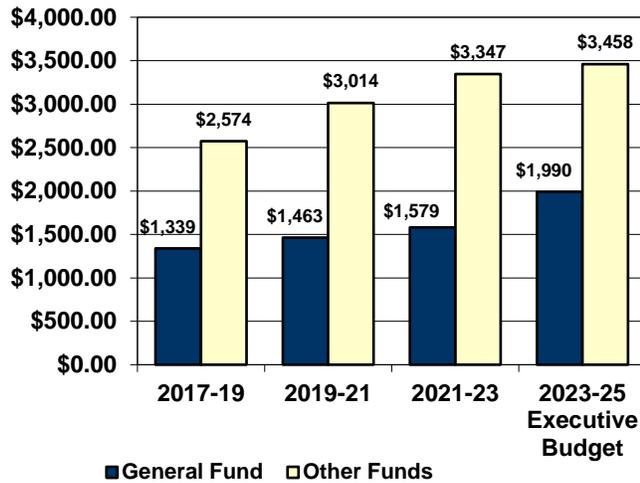
Senate Bill No. 2087 - TANF household size - Removes a provision that prevents an increase in benefits when a child is born to an individual enrolled in the TANF program.

Senate Concurrent Resolution No. 4001 - Public institutions terminology - Adjusts the terminology used in the constitution for public institutions, including the State Hospital and Life Skills and Transition Center.

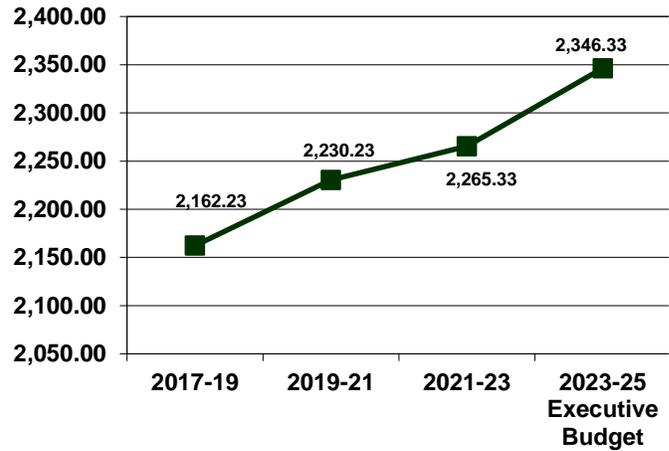
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$1,262,925,021	\$1,313,081,350	\$1,461,150,884	\$1,554,787,654	\$1,934,765,841
Increase (decrease) from previous biennium	N/A	\$50,156,329	\$148,069,534	\$93,616,770	\$379,978,187
Percentage increase (decrease) from previous biennium	N/A	4.0%	11.3%	6.4%	24.4%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	4.0%	15.7%	23.1%	53.2%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

1. Removed 33 FTE positions from the department (\$3,127,902)
2. Reduced funding for staff overtime (\$1,082,857)
3. Adjusted funding for child care assistance eligibility (\$2,160,357)
4. Adjusted the professional fee schedule to 100 percent of Medicare and provided other policy changes (\$10,612,966)
5. Added funding to continue Medicaid Expansion for 19- and 20-year-olds as managed care \$1,653,008
6. Changed a portion of funding sources for various programs from the general fund to the community health trust fund (\$18,000,000) and the tobacco prevention and control trust fund (\$22,175,000) (\$40,175,000)
7. Added funding for nursing home operating margin, rebasing, and incentives \$1,783,181
8. Added funding for money follows the person grants \$527,954
9. Added funding to increase the autism waiver maximum age to 11 years old \$183,609
10. Reduced funding for vacant positions and employee turnover at institutions (\$3,250,499)

2019-21 Biennium

1. Added funding for provider inflationary increases of 2 percent the 1st year of the biennium and 2.5 percent the 2nd year of the biennium \$30,155,090
2. Adjusted funding for anticipated changes in the regular FMAP (\$25,682,840)
3. Adjusted funding for anticipated changes in the FMAP for Medicaid Expansion (\$20,254,376) and the children's health insurance program (\$6,152,757) \$26,407,133
4. Added funding for grant cost and caseload changes \$51,128,377

- 5. Replaced funding provided in the 2017-19 biennium from the tobacco prevention and control trust fund \$34,175,000
- 6. Replaced one-time funding provided in the 2017-19 biennium for Medicaid Expansion commercial rates \$13,300,000
- 7. Adjusted funding sources to use funding from the community health trust fund rather than the general fund (\$32,400,000)
- 8. Added funding for the free through recovery program to provide services to individuals outside of the corrections system \$4,000,000
- 9. Added funding to expand crisis services \$4,096,174
- 10. Added funding for the substance use disorder voucher program \$3,053,523

2021-23 Biennium

- 1. Added funding for cost, caseload, and utilization changes, including \$156,789,851 for medical services, \$77,698,712 for long-term care, and \$41,567,021 for developmental disabilities \$124,345,846
- 2. Increased funding for substance use disorder vouchers to \$15 million and added \$2 million for substance use disorder grants \$9,000,000
- 3. Added funding for a new early childhood program \$1,500,000
- 4. Reduced funding for long-term care estimated utilization rates (\$9,395,558)
- 5. Transferred 19- and 20-year old individuals in Medicaid Expansion to fee-for-service arrangement (\$2,413,379)
- 6. Adjusted funding based on estimated federal medical assistance percentage rates (\$45,779,364)
- 7. Added provider inflation funding to provide a 2.0 percent increase the 1st year of the biennium and a 0.25 percent increase the 2nd year of the biennium \$18,998,506
- 8. Added funding for technology contractual services and repairs \$4,010,886

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adjusts funding to increase general fund support for traditional Medicaid due to changes in the state's FMAP \$21,621,657
- 2. Adds funding for Medicaid cost, caseload, and utilization changes, including \$344,486,119 for medical services, \$108,980,250 for long-term care, and \$50,597,755 for developmental disabilities \$122,273,746
- 3. Provides for inflationary increases of 4 percent the 1st year of the biennium and 3 percent the 2nd year of the biennium for human service providers in the 2023-25 biennium \$46,887,871
- 4. Replaces ongoing funding of \$31.5 million appropriated during the 2021-23 biennium from the community health trust fund and \$1 million of funding from the health care trust fund with funding from the general fund \$32,500,000
- 5. Transfer the costs of 85 FTE positions from the human service finance fund to the general fund and other funds \$19,816,722
- 6. Increases funding for crisis support services \$11,518,430
- 7. Adds funding for a workforce initiative \$54,566,998
- 8. Increases funding for senior nutrition services \$12,992,44
- 9. Adds funding for home- and community-based services \$9,894,731
- 10. Adds funding to adjust the use of federal TANF funds \$7,496,368

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$18,172,167	\$26,000,000	\$1,512,603	\$24,233,216	\$55,260,313

Major One-Time General Fund Appropriations

2017-19 Biennium

- 1. Added one-time funding for a county social services pilot program \$26,000,000

2019-21 Biennium

- 1. Added one-time funding for a medically complex children provider funding adjustment \$977,603
- 2. Added one-time funding for a hyperbaric oxygen therapy pilot project \$335,000

2021-23 Biennium

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| 1. Added one-time funding for the first phase of upgrading the Medicaid management information system | \$4,326,686 |
| 2. Added one-time funding for a child welfare technology project | \$15,000,000 |
| 3. Added one-time funding for changes associated with the implementation of a new nursing facility payment methodology | \$3,348,000 |
| 4. Added one-time funding for heat pump and carpet replacement projects at the Southeast Human Service Center | \$724,000 |

2023-25 Biennium (Executive Budget Recommendation)

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| 1. Adds one-time funding to replace federal and special fund revenue with funding from the general fund due to decreased revenues and increased operating costs at human service centers and the State Hospital | \$36,028,141 |
| 2. Adds one-time funding for child care programs associated with a workforce initiative, including funding to expand background checks, to add capacity for early childhood rating infrastructure, and to create quality tiers in the child care reimbursement program | \$7,000,000 |
| 3. Adds one-time funding for program integrity audits | \$2,250,000 |
| 4. Adds one-time funding for inflation | \$10,282,172 |

DHHS - Management - Budget No. 325
Senate Bill No. 2012
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE	General	Other	Total
	Positions	Fund	Funds	Total
2023-25 Biennium Base Level	97.85	\$79,695,055	\$92,905,425	\$172,600,480
2023-25 Ongoing Funding Changes				
Base payroll and budget changes		\$5,995,189	\$11,524,138	\$17,519,327
Salary increase		1,147,998	374,236	1,522,234
Health insurance increase		433,004	141,155	574,159
Workforce initiative	3.00	376,235	26,509	402,744
Home- and community-based services		55,200		55,200
New Capitol space rent model		842,674		842,674
County social services funding shift		19,816,722		19,816,722
Total ongoing funding changes	3.00	\$28,667,022	\$12,066,038	\$40,733,060
One-time funding items				
Workforce initiative one-time		\$1,000,000		\$1,000,000
Operating inflation		10,282,172	\$10,282,172	20,564,344
Procurement and grants software - SIIF			11,000,000	11,000,000
Total one-time funding changes	0.00	\$11,282,172	\$21,282,172	\$32,564,344
Total Changes to Base Level Funding	3.00	\$39,949,194	\$33,348,210	\$73,297,404
2023-25 Total Funding	100.85	\$119,644,249	\$126,253,635	\$245,897,884
<i>Federal funds included in other funds</i>			\$112,179,381	
<i>Total ongoing changes as a percentage of base level</i>	3.1%	36.0%	13.0%	23.6%
<i>Total changes as a percentage of base level</i>	3.1%	50.1%	35.9%	42.5%

DHS - Program and Policy - Budget No. 325
Senate Bill No. 2012
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	682.17	\$1,294,528,253	\$2,499,452,626	\$3,793,980,879
2023-25 Ongoing Funding Changes				
Base payroll and budget changes		\$11,576,010	\$8,970,473	\$20,546,483
Salary increase		3,528,965	4,743,438	8,272,403
Health insurance increase		1,331,062	1,789,141	3,120,203
Cost and caseload increases		122,273,747	381,790,377	504,064,124
FMAP changes		21,621,657	(21,621,657)	0
Provider inflation increase		45,591,613	46,892,127	92,483,740
Home- and community-based services	3.00	9,894,731	2,546,477	12,441,208
Vulnerable adult services	2.00	578,236	207,736	785,972
Senior nutrition services		12,992,444		12,992,444
TANF program adjustments		7,496,368		7,496,368
Child health and well-being	6.00	3,671,676	173,204	3,844,880
Autism waiver and voucher adjustments		4,168,959	4,607,797	8,776,756
Medical assistance program eligibility increase		7,875,670	7,284,064	15,159,734
Developmental disability program management	2.00	162,006	168,618	330,624
Community connect and free through recovery		7,019,514	8,326,380	15,345,894
Community-based behavioral health	2.00	823,946		823,946
Opioid prevention			2,000,000	2,000,000
County social services funding adjustments			535,015	535,015
Workforce initiative	2.50	55,566,998	266,998	55,833,996
Total ongoing funding changes	17.50	\$316,173,602	\$448,680,188	\$764,853,790
One-time funding items				
Workforce initiative one-time		\$6,000,000	\$13,000,000	\$19,000,000
Program integrity audits		2,250,000	2,250,000	4,500,000
Child support project - SIIF			60,000,000	60,000,000
Pregnant and parenting women - SIIF			1,000,000	1,000,000
Autism programs adjustment		(300,000)		(300,000)
Total one-time funding changes	0.00	\$7,950,000	\$76,250,000	\$84,200,000
Total Changes to Base Level Funding	17.50	\$324,123,602	\$524,930,188	\$849,053,790
2023-25 Total Funding	699.67	\$1,618,651,855	\$3,024,382,814	\$4,643,034,669
<i>Federal funds included in other funds</i>			\$2,882,865,322	
<i>Total ongoing changes as a percentage of base level</i>	2.6%	24.4%	18.0%	20.2%
<i>Total changes as a percentage of base level</i>	2.6%	25.0%	21.0%	22.4%

DHHS - Field Services - Budget No. 325
Senate Bill No. 2012
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	1,342.31	\$179,323,958	\$114,273,299	\$293,597,257
2023-25 Ongoing Funding Changes				
Base payroll and budget changes		\$5,365,003	\$7,438,385	\$12,803,388
Salary increase		11,951,565	3,779,803	15,731,368
Health insurance increase		4,067,614	1,416,642	5,484,256
Community based behavioral health	28.50	950,906		950,906
Crisis support services	21.00	11,375,536		11,375,536
Provider inflation adjustment		1,296,258		1,296,258
Total ongoing funding changes	49.50	\$35,006,882	\$12,634,830	\$47,641,712
One-time funding items				
State Hospital design - SIIF			\$10,000,000	\$10,000,000
Human Service Center deferred maintenance - SIIF			735,154	735,154
Revenue enhancement and staffing		\$36,028,141	(36,028,141)	0
Total one-time funding changes	0.00	\$36,028,141	(\$25,292,987)	\$10,735,154
Total Changes to Base Level Funding	49.50	\$71,035,023	(\$12,658,157)	\$58,376,866
2023-25 Total Funding	1,391.81	\$250,358,981	\$101,615,142	\$351,974,123
<i>Federal funds included in other funds</i>			\$63,157,110	
<i>Total ongoing changes as a percentage of base level</i>	3.7%	19.5%	11.1%	16.2%
<i>Total changes as a percentage of base level</i>	3.7%	39.6%	(11.1%)	19.9%

DHHS - County Social Services - Budget No. 325
Senate Bill No. 2012
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	143.00	\$1,240,391	\$188,676,995	\$189,917,386
2023-25 Ongoing Funding Changes				
Base payroll and budget changes		\$18,434	\$1,040,347	\$1,058,781
Salary increase - State employees		82,130	1,987,165	2,069,295
Health insurance increase - State employees		30,114	705,458	735,572
Zone employee salary increase			8,337,993	8,337,993
Funding adjustments			2,941,770	2,941,770
Home- and community-based services	11.00		2,202,834	2,202,834
Total ongoing funding changes	11.00	\$130,678	\$17,215,567	\$17,346,245
One-time funding items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	11.00	\$130,678	\$17,215,567	\$17,346,245
2023-25 Total Funding	154.00	\$1,371,069	\$205,892,562	\$207,263,631
<i>Federal funds included in other funds</i>			\$3,542,273	
<i>Total ongoing changes as a percentage of base level</i>	7.7%	10.5%	9.1%	9.1%
<i>Total changes as a percentage of base level</i>	7.7%	10.5%	9.1%	9.1%

Department of Health and Human Services - Budget No. 325
Senate Bill No. 2012
Other Sections

Executive Budget Recommendation

Transfers	Sections 3, 4, and 5 would allow the DHHS to transfer appropriation authority between line items in Senate Bill No. 2012 and House Bill No. 1004.
Contingent FTE positions	Section 6 would authorize DHHS to increase direct care FTE positions for field services subject to the availability of funds.
Community health trust fund	Section 7 would identify \$20.4 million of funding in the budget is from the community health trust fund for the child support case management system replacement project.
Human service finance fund	Section 8 would identify \$200 million of funding in the budget is from the human service finance fund for the county social and human service finance project.
Legacy earnings fund	Section 9 would identify \$13 million of funding in the budget is from the legacy earnings fund for defraying the expenses of various child care programs.
Special assessments	Section 10 would authorize DHHS to pay special assessments at the State Hospital and Life Skills and Transition Center.
Capital projects	Section 11 would authorize DHHS to proceed with capital projects at the State Hospital.
Permanent supportive housing grants	Section 12 would identify \$4,672,536 in the budget is from the general fund for permanent supportive housing grants.
Child care financial assistance	Section 13 would identify \$5 million in the budget is for financial assistance and direct payments for child care services.
Medicaid expansion	Section 14 would provide DHHS may not spend more for the Medicaid Expansion program than the amount is appropriated in the bill with certain exceptions.
Children's health insurance program	Section 15 would provide the statutory changes need to increase the eligibility level of the children's health insurance program from 175 to 210 percent of the federal poverty level.
Autism spectrum disorder voucher program	Section 16 would repeal the statutory provisions related to the autism spectrum disorder voucher program.
Building leases	Section 17 would authorize DHHS to enter agreements for the lease of facilities for human service centers.
State Hospital land lease	Section 18 would authorize DHHS to lease land at the State Hospital to the Adjutant General to construct a training and storage facility.
Provider outcomes	Section 19 would provide that DHHS require providers to submit process and outcome measures as requested by the department.
Community behavioral health program	Section 20 would authorize DHHS to transfer funds between line items for the community behavioral health program.
Early childhood information systems	Section 21 would exempt DHHS from state procurement practices for selecting a vendor to develop early childhood information systems.
Carryover exemptions	Sections 22 through 34 would authorize DHHS to continue unexpended appropriations for various purposes into the 2023-25 biennium.
Utilization rate adjustments	Section 35 would provide intent that DHHS seek a deficiency appropriation from the 69 th Legislative Assembly if utilization rates exceed estimates used in the budget.

Provider inflation increases	Section 36 would provide for providers to receive an inflationary increase of 4 percent the 1 st year and 3 percent the 2 nd year of the 2023-25 biennium.
Basic care facility rate rebasing	Section 37 would provide for DHHS to rebase basic care facility rates.
Federal funding appeal limitation	Section 38 would provide an individual may not appeal a denial of service by DHHS due to the unavailability of federal coronavirus relief funding.
Early childhood program reports	Section 39 would require DHHS to provide reports to the Legislative Management regarding early childhood programs.

**SENATE BILL 2012
(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the department of health and human services; to amend and reenact section 50-29-04 of the North Dakota Century Code, relating to the children's health insurance program; to repeal section 50-06-32.1 of the North Dakota Century Code, relating to autism spectrum disorder voucher program pilot project; to provide an exemption; to provide a statement of legislative intent; to provide a limitation; to provide for a report; to provide for a transfer; to provide an application; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of health and human services for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

Subdivision 1.

	MANAGEMENT		
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries	\$ 21,363,562	\$ 23,493,136	\$ 44,856,698
Operating	151,161,924	49,804,262	200,966,186
Capital Assets	75,000	0	75,000
Total All Funds	\$172,600,486	\$73,297,399	\$245,897,885
Less Estimated Income	<u>92,905,41</u>	<u>33,348,22</u>	<u>126,253,636</u>
Total General Fund	\$79,695,070	\$39,949,179	\$119,644,249

Subdivision 2.

	PROGRAM AND POLICY		
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries	\$122,231,310	\$22,810,018	\$145,041,328
Operating	136,155,763	103,796,398	239,952,161
Capital Assets	10,000	0	10,000
Medicaid Clawback	\$39,922,956	9,368,767	49,291,723
Grants	466,994,386	182,584,087	649,578,473
Grants Medical Assistance	3,028,666,457	528,494,527	3,557,160,984
Opioid Prevention	0	2,000,000	2,000,000
Total All Funds	\$3,793,980,872	\$849,053,797	\$4,643,034,669
Less Estimated Income	<u>2,499,452,636</u>	<u>524,930,196</u>	<u>3,024,382,814</u>
Total General Fund	\$1,294,528,236	\$324,123,601	\$1,618,651,855

Subdivision 3.

FIELD SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Institutions - HSC	\$293,597,252	\$58,376,871	\$351,974,123
Total All Funds	<u>\$293,597,252</u>	<u>\$58,376,871</u>	<u>\$351,974,123</u>
Less Estimated Income	114,273,295	(12,658,153)	\$101,615,142
Total General Fund	\$179,323,957	\$71,035,024	\$250,358,981

Subdivision 4.

COUNTY SOCIAL SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
County Social Services	\$189,917,386	\$17,346,245	\$207,263,631
Total All Funds	<u>\$189,917,386</u>	<u>\$17,346,245</u>	<u>\$207,263,631</u>
Less Estimated Income	188,676,995	17,215,567	\$205,892,562
Total General Fund	\$1,240,391	\$130,678	\$1,371,069

TOTAL – SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand Total General Fund	\$1,554,787,654	\$435,238,500	\$1,990,026,154
Grand Total Special Funds	<u>2,895,308,342</u>	<u>562,835,812</u>	<u>3,458,144,154</u>
Grand Total All Funds	\$4,450,095,996	\$998,074,312	\$5,448,170,308
Full-Time Equivalent Positions	2,249.33	97.00	2,346.33

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Technology Projects	\$67,641,747	0
North Dakota State Hospital Architect and Master Plan	0	\$10,000,000
Child Support System Replacement	0	60,000,000
Capital Projects – Southeast Human Service Center	724,000	0
Developmental Disabilities Provider Stabilization Grants	125,000	0
Home And Community-Based Youth Programs	0	(300,000)
Grants, Contracts and Procurement System Replacement	0	11,000,000
Child Care Programs	0	20,000,000
Program Integrity Audits	0	4,500,000
Pregnant and Parenting Women	0	1,000,000
Deferred Maintenance	0	735,154
Inflation	0	20,564,344
Nursing Facility Payment Methodology	<u>7,200,000</u>	<u>0</u>
Total All Funds	\$75,690,747	\$127,499,498
Less Estimated Income	<u>51,457,531</u>	<u>72,239,185</u>
Total General Fund	\$24,233,216	\$55,260,313

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of health and human services shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 3. FUNDING TRANSFERS - EXEMPTION - AUTHORIZATION - REPORT. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items within subdivisions 1, 2 and 3 of section 1 of this Act, section 1 of House Bill No. 1004, and any remaining appropriation authority for the department of health and human services approved by the sixty-

eighth legislative assembly for the biennium beginning July 1, 2023, and ending June 30, 2025, as requested by the department of health and human services. The department of health and human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2024, any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-ninth legislative assembly regarding any transfers made pursuant to this section.

SECTION 4. FUNDING TRANSFERS - EXEMPTION - AUTHORIZATION - REPORT. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority from line items within subdivisions 1, 2, and 3 of section 1 of this Act, section 1 of House Bill No. 1004, and any remaining appropriation authority for the department of health and human services approved by the sixty-eighth legislative assembly to subdivision 4 of this Act for the biennium beginning July 1, 2023, and ending June 30, 2025, as requested by the department of health and human services. The department of health and human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2024, any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-ninth legislative assembly regarding any transfers made pursuant to this section.

SECTION 5. TRANSFER OF APPROPRIATION AUTHORITY. Section 1 of this Act and section 1 of House Bill No. 1004 includes appropriation authority for the department of health and human services for the biennium beginning July 1, 2023, and ending June 30, 2025. On July 1, 2023, the office of management and budget shall combine the appropriation authority contained in section 1 of this Act section 1 of House Bill No. 1004, and any remaining appropriation authority for the department of health and human services in other bills approved by the sixty-eighth legislative assembly, into one budget for the department of health and human services. The department of health and human services shall submit one budget for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. CONTINGENT APPROPRIATION AND AUTHORIZATION. Subject to the availability of generated income, the department of health and human services may adjust or increase full-time equivalent positions of the department of health and human services approved by the sixty-eighth legislative assembly up to fifty full-time equivalent positions for field services to provide direct services. The generated income by the department of health and human services must cover the costs of any additional full-time equivalent positions. The department of health and human services shall notify the office of management and budget and shall report to legislative council each time one or more full-time equivalent positions are authorized under this section.

SECTION 7. ESTIMATED INCOME - COMMUNITY HEALTH TRUST FUND. The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of \$20,400,000 from the community health trust fund for defraying expenses for the replacement of the child support system.

SECTION 8. ESTIMATED INCOME - HUMAN SERVICE FINANCE FUND. The estimated income line item in subdivision 4 of section 1 of this Act includes the sum of \$200,000,000 from the human service finance fund for state-paid economic assistance and social and human services.

SECTION 9. ESTIMATED INCOME - LEGACY EARNINGS FUND. The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of \$13,000,000 from the legacy earnings fund for defraying expenses for the child care assistance programs.

SECTION 10. CAPITAL PAYMENTS. During the biennium beginning July 1, 2023, and ending June 30, 2025, the department of health and human services is authorized to expend funds for the payment of special assessments at the state hospital and life skills and transition center. Pursuant to section 3 of this Act, the director of the office of management and budget may transfer appropriation authority between line items within subdivisions 1, 2, and 3 of section 1 of this Act, section 1 of House Bill No. 1012, and any remaining appropriation authority for the department of health and human services approved by the sixty-eighth legislative assembly. The department may transfer funds for the payment of special assessments at the state hospital and life skills and transition center ahead of the special assessments schedule. Notwithstanding section 54-27-12, the department may spend for the payment of special assessments at the state hospital and life skills and transition center.

SECTION 11. CAPITAL PROJECTS - EMERGENCY COMMISSION APPROVAL. During the biennium beginning July 1, 2023, and ending June 30, 2025, the department of health and human services is authorized to proceed with the demolition of the administrative building and employee building and associated tunnels at the state hospital. Pursuant to section 3 of this Act, the director of the office of management and budget may transfer appropriation authority between line items within subdivisions 1, 2, and 3 of section 1 of this Act, section 1 of House Bill No. 1012, any remaining appropriation authority for the department of health and human services approved by the sixty-eighth legislative assembly. The department may transfer funds for the demolition of the identified buildings and associated tunnels and for emergency capital projects. Notwithstanding section 54-27-12, the department of health and human services may spend up to \$5,000,000 for emergency projects under this section and may seek emergency commission approval to spend more than \$5,000,000 under this section.

SECTION 12 PERMANENT SUPPORTIVE HOUSING GRANTS. Subdivision 2 of section 1 of this Act includes the sum of \$4,672,536 from the general fund for permanent supportive housing grants. The department of health and human services shall develop a funding methodology to distribute the funding to qualified entities that utilize best practices for permanent supportive housing, provide recovery-oriented and person-centered services, submit process and outcome measures to the department, and authorize the department to conduct onsite visits to review program operations.

SECTION 13. CHILD CARE FINANCIAL ASSISTANCE – DIRECT PAYMENTS. Subdivision 2 of section 1 of this Act includes the sum of \$5,000,000, for the purpose of financial assistance and direct payments, for child care services for the biennium beginning July 1, 2023, and ending June 30, 2025. Notwithstanding subsection 3 of section 50-11.1-14.1, the department may provide financial assistance to beneficiaries related to child care services. The requirements of chapter 54-44.4 do not apply to this subsection, including the selection of recipients and the disbursement of funds.

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

1. Subdivision 2 of section 1 of this Act includes the sum of \$942,550,279, of which \$94,225,028 is from the general fund, for the medical assistance expansion program for the biennium beginning July 1, 2023, and ending June 30, 2025. The expenditures for individuals eligible for the medical assistance expansion program may not exceed this amount.
2. The department of health and human services may exceed appropriations for increases in medical assistance expansion program caseload, for the addition of coverage consistent with the traditional Medicaid 1915(i) state plan, utilization rates, and unwinding of the federal public health emergency, and reduction in federal medical assistance percentage.
3. The managed care organization under contract with the department to manage the medical assistance expansion program shall reimburse providers within the same provider type and specialty at consistent levels and with consistent methodology and may not provide incentive, quality, or supplemental payments to providers, unless part of a value-based program approved by the department. The managed care organization shall reimburse all North Dakota substance use providers of American society of addiction medicine level 2.5 at consistent levels and with consistent methodology. The managed care organization may consider urban and rural providers as different provider types. Critical access hospitals may not be paid less than one hundred percent of Medicare allowable costs.
4. The managed care organization and the department of human services shall ensure payments to Indian or Tribal 638 health care providers, federally qualified health centers, and rural health clinics meet the federally required minimum levels of reimbursement.
5. The department of human services shall ensure providers within the same provider type and specialty are reimbursed at consistent levels and with consistent methodology and shall ensure the capitation rates under risk contracts are actuarially sound and are adequate to meet managed care organization contractual requirements regarding availability of services, assurance of adequate capacity and services, and coordination and continuity of care.

SECTION 15. AMENDMENT. Section 50-29-04 of the North Dakota Century Code is amended and reenacted as follows:

50-29-04. Plan requirements.

The plan:

1. Must be consistent with coverage provided to children eligible for medical assistance in the state; and
2. Must provide:
 - a. A modified adjusted gross income eligibility limit of ~~one~~two hundred ~~seventy-five~~ten percent of the poverty line; and
 - b. Current eligibility may be established from the first day of the month in which the application was received. Retroactive eligibility may be established for the three calendar months that immediately preceded the month in which the application was received even if there is no eligibility in the month of application. Eligibility can be established if all factors of eligibility are met during each month.

SECTION 16. REPEAL. Section 50-06-32.1 of the North Dakota Century Code is repealed.

SECTION 17. BUILDING PROJECT - LEASE. The department of health and human services is authorized to enter into agreements with vendors for vendors to build to suit two buildings for the department to lease for the lake region human service center and northwest human service center.

SECTION 18. LEASE OF LAND - STATE HOSPITAL. The department of health and human services and national guard may enter an agreement to lease up to twenty acres of real property associated with the state hospital for the national guard to construct a new training and storage facility.

SECTION 19. PROVIDER PROCESS AND OUTCOME MEASURES. Providers that receive funding from the department of health and human services shall submit process and outcome measures, as required by the department, to the department for programs and services supported by state funding during the biennium beginning July 1, 2023, and ending June 30, 2025, for the department to evaluate the administration of the programs and services using the appropriation for the program or service.

SECTION 20. COMMUNITY BEHAVIORAL HEALTH PROGRAM. Pursuant to section 3 of this Act, the director of the office of management and budget may transfer appropriation authority between line items within subdivisions 1, 2, and 3 of section 1 of this Act, section 1 of Senate Bill No. 2012, and any remaining appropriation authority for the department of health and human services approved by the sixty-eighth legislative assembly for the biennium beginning July 1, 2023, and ending June 30, 2025, as requested by the department of health and human services. The department may transfer funds for the continuation of the community behavioral health program pursuant to subsection 2 of section 54-23.3-10.

SECTION 21. EXEMPTION. The requirements of chapter 54-44.4 do not apply to the selection of a vendor, the procurement award, or payments made under this section regarding an early childhood workforce and professional development information system or an early childhood resource and referral information system.

SECTION 22. EXEMPTION. The sum of \$750,000 from the general fund appropriated to the department of health and human services for the purpose of providing suicide prevention grants in chapter 37 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2021-23 biennium are available for the suicide prevention grants during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 23. EXEMPTION. The amount appropriated for the purpose of vulnerable adult protection services program in chapter 549 of the 2021 Special Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the vulnerable adult protection services program during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 24. EXEMPTION. The amount appropriated for the purpose of children and family services transition program in chapter 549 of the 2021 Special Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpected funds from this appropriation are available for the children and family services transition program during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 25. EXEMPTION. The amount appropriated for the purpose of money follows the person capacity program in chapter 549 of the 2021 Special Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpected funds from this appropriation are available for the money follows the person capacity program during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 26. EXEMPTION. The amount appropriated for the purpose of free through recovery program in chapter 549 of the 2021 Special Session Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpected funds from this appropriation are available for the free through recovery program during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 27. EXEMPTION. The amount appropriated for the Medicaid management information system technology stack upgrade in chapter 37 of the 2019 Session Laws and chapter 12 of the 2021 Session Laws are not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2021-23 biennium are available for the completion of the Medicaid management information system technology stack upgrade during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 28. EXEMPTION. The amount appropriated for the Medicaid management information system modularization technology project in chapter 12 of the 2021 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the completion of the Medicaid management modularization information system technology project during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 29. EXEMPTION - INTENT. The amount appropriated for the purpose of projects, financial assistance, grants, and services including Medicaid eligibility system upgrades, child care services, to provide community-based behavioral health services, and for substance use disorder treatment voucher system grants in chapter 550 of the 2021 Special Session Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpected funds from this appropriation are available for projects, financial assistance, grants, and services during the biennium beginning July 1, 2023, and ending June 30, 2025. Notwithstanding subsection 3 of section 50-11.1-14.1, the department may provide financial assistance to beneficiaries related to child care services. Notwithstanding subsection 2 of section 50-06-42.1, the department may award up to four grants rather than two grants for substance use disorder treatment voucher system grants. The requirements of chapter 54-44.4 do not apply to this subsection, including the selection of recipients and the disbursement of funds.

SECTION 30. EXEMPTION. The amount appropriated for the purpose of alternatives-to- abortion services in chapter 550 of the 2021 Special Session Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpected funds from this appropriation are available for alternatives-to-abortion services during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 31. EXEMPTION. The amount appropriated for the modification of the department of human services' eligibility systems in chapter 578 of the 2011 Special Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2013-15 biennium, then the 2015-17 biennium, then the 2017-19 biennium, then the 2019-21, and then 2021-23 biennium are available for the completion of the modification of the eligibility systems project during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 32. EXEMPTION. The amount appropriated for the purpose of federal medical assistance percentage adjustments in chapter 549 of the 2021 Special Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpected funds from this appropriation are available for the home and community-based services 10% plan during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 33. EXEMPTION. The amount appropriated for the purpose of COVID-19 response, COVID-19 operating expenses and COVID-19 grants, in chapter 27 of the 2021 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpected funds from this appropriation are available for COVID-19 response, COVID-19 operating expenses, and COVID-19 grants during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 34. EXEMPTION. The amount appropriated for the purpose of defraying expenses relating to the COVID-19 pandemic, COVID-19 operating expenses, and COVID-19 grants in chapter 28 of the 2021 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpected funds from this appropriation are available for expenses relating to the COVID-19 pandemic, COVID-19 operating expenses, and COVID-19 grants during the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 35. LEGISLATIVE INTENT - UTILIZATION RATE ADJUSTMENT. It is the intent of the sixty-eighth legislative assembly that the department of health and human services seek a deficiency appropriation from the sixty-ninth legislative assembly for any expenditures that exceed appropriated amounts as a result of utilization rates, unwinding of the federal public health emergency, value-based purchasing for nursing facilities, and reduction in federal medical assistance percentage, during the biennium beginning July 1, 2023, and ending June 30, 2025, if funding is not sufficient to pay actual expenses.

SECTION 36. LEGISLATIVE INTENT - PROVIDER RATE INCREASE. Section 1 of this Act includes funding for human service provider inflation increases of four percent the first year and three percent the second year of the biennium beginning July 1, 2023, and ending June 30, 2025. The provider inflation increase in this section does not apply to nursing facilities.

SECTION 37. LEGISLATIVE INTENT – REBASE BASIC CARE FACILITIES. It is the intent of the legislative assembly that the department rebase basic care facilities using the median plus methodology for July 1, 2023, rates. Future increases will be authorized based on approved inflationary increases.

SECTION 38. DEPARTMENT OF HUMAN SERVICES - FEDERAL FUNDING APPEAL LIMITATION. Except as otherwise specifically provided by federal law, a person may not appeal a denial, revocation, reduction in services or payment, or the termination of a program or service by the department of human services due to the unavailability of federal coronavirus funding received under federal law resulting from the federal coronavirus pandemic emergency declaration for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 39. LEGISLATIVE MANAGEMENT REPORT - FOUR-YEAR OLD PROGRAM - EARLY CHILDHOOD GRANTS. During the 2023-24 interim, the department of health and human services shall provide reports to the legislative management regarding the status of four-year old program approvals, the North Dakota early childhood council, and the early childhood grant for best-in-class four-year old experiences.

SECTION 40. EFFECTIVE DATE. Section 16 of the Act becomes effective on January 1, 2024.