



Testimony in Support of

**SB 2399**

March 17<sup>th</sup>, 2025

Greetings Chairman Ruby and Members of the Committee,

My name is Tim Gienger, Senior Director of Residential Partnerships for Dakota Boys and Girls Ranch.

Psychiatric Residential Treatment Facilities, the subject of SB 2399, provide a medical level of care for children who are suffering from psychiatric issues, most often brought on by horrendous trauma.

The PRTF rate setting process was developed 30 years ago, a time when the economy was less volatile, children had fewer challenges, and we didn't have electronic health records, HIPPA regulations, and cybersecurity issues to manage. Accreditation, licensing standards, audits, billing, and the cost report have all become more complicated, requiring significant increases in staffing to meet regulations and best practices. These additional requirements, as well as erratic costs created by inflation and rising labor costs, put the burden on private providers to underwrite the increased costs of caring for the state's most vulnerable children. The Department of Health and Human Services licenses us and establishes treatment standards for this level of care. While the licensing standards have evolved, the reimbursement structure has remained stagnant. Typically, Dakota Boys and Girls Ranch donors underwrite a \$2.5 million annual operating deficit. Last year we operated at a \$7.5 million deficit, which is not sustainable.

Going through the administrative rules process during the interim sparked the need for Senate Bill 2399. For more details on this process, see Administrative Rules Committee testimony from Dec. 5, 2024. The rate setting process not only sets our rates for Medicaid recipients but is used as a benchmark for reimbursement from private insurance companies.

Following directions from the Senate Human Services Committee, Medical Services and PRTF providers collaborated to amend Senate Bill 2399. We revised direct care costs to include clinical supervisors, medical directors, family engagement, and therapeutic leave days. We also increased the administrative cost cap to more closely match the training and other items required by our licensing and accrediting agencies. This bill makes progress towards value-based care, a model Medical Services has used with other treatment providers and that is a good fit for PRTF providers. The bill also includes a report to legislative management by October 1, 2026.

*The mission of Dakota Boys and Girls Ranch is to help at-risk children and their families succeed in the name of Christ.*



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Senate Bill 2399 passed with unanimous support from the Senate Human Services Committee, Senate Appropriations Human Resources Division, and the Full Senate Appropriations. It then passed the Senate with a 45-2 vote. A “yes” vote on this bill will provide for the needs of North Dakota’s most vulnerable children by ensuring the state’s Psychiatric Residential Treatment Facilities can continue to operate without disruption.

**Tim Gienger, LCSW**

Senior Director of Residential Partnerships

Dakota Boys and Girls Ranch

1227 N. 35<sup>th</sup> St, Bismarck, ND 58501

[t.gienger@dakotaranch.org](mailto:t.gienger@dakotaranch.org)

Lobbyist #1573

(701) 527.8152

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