

Department 325 - Department of Human Services
Senate Bill No. 2012

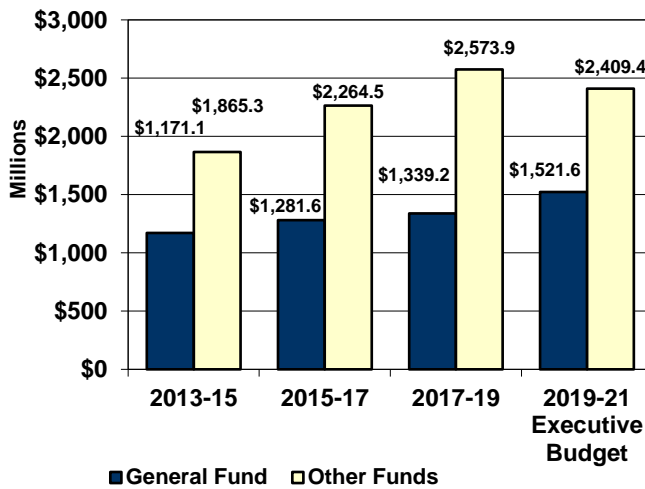
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	2,070.73	\$1,521,570,487	\$2,409,395,454	\$3,930,965,941
2017-19 Legislative Appropriations	2,162.23	1,339,231,350	2,573,880,782	3,913,112,132
Increase (Decrease)	(91.50)	\$182,339,137	(\$164,485,328)	\$17,853,809

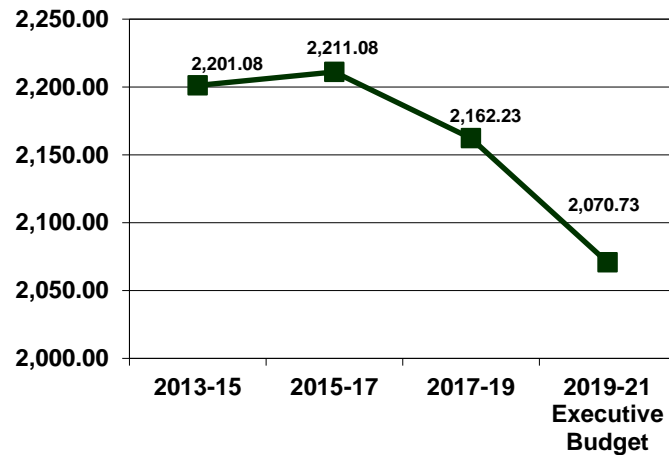
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$1,486,570,487	\$35,000,000	\$1,521,570,487
2017-19 Legislative Appropriations	1,313,081,350	26,150,000	1,339,231,350
Increase (Decrease)	\$173,489,137	\$8,850,000	\$182,339,137

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$1,521,570,487	\$2,409,395,454	\$3,930,965,941
2019-21 Base Level	1,313,081,350	2,169,380,782	3,482,462,132
Increase (Decrease)	\$208,489,137	\$240,014,672	\$448,503,809

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
DEPARTMENTWIDE			
1. Provides funding for state employee salary and benefit increases, of which \$13,769,491 is for salary increases, \$7,841,090 is for health insurance increases, and \$1,722,202 is for retirement contribution increases	\$12,985,744	\$10,347,039	\$23,332,783
2. Underfunds salaries and wages by \$4,694,730 from the general fund in anticipation of savings from vacant positions and employee turnover	(\$4,694,730)	\$0	(\$4,694,730)
3. Adds funding for paying employees' accumulated annual and sick leave for eligible employees leaving state service	\$577,913	\$663,505	\$1,241,418
4. Adds state matching funds required due to a reduction in federal matching for Medicaid Expansion from 93 to 90 percent beginning in January 2020 and a reduction in federal matching	\$27,936,667	(\$27,936,667)	\$0

for the children's health insurance program from 88 to 65 percent in October 2020

5. Adds funding for continued program changes and cost, caseload, and utilization changes	\$69,632,877	\$23,510,048	\$93,142,925
6. Adjusts funding as part of the department's savings plan , including transitioning Medicaid Expansion (\$18,552,936 general fund) and the children's health insurance program (\$1,889,626 general fund) from commercial rates managed care to fee for service	(\$32,484,794)	(\$151,059,609)	(\$183,544,403)
7. Provides a 1 percent inflationary increase for human service providers during each year of the 2019-21 biennium	\$13,605,218	\$15,765,448	\$29,370,666
8. Replaces ongoing funding appropriated during the 2017-19 biennium from the tobacco prevention and control trust fund (\$24,479,159), community health trust fund (\$18,000,000), and health care trust fund (\$1,686,191)	\$44,165,350	(\$44,165,350)	\$0
9. Transfers 48 FTE positions to the information technology department and adjusts operating funding for the information technology unification initiative	\$425,927	\$217,386	\$643,313
10. Adds ongoing funding for maintenance and support of the Medicaid management information system	\$4,010,885	\$4,010,886	\$8,021,771
11. Adds ongoing funding for maintenance and support of the Self-Service Portal and Consolidated Eligibility System (SPACES) program	\$822,670	\$1,020,876	\$1,843,546
12. Provides one-time funding , including \$575,000 from the strategic investment and improvements fund, to migrate the child welfare information and payments system from the mainframe to a new system	\$0	\$1,250,000	\$1,250,000
13. Provides one-time funding , including \$1,776,000 from the strategic investment and improvements fund, for a technical stack upgrade for the Medicaid management information system	\$0	\$7,104,000	\$7,104,000
14. Provides one-time funding , including \$2,369,030 from the strategic investment and improvements fund, for post-production support and maintenance of the SPACES program	\$0	\$5,431,658	\$5,431,658

PROGRAM AND POLICY

Medical services

15. Provides \$1,215.6 million for medical services, of which \$355.5 million is from the general fund, a decrease in total of \$149.7 million, or 11 percent, compared to the 2017-19 biennium appropriation of \$1,365.3 million. The executive budget:			
• Provides \$457.1 million for Medicaid Expansion grants, of which \$49.0 million is from the general fund, a decrease in total of \$176.2 million, or 27.8 percent, compared to the 2017-19 biennium appropriation of \$633.3 million	\$15,910,560	(\$192,072,342)	(\$176,161,782)
• Adds 8 FTE positions to transfer the administration of Medicaid Expansion to the Department of Human Services (DHS) and to provide for the program to be fee for service rather than managed care	(\$3,066,153)	(\$23,780,277)	(\$26,846,430)
• Provides funding for Medicaid coverage for behavioral health peer support specialist services	\$432,287	\$563,906	\$996,193
• Expands access for home- and community-based services through a 1915(i) Medicaid plan amendment	\$2,553,475	\$3,844,919	\$6,398,394

Long-term care

16. Provides \$744.6 million for long-term care , of which \$390 million is from the general fund, an increase in total of \$50.8 million, or 7.3 percent, compared to the 2017-19 biennium appropriation of \$693.8 million. The executive budget:			
• Adds funding for community grants to support elderly individuals	\$540,000	\$0	\$540,000

- Adds funding to reduce the functional eligibility criteria for the service payments for elderly and disabled (SPED) program \$2,884,691 \$0 \$2,884,961
- Adds funding to reduce client contribution levels through the SPED program \$624,051 \$0 \$2,884,691
- Provides funding to add residential habilitation and community residential services to the Medicaid home- and community-based waiver \$3,867,333 \$3,867,316 \$7,734,649

Developmental disabilities

17. Provides \$662.9 million for developmental disabilities (DD), of which \$329 million is from the general fund, an increase in total of \$52.1 million, or 8.5 percent, compared to the 2017-19 biennium appropriation of \$610.8 million. The executive budget:

- Adds funding for **equipment over \$5,000**, which includes: \$979 \$9,021 \$10,000
- Tymp machines (\$10,000)

Vocational rehabilitation

18. Provides \$25.5 million for vocational rehabilitation services, of which \$5.2 million is from the general fund, an increase in total of \$0.1 million, or 0.4 percent, compared to the 2017-19 biennium appropriation of \$25.4 million.

Aging services

19. Provides \$23.1 million for aging services, of which \$8.4 million is from the general fund, the same level of funding as included in the 2017-19 biennium appropriation. The executive budget:

- Adds 1 FTE and funding for administrative costs to reduce the functional eligibility criteria for the SPED program \$54,605 \$72,152 \$126,757
- Adds 1 FTE and funding for administrative costs to add residential habilitation and community residential services to the Medicaid home- and community-based waiver \$54,605 \$72,152 \$126,757

Behavioral health services

20. Provides \$62.6 million for behavioral health services, of which \$20.4 million is from the general fund, an increase in total of \$18.6 million, or 42.2 percent, compared to the 2017-19 biennium appropriation of \$44 million. The executive budget:

- Transfers 1 FTE position and related funding from the State Department of Health for the suicide prevention program \$1,260,512 \$0 \$1,260,512
- Adds 6 FTE positions and funding to expand the free through recovery program to provide services to individuals outside of the correctional system \$4,500,000 \$0 \$4,500,000
- Adds 2 FTE positions and funding to expand access to the substance use disorder voucher program \$3,053,523 \$0 \$3,053,523
- Adds 1 FTE position and funding to develop a peer support services certification program \$275,000 \$0 \$275,000
- Provides funding to restore a portion of previous reductions to the Parents Listen, Educate, Ask, Discuss (LEAD) program to provide a total of \$200,000 \$100,000 \$0 \$100,000
- Adds funding to continue children's prevention and early intervention behavioral health services in schools \$300,000 \$0 \$300,000
- Adds funding to assist in the implementation of recommendations of the statewide behavioral health report \$300,000 \$0 \$300,000

Economic assistance

21. Provides \$262.9 million for economic assistance, of which \$10.8 million is from the general fund, a decrease in total of \$11.4 million, or 4.2 percent, compared to the 2017-19 biennium appropriation of \$274.3 million. Major program changes include:

- Provides \$11.5 million for **temporary assistance for needy families (TANF)** grants, of which \$3.9 million is from the general fund, an increase in total of \$2 million compared to the 2017-19 biennium. The executive budget adds funding to expand TANF kinship care for children under the custody of tribal social service entities \$2,935,800 (\$929,518) \$2,006,282
- Provides \$27.8 million for **child care assistance**, of which \$2.8 million is from the general fund, an increase of \$5.5 million, or 24.7 percent, compared to the 2017-19 biennium appropriation of \$22.3 million. \$400,298 \$5,112,826 \$5,513,124
- Reduces federal funding for the **supplemental nutrition assistance program (SNAP)** or food stamp benefits to provide a total of \$165.2 million, a decrease of \$7.5 million, or 4.3 percent, compared to the 2017-19 biennium appropriation of \$172.7 million \$0 (\$7,498,269) (\$7,498,269)
- Reduces federal funding for the **low-income home energy assistance program (LIHEAP)** to provide a total of \$25.7 million, a decrease of \$8.1 million, or 24 percent, compared to the 2017-19 biennium appropriation of \$33.8 million \$0 (\$8,127,900) (\$8,127,900)

Children and family services

22. Provides \$172.9 million for children and family services, of which \$82.8 million is from the general fund, an increase in total of \$6.5 million, or 3.9 percent, compared to the 2017-19 biennium appropriation of \$166.4 million. The executive budget:

- Transfers the early childhood quality rating and improvement system to the Department of Public Instruction (\$150,000) \$0 (\$150,000)

INSTITUTIONS

23. Provides \$174.4 million for institutions, of which \$119 million is from the general fund, an increase in total of \$34 million, or 24.2 percent, compared to the 2017-19 biennium appropriation of \$140.4 million. Major items in the executive budget relating to institutions are as follows:

State Hospital

- 24. Provides one-time funding for the construction of a new **state behavioral health hospital and clinic** \$35,000,000 \$0 \$35,000,000
- 25. Provides one-time funding from the **strategic investment and improvements fund** to replace a coal boiler \$0 \$1,931,000 \$1,931,000
- 26. Adds funding for **extraordinary repairs**, including \$562,500 from the strategic investment and improvements fund as follows: \$1,231,699 \$562,500 \$1,794,199

Sidewalk repairs	\$35,000
Sprinkler heads	12,000
Asbestos abatement	30,000
Pool ceiling tiles	12,000
Heating plant foundation repair	415,000
Heating and cooling renovation and replacement	236,000
Door and hardware replacement	90,000
Sex offender treatment and evaluation program evaluation room renovation	5,000
Railcar unloading system	70,000
Railroad track crossing repairs	65,000
Water main improvement	85,000

Air conditioning upgrades	176,699
Roof replacement	562,500 ¹
Total	\$1,794,199
¹ Funding from the strategic investment and improvements fund.	

27. Adds funding for **equipment over \$5,000**, which includes: \$121,600 \$0 \$121,600

Backhoe and sander replacement	\$11,908
Bobcat replacement	26,762
Food cart replacement	10,000
Lawnmower replacement	19,000
Skid steer replacement	40,000
Stand lift replacement	5,500
Sweeper replacement	8,430
Total	\$121,600

Life Skills and Transition Center

28. Adds 7.5 FTE positions and funding to expand access to clinical assistance, respite, and evaluation services (CARES) team services \$469,961 \$469,960 \$939,921

29. Adds funding for **extraordinary repairs**, including \$3,077,165 from the strategic investment and improvements fund as follows: \$769,319 \$3,077,165 \$3,846,484

Powerhouse cooling tower	\$175,830
Automatic and walk-in door repairs	95,000
Flooring replacement	90,000
Heating and cooling system repairs	75,000
Chapel steeple repairs	45,000
Steamline distribution	50,000
Parking lot repairs	69,785
Asbestos abatement	30,000
Overhaul absorbers	39,000
Colette Fitness Center paint	37,700
Colette Fitness Center flooring	30,804
Reshingle Cedar Grove and Maplewood dormitories	31,200
Window replacements	383,100
Demolish Pleasant View and Refectory buildings	915,570 ¹
Remodel Maplewood kitchens	576,000 ¹
Remodel bathrooms	990,000 ¹
Painting projects	30,000 ¹
Concrete repairs	30,000 ¹
Cottage repairs	26,377 ¹
Repair tunnel cracks and water leaks	25,000 ¹
Update fire panels	14,000 ¹

Colette Fitness Center mirror wall	4,118 ¹
Reshingle Midway building and asbestos abatement	63,000 ¹
Convert steam water heaters to electric	20,000 ¹
Total	\$3,846,484
¹ Funding from the strategic investment and improvements fund.	

30. Adds funding for **equipment over \$5,000**, which includes: \$76,812 \$0 \$76,812

Combination oven	\$14,640
Mower	16,650
Steam well drop	45,522
Total	\$76,812

HUMAN SERVICE CENTERS

31. Provides \$204.5 million for human service centers, of which \$127.4 million is from the general fund, an increase in total of \$14.8 million, or 7.8 percent, compared to the 2017-19 biennium appropriation of \$189.7 million. The executive budget:

- Adds 27 FTE positions and funding to expand statewide crisis services capacity \$4,096,174 \$0 \$4,096,174
- Adds funding for **extraordinary repairs**, which includes \$80,000 to replace the roof at the Southeast Human Service Center \$80,000 \$0 \$80,000
- Adds funding for **information technology equipment over \$5,000**, which includes \$50,000 for a Polycom conference system \$28,930 \$21,070 \$50,000

COUNTY SOCIAL SERVICES

32. Transfers funding from the tax relief fund to the county social services fund and appropriates the funding for costs associated with the state takeover of county social services expenses \$0 \$182,300,000 \$182,300,000

**Other Sections Recommended to be Added in the Executive Budget
(As Detailed in the Attached Appendix)**

Transfers - Section 3 would allow DHS to transfer appropriation authority between line items within subdivisions 1 through 3 of Section 1.

Transfers - Section 4 would allow DHS to transfer appropriation authority from line items within subdivisions 1 through 3 of Section 1 to subdivision 4 of Section 1.

Additional income - Section 5 would appropriate any additional federal or other funds available to the department during the 2019-21 biennium.

Carryover authority - Sections 6, 7, 8, 9, 10, and 11 would allow DHS to continue unexpended appropriations into the 2019-21 biennium.

County social services financing - Section 12 would identify \$182.3 million from the county social services financing fund for administering social service programs.

Strategic investment and improvements fund - Section 13 would identify \$10.3 million from the strategic investment and improvements fund for various DHS capital and information technology projects.

Tompkins Rehabilitation and Corrections Center buildings - Section 14 would authorize DHS to convey certain buildings housing the Tompkins Rehabilitation and Corrections Center located on the State Hospital grounds to the Department of Corrections and Rehabilitation.

State Hospital projects - Section 15 would authorize DHS to construct a new state hospital building and a new heating plant on the grounds of the State Hospital.

Special assessments - Section 16 would authorize DHS to pay special assessments costs related to a water main project at the State Hospital.

Bidding requirements exemption - Section 17 would exempt DHS from bidding requirements for renovation projects at the State Hospital.

Life Skills and Transition Center projects - Section 18 would authorize DHS to complete capital projects at the Life Skills and Transition Center.

Carryover authority for Life Skills and Transition Center projects - Section 19 would allow DHS to continue any unexpended 2017-19 biennium appropriations into the 2019-21 biennium to be used for capital projects at the Life Skills and Transition Center. The department estimates \$1.2 million of unexpended 2017-19 biennium general fund appropriations would be continued into the 2019-21 biennium.

Building demolition - Section 20 would authorize DHS to demolish the Refectory and Pleasant View buildings at the Life Skills and Transition Center.

Developmental disabilities - Case management services - Section 21 would allow DHS to hire temporary staff to assist in developmental disability case management if case management services exceed the ratio provided pursuant to North Dakota Administrative Code.

Behavioral health provider outcomes - Section 22 would require behavioral health services providers to submit process and outcome measures to DHS for services provided through state funded programs.

Telephone support and directory services - Section 23 would require the vendor of telephone and directory services under contract with DHS to include private behavioral health service providers in the vendor's directory at no cost to the private behavioral health service providers.

Adult companionship services - Section 24 would require DHS to include adult companionship services as an allowable service under the home- and community-based Medicaid waiver on or after January 1, 2020.

Adult residential rate rebasing - Section 25 would require DHS to rebase adult residential rates for services provided on or after January 1, 2020.

Targeted case management - Sections 26 and 27 would require DHS to expand the types of providers recognized as Medicaid providers of targeted case management for individuals with serious emotional disturbance or serious mental illness.

Basic care and nursing facilities licensed beds - Sections 28 and 29 would extend the moratoria on basic care and nursing facility bed capacity.

Medicaid Expansion - Section 30 would amend North Dakota Century Code Section 50-24.1-37 to remove the expiration date for the Medicaid Expansion program. Section 31 would provide for the Medicaid Expansion program to be a fee for service program administered by DHS effective January 1, 2020.

Continuing Appropriations

Child support collection and disbursement - 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 Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

The State Auditor's office operational audit of DHS for the period ending June 30, 2017, identified 21 deficiencies relating to criminal background checks for child care providers, verification of required child care records maintained by child care providers, performance of child care facility inspections, handing of child care correction orders, compliance with child care provider memorandums of understanding, assessment of child care providers who have confirmed cases of child abuse or neglect, compliance with child care licensing requirements, verification of family foster care providers' financial stability, information available electronically regarding child care provider inspections and complaints, quality assurance procedures when child abuse and neglect is reported, the categorization of reports based on severity, background checks for adults in foster home care, the maintenance of child care abuse or neglect records, the listing of individuals in the child abuse and neglect index, the definition of who is responsible for a child's welfare in abuse and neglect situations, records retention relating to child abuse and neglect assessment files, benefit payments to deceased or incarcerated individuals, identification and notification of confirmed child abuse and neglect decisions, controls surrounding the Drug Rebate and Analysis Management System, compliance with memorandums of understanding with foster care providers, and the licensure of child care providers in compliance with state laws, rules, and policies.

Major Related Legislation

House Bill No. 1032 - SPED sliding fee schedule. This bill requires DHS to establish and revise a sliding fee schedule biennially for the SPED program.

House Bill No. 1033 - Independent home- and community-based case managers. This bill directs DHS to create a pilot program for independent home- and community-based services case managers for the SPED and expanded SPED programs.

House Bill No. 1034 - Home- and community-based services. This bill requires DHS to establish guidelines for long-term care services providers to deliver home- and community-based services.

House Bill No. 1099 - Medication distribution and adult foster care. This bill amends various sections of Century Code relating to medication administration and adult foster care.

House Bill No. 1100 - DHS Behavioral Health Division fees. This bill authorizes DHS to establish nonrefundable application fees for licensing and certification activities within the Behavioral Health Division.

House Bill No. 1102 - Criminal history record checks. This bill amends various sections of Century Code relating to criminal history record checks.

House Bill No. 1103 - Licensing of opioid treatment medication unit. This bill requires DHS to license opioid treatment medication units and authorizes the department to charge a nonrefundable license application fee.

House Bill No. 1104 - Early childhood services program quality improvement. This bill amends various sections of Century Code relating to the duties of DHS and the Superintendent of Public Instruction to establish a quality improvement process for early childhood services programs.

House Bill No. 1105 - Treatment services for children with emotional disorders and the substance use disorder treatment voucher system. This bill amends Sections 50-06-06.13 and 50-06-42 relating to the placement of Medicaid-eligible children with a serious emotional disorder and the use of licensed substance abuse treatment programs for the substance use disorder treatment voucher system.

House Bill No. 1108 - Child abuse and neglect assessments. This bill creates and amends various sections of Century Code relating to child abuse and neglect service assessments and evidence-based screening tool records.

House Bill No. 1114 - Self-declaration early childhood service provider. This bill amends various sections of Century Code to remove references to early childhood services provider self-declaration.

House Bill No. 1115 - County jail medical services processing. This bill creates, amends, and repeals various sections of Century Code to provide for medical providers to bill and process jail inmate medical expenses rather than DHS.

House Bill No. 1124 - Nursing home rate setting. This bill creates a new section of Century Code to require DHS to include information technology costs in nursing home rate setting.

House Bill No. 1194 - Tribal care coordination agreements. This bill amends various sections of Century Code to provide for DHS to enter medical assistance tribal care coordination agreements.

House Bill No. 1315 - Community transitional housing - Creates new sections of Century Code to require DHS to establish and implement a community transitional housing program for convicted felons released from incarceration.

House Bill No. 1329 - Behavioral health directory - Provides a general fund appropriation to DHS to provide a grant to enhance and expand statewide telephone directory services for callers seeking behavioral health services.

House Bill No. 1359 - Hyperbaric oxygenation treatment pilot project - Requires DHS to conduct a Medicaid hyperbaric oxygenation project during the 2019-21 biennium.

House Bill No. 1374 - Pharmacy benefits management program - Creates a new pharmacy benefits management program to be utilized by the DHS medical assistance program.

Senate Bill No. 2026 - Mental health services voucher program. This bill establishes a voucher program for mental health services and appropriates \$1,050,000 from the general fund to DHS for the program.

Senate Bill No. 2027 - Definition of brain injury. This bill broadens the definition of brain injury.

Senate Bill No. 2028 - Substance abuse and early intervention services. This bill provides a \$600,000 general fund appropriation to DHS for behavioral health prevention and early intervention services, of which DHS must allocate \$300,000 for substance abuse prevention and early intervention services and the remaining \$300,000 for other mental health prevention and early intervention efforts.

Senate Bill No. 2029 - Community behavioral health. This bill directs DHS to implement a community behavioral health program to provide services to individuals outside the correctional system who have serious behavioral health conditions. The bill provides a \$7 million appropriation to DHS for the program, of which \$5.25 million is from the general fund and \$1.75 million is from other funds. The bill also authorizes 6 FTE positions for the program.

Senate Bill No. 2030 - State behavioral health system. This bill appropriates \$408,000 from the general fund to DHS to coordinate the implementation of recommendations of the Human Services Research Institute's study of the state's behavioral health system. The bill also authorizes 1.5 FTE positions to coordinate the implementation of recommendations.

Senate Bill No. 2031 - Targeted case management. This bill provides an appropriation to DHS for targeted case management. The bill appropriates \$12,196,834 from the general fund and \$12,196,834 from other funds and authorizes 1 FTE position.

Senate Bill No. 2032 - Peer support services certification. This bill implements a peer support services certification program within DHS. The bill appropriates \$275,000 from the general fund and \$275,000 from other funds, and authorizes 1 FTE position for the program.

Senate Bill No. 2105 - Statewide Independent Living Council. This bill creates, amends, and repeals various sections of Century Code relating to the Statewide Independent Living Council and centers for independent living.

Senate Bill No. 2106 - Children's health insurance program. This bill amends various sections of Century Code to transition administration of the children's health insurance program to DHS and to operate the program under a fee for service arrangement.

Senate Bill No. 2111 - Child support income withholding. This bill amends Sections 14-09-34 and 34-15-04 relating to electronic remittal of income withholding for the child support program.

Senate Bill No. 2112 - Adoption assistance for children with special needs. This bill amends Section 59-09-02.2 relating to the determination of a child with special needs eligible for adoption assistance.

Senate Bill No. 2113 - Electronic monitoring of health care facility residents. This bill creates and amends various sections of Century Code relating to authorized electronic monitoring of health care facility residents.

Senate Bill No. 2114 - Underage alcohol use evaluation. This bill amends Section 5-01-08 relating to the requirements for individuals under the age of 21 arrested for alcohol violations to participate in the DHS alcohol and drug education program.

Senate Bill No. 2115 - Child support program. This bill amends and repeals various sections of Century Code relating to the child support program.

Senate Bill No. 2124 - County social service zones. This bill implements the state takeover of county social services and provides for the administration of social service programs through multicounty social service zones.

Senate Bill No. 2149 - Youth behavioral health training. This bill provides for school districts to provide certain behavioral health services to students.

Senate Bill No. 2168 - Qualified service provider rates - Provides an appropriation to DHS to increase payment rates for qualified service providers that provide adult residential services.

Senate Bill No. 2175 - Substance use disorder treatment voucher system - Amends Section 50-06-42 to provide that an individual must be 14 years of age or older to be eligible to participate in the substance use disorder treatment voucher system.

Senate Bill No. 2198 - Syringe and needle exchange program - Amends Section 23-01-44 to require DHS and the State Department of Health to develop a syringe exchange program.

Senate Bill No. 2198 - Records of individuals receiving human services - Creates a new section to Chapter 44-04 to provide an open records exemption for personal identifying information that is provided to a state or local agency providing human services.

Senate Bill No. 2240 - Behavioral health references - Amends various sections of Century Code to update terminology related to behavioral health.

Senate Bill No. 2242 - Children's advocacy centers - Appropriates \$600,000 from the general fund to DHS for grants to children's advocacy centers.

Department of Human Services - Budget No. 325
Senate Bill No. 2012

	FTE	General Fund	Other Funds	Total
2019-21 Base Level				
Management	140.45	\$57,120,407	\$85,679,558	\$142,799,965
Program and Policy	366.50	1,058,033,935	1,945,157,519	3,003,191,454
Field Services	1,655.28	197,927,008	138,543,705	336,470,713
County Social Services	0.00	0	0	0
Total 2019-21 Base Level	2,162.23	\$1,313,081,350	\$2,169,380,782	\$3,482,462,132
	FTE	General Fund	Other Funds	Total
Executive Budget Adjustments to Base Level				
Management	(32.50)	\$7,699,835	\$18,166,723	\$25,866,558
Program and Policy	18.25	152,257,853	45,665,517	197,923,370
Field Services	(77.25)	48,531,449	(6,117,568)	42,413,881
County Social Services	0.00	0	182,300,000	182,300,000
Total Increase	(91.50)	\$208,489,137	\$240,014,672	\$448,503,809
	FTE	General Fund	Other Funds	Total
2019-21 Executive Budget				
Management	107.95	\$64,820,242	\$103,846,281	\$168,666,523
Program and Policy	384.75	1,210,291,788	1,990,823,036	3,201,114,824
Field Services	1,578.03	246,458,457	132,426,137	378,884,594
County Social Services	0.00	0	182,300,000	182,300,000
Total 2019-21 Executive Budget	2,070.73	\$1,521,570,487	\$2,409,395,454	\$3,930,965,941

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

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	140.45	\$57,120,407	\$85,679,558	\$142,799,965
2019-21 Ongoing Funding Changes				
Transfers and adjustments	30.50	\$3,415,322	\$1,945,713	\$5,361,035
Base payroll changes		916,246	(750,204)	166,042
Salary increase		551,461	253,499	804,960
Health insurance increase		305,481	140,425	445,906
Retirement contribution increase		62,433	28,699	91,132
Administration				
Continued program changes		(206,214)	(213,546)	(419,760)
Savings plan	(11.00)	(1,183,219)	(645,805)	(1,829,024)
Information Technology Services				
Continued program changes		(1,800,138)	(1,524,064)	(3,324,202)
Savings plan	(4.00)	(527,763)	(329,485)	(857,248)
Microsoft Office 365		906,744	226,685	1,133,429
Information technology unification	(48.00)	425,927	217,386	643,313
MMIS maintenance		4,010,885	4,010,886	8,021,771
SPACES maintenance		822,670	1,020,876	1,843,546
Total ongoing funding changes	(32.50)	\$7,699,835	\$4,381,065	\$12,080,900
One-time funding items				
Child welfare technology project (\$575,000 from SIIF)			\$1,250,000	\$1,250,000
Upgrade MMIS Tech Stack (\$1,776,000 from SIIF)			7,104,000	7,104,000
SPACES program support (\$2,369,030 from SIIF)			5,431,658	5,431,658
Total one-time funding changes	0.00	\$0	\$13,785,658	\$13,785,658
Total Changes to Base Level Funding	(32.50)	\$7,699,835	\$18,166,723	\$25,866,558
2019-21 Total Funding	107.95	\$64,820,242	\$103,846,281	\$168,666,523

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
2019-21 Biennium Base Level	366.50	\$1,058,033,935	\$1,945,157,519	\$3,003,191,454
2019-21 Ongoing Funding Changes				
Transfers and adjustments	(2.75)	(\$3,872,416)	\$7,791,213	\$3,918,797
Base payroll changes		(144,370)	(758,443)	(902,813)
Salary increase		1,029,931	1,582,523	2,612,454
Health insurance increase		580,139	891,401	1,471,540
Retirement contribution increase		132,753	203,979	336,732
Provider inflationary increases		13,191,539	15,760,305	28,951,844
Economic Assistance				
Continued program changes		(170,486)	(1,601,209)	(1,771,695)
Grant cost and caseload changes		(1,234,948)	(11,437,579)	(12,672,527)
TANF tribal kinship care		2,935,800		2,935,800
Child Support				
Continued program changes		12,948	(193,734)	(180,786)
Savings plan	(6.00)	(249,880)	(485,063)	(734,943)
Medical Services				
Continued program changes		(2,448,041)	(778,139)	(3,226,180)
Grant cost and caseload changes		16,940,099	8,057,177	24,997,276
Replace one-time tobacco and community health trust funding		40,175,000	(40,175,000)	0
Replace one-time 2017-19 biennium Medicaid Expansion funding		13,300,000	212,700,000	226,000,000
Federal medical assistance percentage changes		26,407,133	(26,407,133)	0
Savings plan	4.00	(20,170,970)	(144,282,058)	(164,453,028)
Medicaid Expansion administration	8.00	(3,066,153)	(23,780,277)	(26,846,430)
Medicaid funding source change		(6,679,246)	6,679,246	0
Medicaid funding for peer support	0.50	432,287	563,906	996,193
1915i plan amendment	2.50	2,553,475	3,844,919	6,398,394
Long-Term Care				
Continued program changes		2,111,435	2,111,443	4,222,878
Grant cost and caseload changes		21,882,073	8,600,825	30,482,898
Replace tobacco and health care trust funding		2,136,191	(2,136,191)	0
Savings plan		(475,348)	(475,354)	(950,702)
SPED functional eligibility change		2,884,691		2,884,691
Expand elderly community grants		540,000		540,000
Expand HCBS waiver for residential services		3,867,333	3,867,316	7,734,649
SPED client contribution levels		624,051		624,051

DD Council			
Continued program changes		36,276	36,276
Aging Services			
Continued program changes		(124,241)	(303,446)
SPED functional eligibility change	1.00	54,605	72,152
Expand HCBS waiver for residential services	1.00	54,605	72,152
Children and Family Services			
Continued program changes		(130,038)	1,219,235
Grant cost and caseload changes		8,122,852	(3,428,031)
Savings plan		(4,025,480)	2,672,765
Transfer childhood rating system to DPI		(150,000)	(150,000)
Behavioral Health Division			
Continued program changes		(366,216)	8,089,466
Grant cost and caseload changes		314,112	314,112
Replace one-time tobacco funding		1,854,159	(1,854,159)
Savings plan	1.00	184,398	184,398
Transfer suicide prevention program from State Department of Health	1.00	1,260,512	1,260,512
Transfer tobacco reporting to State Department of Health		(75,000)	(75,000)
Expand free through recovery program	6.00	4,500,000	4,500,000
Behavioral health recovery home grants		200,000	200,000
Expand substance use disorder voucher	2.00	3,053,523	3,053,523
Certify peer support specialists	1.00	275,000	275,000
Parents LEAD program		100,000	100,000
School behavioral health program		300,000	300,000
HSRI report implementation		300,000	300,000
Vocational Rehabilitation			
Continued program changes		254,676	(298,395)
Developmental Disabilities			
Continued program changes		103,355	(331,309)
Grant cost and caseload changes		22,059,559	21,717,656
Federal medical assistance percentage changes		1,529,534	(1,529,534)
Savings plan	(1.00)	(60,166)	(56,459)
HCBS residential waiver adjustment		(556,916)	(556,925)
Total ongoing funding changes	18.25	\$152,257,853	\$45,665,517
One-time funding items			
No one-time funding items			\$0
Total one-time funding changes	0.00	\$0	\$0
Total Changes to Base Level Funding	18.25	\$152,257,853	\$45,665,517
2019-21 Total Funding	384.75	\$1,210,291,788	\$1,990,823,036
			\$3,201,114,824

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

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	1,655.28	\$197,927,008	\$138,543,705	\$336,470,713
2019-21 Ongoing Funding Changes				
Transfers and adjustments	(27.75)	\$457,094	(\$9,736,926)	(\$9,279,832)
Base payroll changes		(2,509,398)	6,301,599	3,792,201
Salary increase		6,081,390	4,270,687	10,352,077
Health insurance increase		3,482,033	2,441,611	5,923,644
Retirement contribution increase		760,123	534,215	1,294,338
Provider inflationary increases		413,679	5,143	418,822
Human Service Centers				
Continued program changes		6,287,498	(7,322,873)	(1,035,375)
Cost and caseload changes		1,549,130		1,549,130
Savings plan	(77.00)	(1,001,675)	(1,095,826)	(2,097,501)
Underfunds salaries and wages		(2,891,071)		(2,891,071)
Expand crisis services	27.00	4,096,174		4,096,174
Restore positions removed in savings plan	7.00	478,430	625,557	1,103,987
Institutions				
Continued program changes		4,835,861	(1,819,056)	3,016,805
Savings plan	(14.00)	(4,974,691)	(6,362,324)	(11,337,015)
Remove one-time capital funding		(2,199,430)		(2,199,430)
Underfunds salaries and wages		(1,803,659)		(1,803,659)
Expand CARES services	7.50	469,961	469,960	939,921
Total ongoing funding changes	(77.25)	\$13,531,449	(\$11,688,233)	\$1,843,216
One-time funding items				
LSTC - Remodeling projects (SIIF)			\$2,161,595	\$2,161,595
LSTC - Demolish buildings (SIIF)			915,570	915,570
State Hospital - Roof replacement (SIIF)			562,500	562,500
State Hospital - Coal boiler replacement project (SIIF)			1,931,000	1,931,000
New behavioral health state hospital and clinic		\$35,000,000		35,000,000
Total one-time funding changes	0.00	\$35,000,000	\$5,570,665	\$40,570,665
Total Changes to Base Level Funding	(77.25)	\$48,531,449	(\$6,117,568)	\$42,413,881
2019-21 Total Funding	1,578.03	\$246,458,457	\$132,426,137	\$378,884,594

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

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	0.00	\$0	\$0	\$0
2019-21 Ongoing Funding Changes				
County social services		\$0	\$182,300,000	\$182,300,000
Total ongoing funding changes	0.00	\$0	\$182,300,000	\$182,300,000
One-time funding items				
No one-time items		\$0	\$0	\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$0	\$182,300,000	\$182,300,000
2019-21 Total Funding	0.00	\$0	\$182,300,000	\$182,300,000

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

Executive Budget Recommendation

Funding transfers	Proposed Sections 3 and 4 would allow the Department of Human Services (DHS) to transfer appropriation authority between line items within subdivisions 1 through 3 of Section 1 and would allow appropriation authority to be transferred from line items within subdivisions 1 through 3 to subdivision 4 of Section 1.
Additional income appropriation	Proposed Section 5 would appropriate any additional federal or other funds available to the department during the 2019-21 biennium.
Carryover authority	Proposed Sections 6, 7, 8, 9, 10, and 11 would allow DHS to continue unexpended appropriation authority for specific projects into the 2019-21 biennium.
County social services financing	Proposed Section 12 would identify \$182.3 million from the county social services financing fund for administering social service programs during the 2019-21 biennium.
Strategic investment and improvements fund	Proposed Section 13 would identify \$10.3 million from the strategic investment and improvements fund for various DHS capital and information technology projects.
Tompkins Rehabilitation and Corrections Center buildings	Proposed Section 14 would authorize DHS to convey certain buildings housing the Tompkins Rehabilitation and Corrections Center located on the State Hospital grounds to the Department of Corrections and Rehabilitation.
State Hospital Projects	Proposed Section 15 would authorize DHS to construct a new state hospital building and a new heating plant on the grounds of the State Hospital.
Special assessments	Proposed Section 16 would authorize DHS to pay special assessments costs related to a water main project at the State Hospital.
Exemption from bidding requirements	Proposed Section 17 would exempt DHS from bidding requirements for renovation projects at the State Hospital.
Life Skills and Transition Center projects	Proposed Section 18 would authorize DHS to complete capital projects at the Life Skills and Transition Center.
Carryover authority - Life Skills and Transition Center projects	Proposed Section 19 would allow DHS to continue any unexpended 2017-19 biennium department appropriations into the 2019-21 biennium to be used for capital projects at the Life Skills and Transition Center.
Building demolition	Proposed Section 20 would authorize DHS to demolish the Refectory and Pleasant View buildings at the Life Skills and Transition Center.
Developmental disabilities - Case management services	Proposed Section 21 would allow DHS to hire temporary staff to assist in developmental disability case management if case management services exceed the ratio provided pursuant to North Dakota Administrative Code.
Behavioral health provider outcomes	Proposed Section 22 would require behavioral health services providers to submit process and outcome measures to DHS for services provided for state funded programs.
Telephone support and directory services	Proposed Section 23 would require the vendor of telephone and directory services, under contract with DHS, to include private behavioral health service providers in the vendor's directory at no cost to the private behavioral health service providers.

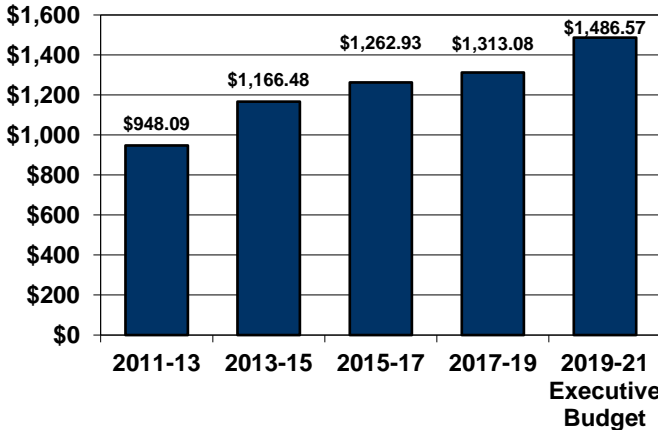
Adult companionship services	Proposed Section 24 would require DHS to include adult companionship services as an allowable service under the home- and community-based Medicaid waiver on or after January 1, 2020.
Adult residential rate rebasing	Proposed Section 25 would require DHS to rebase adult residential rates for services provided on or after January 1, 2020.
Targeted case management	Proposed Sections 26 and 27 would require DHS to expand the types of providers recognized as Medicaid providers of targeted case management for individuals with serious emotional disturbance or serious mental illness.
Basic care and nursing facilities licensed beds	Proposed Sections 28 and 29 would extend the moratoria on basic care and nursing facility bed capacity.
Medicaid expansion	Proposed Section 30 would amend North Dakota Century Code Section 50-24.1-37 to remove the expiration date for the Medicaid Expansion program. Proposed Section 31 would provide for the Medicaid Expansion program to be a fee for service program administered by DHS effective January 1, 2020.

Department 325 - Department of Human Services

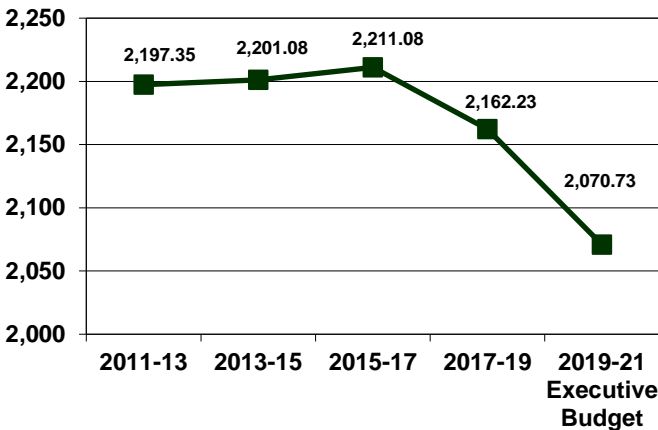
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$948,087,922	\$1,166,482,508	\$1,262,925,021	\$1,313,081,350	\$1,486,570,487
Increase (decrease) from previous biennium	N/A	\$218,394,586	\$96,442,513	\$50,156,329	\$173,489,137
Percentage increase (decrease) from previous biennium	N/A	23.0%	8.3%	4.0%	13.2%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	23.0%	33.2%	38.5%	56.8%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

- 1. Added state matching funds due to changes in federal medical assistance percentage (FMAP) \$93,347,906
- 2. Provided a 4 percent annual inflationary increase for providers \$40,870,206
- 3. Added funding for cost, caseload, and utilization changes \$44,982,084
- 4. Added funding to provide a \$1 passthrough salary increase for employees of nursing facilities, basic care facilities, developmental disabilities facilities, and qualified service providers \$23,093,500
- 5. Added funding to increase the personal care allowance for individuals in a nursing home, a basic care facility, a psychiatric treatment facility, and supplemental security income clients \$594,512
- 6. Increased funding for guardianship services provided by the Aging Services Division \$598,000
- 7. Increased funding for senior services providers for congregate meals \$800,000
- 8. Increased funding for senior meals \$750,000
- 9. Increased funding for payments to the Center for Independent Living \$800,000
- 10. Provided funding for facilitators for patients with traumatic brain injury \$320,000
- 11. Added funding for child care provider incentive grants and early childhood services specialists \$1,300,000
- 12. Added funding for early childhood service grants for providing care to children with disabilities or developmental delays \$400,000
- 13. Added funding for grants to children's advocacy centers \$300,000
- 14. Added funding for an underage drinking prevention program \$300,000
- 15. Added funding for autism services \$1,201,727
- 16. Provided funding for the Lake Region Human Service Center to contract for an 8-bed transitional living facility \$401,414

17. Provided funding for the Southeast Human Service Center for an 8-bed transitional living facility	\$547,000
18. Increased funding for long-term crisis residential bed capacity at the West Central Human Service Center	\$407,041
2015-17 Biennium	
1. Added state matching funds due to changes in FMAP	\$3,584,150
2. Added funding for the state's share of Medicaid Expansion costs	\$8,187,466
3. Provided a 3 percent inflationary increase for providers for the 1 st year of the biennium	\$24,727,201
4. Added funding of \$19,312,165 for property tax relief to counties for costs previously paid by counties for child welfare programs, the SPED programs, and technology costs; and \$3.9 million for grants to counties that have imposed an emergency human service levy	\$23,212,165
5. Transferred the high-risk sex offender treatment program to the Department of Corrections and Rehabilitation	(\$2,290,297)
6. Added funding for physical, occupational, and speech therapy service provider rate increase to a 50 percent fee schedule	\$468,629
7. Added funding for Medicare drug clawback payments to reflect a premium rate increase	\$2,183,214
8. Added funding for basic care provider payment changes	\$704,148
9. Added funding for senior meals program	\$502,300
10. Added funding to establish and administer a substance abuse voucher system	\$375,000
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 (Executive Budget Recommendation)	
1. Underfunds salaries and wages by \$4,694,730 from the general fund in anticipation of savings from vacant positions and employee turnover	(\$4,694,730)
2. Adds funding for paying employees' accumulated annual and sick leave for eligible employees leaving state service	\$577,913
3. Adds state matching funds required due to a reduction in federal matching for Medicaid Expansion from 93 to 90 percent beginning in January 2020 and a reduction in federal matching for the children's health insurance program from 88 to 65 percent in October 2020	\$27,936,667
4. Adds funding for continued program changes and cost, caseload, and utilization changes	\$69,632,877
5. Adjusts funding as part of the department's savings plan	(\$32,484,794)
6. Provides a 1 percent inflationary increase for human service providers during each year of the 2019-21 biennium	\$13,605,218
7. Replaces ongoing funding appropriated during the 2017-19 biennium from the tobacco prevention and control trust fund (\$24,479,159), community health trust fund (\$18,000,000), and health care trust fund (\$1,686,191)	\$44,165,350
8. Transfers 48 FTE positions to the Information Technology Department and adjusts operating funding for the information technology unification initiative	\$425,927
9. Adds ongoing funding for maintenance and support of the Medicaid management information system	\$4,010,885
10. Adds ongoing funding for maintenance and support of the SPACES program	\$822,670
11. Expands access for home- and community-based services through a 1915(i) Medicaid plan amendment	\$2,553,475
12. Adds funding to reduce the functional eligibility criteria for the SPED program	\$2,884,691

13. Adds funding to reduce client contribution levels through the SPED program	\$624,051
14. Provides funding to add residential habilitation and community residential services to the Medicaid home- and community-based waiver	\$3,867,333
15. Transfers 1 FTE position and related funding from the State Department of Health for the suicide prevention program	\$1,260,512
16. Adds 6 FTE positions and funding to expand the free through recovery program to provide services to individuals outside of the correctional system	\$4,500,000
17. Adds 2 FTE positions and funding to expand access to the substance use disorder voucher program	\$3,053,523
18. Adds 27 FTE positions and funding to expand statewide crisis services capacity	\$4,096,174

**GOVERNOR'S RECOMMENDATION FOR THE
DEPARTMENT OF HUMAN SERVICES AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

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 human services for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

MANAGEMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$26,280,139	\$(5,888,136)	\$20,392,003
Operating expenses	116,315,826	31,908,694	148,224,520
Capital assets	0	50,000	50,000
Grants	<u>204,000</u>	<u>(204,000)</u>	<u>0</u>
Total all funds	\$142,799,965	\$25,866,558	\$168,666,523
Less estimated income	<u>85,679,558</u>	<u>18,166,723</u>	<u>103,846,281</u>
Total general fund	\$57,120,407	\$7,699,835	\$64,820,242

Subdivision 2.

PROGRAM AND POLICY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$62,782,944	\$6,743,546	\$69,526,490
Operating expenses	125,299,436	22,202,456	147,501,892
Capital assets	10,000	0	10,000
Grants	441,420,827	(2,032,325)	439,388,502
Grants - medical assistance	<u>2,373,678,247</u>	<u>171,009,693</u>	<u>2,544,687,940</u>
Total all funds	\$3,003,191,454	\$197,923,370	\$3,201,114,824
Less estimated income	<u>1,945,157,519</u>	<u>45,665,517</u>	<u>1,990,823,036</u>
Total general fund	\$1,058,033,935	\$152,257,853	\$1,210,291,788

Subdivision 3.

FIELD SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Human service centers	\$196,049,489	\$8,430,730	\$204,480,219
Institutions	<u>140,421,224</u>	<u>33,983,151</u>	<u>174,404,375</u>

Total all funds	\$336,470,713	\$42,413,881	\$378,884,594
Less estimated income	<u>138,543,705</u>	<u>(6,117,568)</u>	<u>132,426,137</u>
Total general fund	\$197,927,008	\$48,531,449	\$246,458,457

Subdivision 4.

COUNTY SOCIAL SERVICE ZONE FINANCING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
County social services	<u>\$0</u>	<u>\$182,300,000</u>	<u>\$182,300,000</u>
Total all funds	<u>\$0</u>	<u>\$182,300,000</u>	<u>\$182,300,000</u>
Less estimated income	0	182,300,000	182,300,000
Total general fund	\$0	\$0	\$0

Subdivision 5.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$1,313,081,350	\$208,489,137	\$1,521,570,487
Grand total special funds	<u>2,169,380,782</u>	<u>240,014,672</u>	<u>2,409,395,454</u>
Grand total all funds	\$3,482,462,132	\$448,503,809	\$3,930,965,941
Full-time equivalent positions	2,162.23	(91.50)	2070.73

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly as adjusted for the 2017-19 biennium and the 2019-21 biennium onetime funding items included in the appropriations in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Medicaid expansion - fee schedule enhancement	226,000,000	0
County social services pilot program	160,700,000	0
Child care licensing and data system	3,000,000	0
Health information network/care coordination	40,800,000	0
Behavior health pilot	150,000	0
Replace broken boiler at NDSH		\$1,931,000
MMIS tech stack upgrade		7,104,000
Behavior health state hospital and clinic		35,000,000
LSTC capital projects		2,161,595
Roof replacement at NDSH		562,500
SPACES system		5,431,658
LSTC remove buildings		915,570
Migrate CCWIPS system off mainframe	<u>0</u>	<u>1,250,000</u>
Total all funds	\$430,650,000	\$54,356,323
Less estimated income	<u>404,500,000</u>	<u>19,356,323</u>
Total general fund	\$26,150,000	\$35,000,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of human services shall report to the appropriations committees of the

sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within subdivisions 1, 2, and 3 of section 1 of this Act for the biennium beginning July 1, 2019, and ending June 30, 2021. The department of human services shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section. The department of human services shall report to the budget section after June 30, 2020, any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-seventh legislative assembly regarding any transfers made pursuant to this section.

SECTION 4. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within subdivisions 1, 2, and 3 into subdivision 4 of section 1 of this Act for the biennium beginning July 1, 2019, and ending June 30, 2021. The department of human services shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section. The department of human services shall report to the budget section after June 30, 2020, any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-seventh legislative assembly regarding any transfers made pursuant to this section.

SECTION 5. APPROPRIATION - In addition to the amounts appropriated to the department of human services office in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. EXEMPTION. The amount appropriated for the replacement of the Medicaid management information system and related projects in chapter 50 of the 2007 Session Laws and chapter 38 of the 2011 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations approved under section 54-44.1-11 for continuation into the 2009-11 biennium and then the 2011-13 biennium and then the 2013-15 biennium and then the 2015-17 biennium and then the 2017-19 biennium are available for the completion of the Medicaid management information system and related projects during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. EXEMPTION. The amount appropriated for the modification of the department of human services' eligibility systems in chapter 578 of the 2011 Special Session 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 and then the 2015-17 biennium and then the 2017-19 biennium are available for the completion of the modification of the eligibility systems project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 8. EXEMPTION. The amount appropriated for the development of the electronic health records system in chapter 12 of the 2013 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 2015-17 biennium and then the 2017-19 biennium are available for the completion of the electronic health records system during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. EXEMPTION. The amount appropriated for the development of the child care licensing and data system in chapter 11 of the 2017 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 child care licensing and data system during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 10. EXEMPTION. The amount appropriated for the development of the health information network/care coordination project in chapter 11 of the 2017 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 health information network/care coordination project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 11. EXEMPTION. The amount appropriated for the development of the electronic visit verification project in chapter 11 of the 2017 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 electronic visit verification project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 12. ESTIMATED INCOME. Of funds appropriated in section 1 of this Act, \$182,300,000 is from the social services finance fund for the purpose of defraying expenses of the state-paid economic assistance and social and human services, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 13. SPECIAL FUNDS TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The less estimated income line item in section 1 of this Act includes the sum of \$10,290,695, or so much of the sum as may be necessary, from the strategic investment and improvements fund which may be transferred at the direction of the department of human services for replacement of broken coal boiler, capital projects and technology projects during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 14. CONVEYANCE OF LAND AUTHORIZED – STATE HOSPITAL. The state of North Dakota by and through the department of human services may convey real property associated with the state hospital in Stutsman County to the department of corrections and rehabilitation. The department of human services may convey building 2404, formerly known as the nursing residence building and tomkins building, and surrounding property on the terms and conditions determined appropriate by the department of human services and the attorney general. Section 54-01-05.2 and 54-01-05.5 do not apply to this conveyance.

SECTION 15. STATE HOSPITAL BUILDING PROJECTS . The department of human services is authorized to construct a new state hospital and a heating plant building on the property owned by the state of North Dakota, in Stutsman County, near or on state hospital's current campus during the current biennium, beginning July 1, 2017, and ending June 30, 2019, and the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 16. SPECIAL ASSESSMENT. The department of human services shall expend public funds in payment for a special assessment issued by the City of Jamestown to the state hospital for the state hospital's water main project. The department of corrections and rehabilitation shall expend public funds in payment of its cost share of the special assessment based on occupancy, square footage, or other mutually agreed upon metric between the department of human services and the department of corrections and rehabilitation after the conveyance of land transfer occurs in accordance with section 13 of this Act.

SECTION 17. EXEMPTION FROM BIDDING REQUIREMENTS. Notwithstanding any other provision of law relating to public contracts or bidding requirements, the department of human services may contract and expend funds for the renovation of the state hospital to accommodate patients as a result of any conveyance of property described in section 13 of this Act.

SECTION 18. LIFE SKILLS AND TRANSITION CENTER CONSTRUCTION PROJECT AUTHORIZATION. Notwithstanding any other provision of law, the department of human services is

authorized, within the limits of legislative appropriations, to design, procure, and construct, renovate, remodel, and furnish the cedar grove and maplewood buildings located at the life skills and transition center, including constructing a structure connecting the two buildings to house clinical and administrative support staff, during the current biennium, beginning July 1, 2017, and ending June 30, 2019, and the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 19. EXEMPTION - AUTHORIZATION - LIFE SKILLS AND TRANSITION CENTER CONSTRUCTION PROJECT. The amount appropriated to the department of human services in subsections 1, 2, and 3 of section 1 of 2017 House Bill No. 1012 is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for designing, procuring, constructing, renovating, remodeling, and furnishing the cedar grove and maplewood buildings located at the life skills and transition center, including constructing a structure connecting the two buildings to house clinical and administrative support staff, during the current biennium, beginning July 1, 2017, and ending June 30, 2019, and the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 20. DEMOLITION OF LIFE SKILLS AND TRANSITION CENTER BUILDING. The department of human services may demolish the refectory and pleasant view buildings at the developmental center at westwood park, Grafton.

SECTION 21. DEVELOPMENTAL DISABILITIES CASE MANAGEMENT. The department of human services shall provide case management services for individuals with a developmental disability within the ratio provided pursuant to North Dakota Administrative Code for the biennium beginning July 1, 2019, and ending June 30, 2021. If case management services for individuals with a developmental disability exceed the ratio requirement provided in the North Dakota Administrative Code, the department of human services may hire temporary staff or the department of human services may propose a change to North Dakota Administrative Code to meet the ratio requirement.

SECTION 22. PROCESS AND OUTCOME MEASURES. Behavioral health service providers that receive funding from the department of human services shall submit process and outcome measures to the department of human services for programs and services supported by state funding.

SECTION 23. TELEPHONE SUPPORT AND DIRECTORY SERVICES. The vendor of telephone and directory services, under contract with the department of human services, shall include private behavioral health service providers in the vendor's directory at no cost to the private behavioral health service providers.

SECTION 24. ADULT COMPANION SERVICES. The department of human services shall include adult companion services as an allowable service under the home and community based services Medicaid waiver, effective for dates of service on or after January 1, 2020.

SECTION 25. REBASING ADULT RESIDENTIAL RATES. The department of human services shall rebase adult residential rates, effective for dates of service on or after January 1, 2020. The department of human services shall request cost information from adult residential providers who are enrolled as Medicaid home and community-based waiver providers and serve clients who receive memory care services or have a traumatic brain injury.

SECTION 26. 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 27. 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.

SECTION 28. AMENDMENT. Subsection 1 of section 23-09.3-01.1 of the North Dakota Century Code is amended and reenacted as follows:

1. Basic care beds may not be added to the state's licensed bed capacity during the period between August 1, ~~2017~~2019, and July 31, ~~2019~~2021, except when:
 - a. A nursing facility converts nursing facility beds to basic care;
 - b. An entity licenses bed capacity transferred as basic care bed capacity under section 23-16-01.1;
 - c. An entity demonstrates to the state department of health and the department of human services that basic care services are not readily available within a designated area of the state or that existing basic care beds within a fifty-mile [80.47-kilometer] radius have been occupied at ninety percent or more for the previous twelve months. In determining whether basic care services will be readily available if an additional license is issued, preference may be given to an entity that agrees to any participation program established by the department of human services for individuals eligible for services under the medical assistance program under title XIX of the Social Security Act [42 U.S.C. 1396 et seq.]; or
 - d. The state department of health and the department of human services grant approval of new basic care beds to an entity. The approved entity shall license the beds within forty-eight months from the date of approval.

SECTION 29. AMENDMENT. Subsection 1 of section 23-16-01.1 of the North Dakota Century Code is amended and reenacted as follows:

1. Notwithstanding sections 23-16-06 and 23-16-10, except when a facility reverts basic care beds to nursing facility beds or relicenses nursing facility beds delicensed after July 31, 2011, nursing facility beds may not be added to the state's licensed bed capacity during the period between August 1, ~~2017~~2019, and July 31, ~~2019~~2021. A nursing facility may not delicense nursing facility bed capacity, relicense nursing facility bed capacity, convert licensed nursing bed capacity to basic care bed capacity, revert licensed basic care bed capacity back to nursing facility bed capacity, or otherwise reconfigure licensed nursing facility bed capacity more than one time in a twelve-month period.

SECTION 30. AMENDMENT. Section 50-24.1-37 of the North Dakota Century Code is amended and reenacted as follows:

50-24.1-37. Medicaid expansion - Legislative management report. (~~Effective January 1, 2014, through July 31, 2019 – Contingent repeal - See note~~)

1. The department of ~~human services~~ shall expand medical assistance coverage as authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111 152] to individuals under sixty-five years of age with income below one hundred thirty-eight percent of the federal poverty level, based on modified adjusted gross income line published by the federal office of management and budget applicable to the household size.
2. The department of ~~human services~~ shall inform new enrollees in the medical assistance expansion program that benefits may be reduced or eliminated if federal participation decreases or is eliminated.
3. The department shall implement the expansion by bidding through private carriers or utilizing the health insurance exchange.
4. The contract between the department and the private carrier must:
 - a. Provide a reimbursement methodology for all medications and dispensing fees which identifies the minimum amount paid to pharmacy providers for each medication. The reimbursement methodology, at a minimum, must:
 - (1) Be available on the department's website; and
 - (2) Encompass all types of pharmacy providers regardless of whether the pharmacy benefits are being paid through the private carrier or contractor or subcontractor of the private carrier under this section.
 - b. Provide full transparency of all costs and all rebates in aggregate.
 - c. Allow an individual to obtain medication from a pharmacy that provides mail order service; however, the contract may not require mail order to be the sole method of service and must allow for all contracted pharmacy providers to dispense any and all drugs included in the benefit plan and allowed under the pharmacy provider's license.
 - d. Ensure that pharmacy services obtained in jurisdictions other than this state and its three contiguous states are subject to prior authorization and reporting to the department for eligibility verification.
 - e. Ensure the payments to pharmacy providers do not include a required payback amount to the private carrier or one of the private carrier's contractors or subcontractors which is not representative of the amounts allowed under the reimbursement methodology provided in subdivision a.
5. The contract between the department and the private carrier must provide the department with full access to provider reimbursement rates. The department shall consider provider reimbursement rate information in selecting a private carrier under this section. Before August first of each even-numbered year, the department shall submit a report to the legislative management regarding provider reimbursement rates under the medical assistance expansion program. This report may provide cumulative data and trend data but may not disclose identifiable provider reimbursement rates.
6. Provider reimbursement rate information received by the department under this section and any information provided to the department of ~~human services~~ or any audit firm by a pharmacy benefit manager under this section is confidential, except the department may

use the reimbursement rate information to prepare the report to the legislative management as required under this section.

SECTION 31. AMENDMENT. Section 50-24.1-37 of the North Dakota Century Code is amended and reenacted as follows:

50-24.1-37. Medicaid expansion – Legislative management report. (Effective January 1, 2014, through July 31, 2019 – Contingent repeal - See note)

1. The department of ~~human services~~ shall expand medical assistance coverage as authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111 152] to individuals under sixty-five years of age with income below one hundred thirty-eight percent of the federal poverty level, based on modified adjusted gross income line published by the federal office of management and budget applicable to the household size.
2. The department of ~~human services~~ shall inform new enrollees in the medical assistance expansion program that benefits may be reduced or eliminated if federal participation decreases or is eliminated.
3. ~~The department shall implement the expansion by bidding through private carriers or utilizing the health insurance exchange.~~
4. ~~The contract between the department and the private carrier must:~~
 - a. ~~Provide a reimbursement methodology for all medications and dispensing fees which identifies the minimum amount paid to pharmacy providers for each medication. The reimbursement methodology, at a minimum, must:~~
 - (1) ~~Be available on the department's website; and~~
 - (2) ~~Encompass all types of pharmacy providers regardless of whether the pharmacy benefits are being paid through the private carrier or contractor or subcontractor of the private carrier under this section.~~
 - b. ~~Provide full transparency of all costs and all rebates in aggregate.~~
 - c. ~~Allow an individual to obtain medication from a pharmacy that provides mail order service; however, the contract may not require mail order to be the sole method of service and must allow for all contracted pharmacy providers to dispense any and all drugs included in the benefit plan and allowed under the pharmacy provider's license.~~
 - d. ~~Ensure that pharmacy services obtained in jurisdictions other than this state and its three contiguous states are subject to prior authorization and reporting to the department for eligibility verification.~~
 - e. ~~Ensure the payments to pharmacy providers do not include a required payback amount to the private carrier or one of the private carrier's contractors or subcontractors which is not representative of the amounts allowed under the reimbursement methodology provided in subdivision a.~~
5. ~~The contract between the department and the private carrier must provide the department with full access to provider reimbursement rates. The department shall consider provider~~

~~reimbursement rate information in selecting a private carrier under this section. Before August first of each even-numbered year, the department shall submit a report to the legislative management regarding provider reimbursement rates under the medical assistance expansion program. This report may provide cumulative data and trend data but may not disclose identifiable provider reimbursement rates.~~

~~6. Provider reimbursement rate information received by the department under this section and any information provided to the department of human services or any audit firm by a pharmacy benefit manager under this section is confidential, except the department may use the reimbursement rate information to prepare the report to the legislative management as required under this section.~~

SECTION 32. EFFECTIVE DATE. Section 31 of this Act becomes effective on January 1, 2020.

SECTION 33 EXPIRATION DATE. Section 30 of this Act is effective through December 31, 2019, and after that date is ineffective.

SECTION 34. EMERGENCY. The appropriations contained in subdivision 3 of section 1 of this Act for the state hospital includes \$562,500 of other funds for remodeling of state hospital buildings to accommodate the relocation of patients from buildings to be sold to the department of corrections and available immediately upon filing of this Act with the secretary of state. Sections 15, 18 and 19 of this Act are declared to be an emergency measure.