

Department of Health and Human Services

Budget No. 325

House Bill Nos. 1004, 1028, 1375, 1390, 1447, 1477, and 1540; Senate Bill Nos. 2012, 2015, 2026, 2129, 2155, 2238, 2265, 2276, and 2344

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriation	2,483.83	\$2,043,404,916 ¹	\$3,704,612,053	\$5,748,016,969 ³
2021-23 legislative appropriation	<u>2,475.83</u>	<u>1,648,124,301²</u>	<u>3,871,944,026²</u>	<u>5,520,068,327</u>
2023-25 appropriation increase (decrease) to 2021-23 appropriation	8.00	\$395,280,615	(\$167,331,973)	\$227,948,642

¹This amount includes \$39,682,172 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$2,003,722,744.

²This amount includes \$25 million general fund and \$285 million other funds deficiency appropriation provided in Senate Bill No. 2025 (2023).

³This amount does not include any transfers of appropriation authority from the Office of Management and Budget funding pools for targeted market equity adjustments, retirement contribution increases, or new and vacant FTE positions.

Item Description

Full-time equivalent changes - The Legislative Assembly approved 2,483.83 FTE positions for the Department of Health and Human Services (DHHS) for the 2023-25 biennium, an increase of 8 FTE positions from the 2021-23 biennium. The Legislative Assembly added 1 FTE position in House Bill No. 1004 for an autopsy technician, 4 FTE positions in House Bill No 1004 for tribal liaison program management, 1 FTE position in Senate Bill No. 2276 for the family caregiver servicer pilot project, and 2 FTE positions in Senate Bill No. 2238 to expand background check services.

Targeted market equity - The Legislative Assembly appropriated \$82.5 million, of which \$45.1 million is from the general fund to the Office of Management and Budget for a targeted market equity pool to be distributed to state agencies.

Block grant FTE and new and vacant FTE funding pools - The Legislative Assembly approved an FTE position block grant program for the Human Services Division of DHHS. This funding, along with the salaries and wages funding appropriated to the Public Health Division, is available to fund FTE positions for the entire department. The Legislative Assembly reduced \$2,439,027 of 2023-25 biennium appropriation authority for the Public Health Division for the new and vacant FTE funding pool, of which \$115,102 was for new FTE positions and \$2,323,925 was for estimated vacant salary savings. Of the total, \$634,154 was from the general fund and \$1,804,873 was from other funds. The Legislative Assembly underfunded salaries and wages by \$19,500,000 from the general fund for DHHS for the 2023-25 biennium.

Status/Result

The department has reported:

- The four tribal health liaisons positions were filled, of which three positions were hired in July 2023 and one position in October 2023;
- The autopsy assistant position was filled in July 2023;
- The family caregiver servicer position was filled in February 2024; and
- The two background check positions were filled in November 2023.

The department received \$9,807,406 for targeted market equity increases, of which \$6,505,517 was from the general fund and \$3,301,889 was from other funds. Equity increases were provided to 1,115 employees.

The department has received \$115,102 from the new and vacant FTE funding pool for 5 new FTE positions. Through January 2024, DHHS had estimated vacant FTE position savings of \$17,855,740. The department used \$6,988,259 of the savings for other purposes including accrued leave payouts, extra salary increases, bonuses, incentive/location pay, reclassifications, extra temporary salary funding, and extra overtime funding. The number of monthly vacancies in the department ranged from 349 to 278 with an average monthly vacancy rate of 305.86 FTE positions.

One-time funding - The following is a summary of one-time funding items for DHHS for the 2023-25 biennium:

	General Fund	Other Funds	Total
Operating inflation	\$10,282,172	\$10,282,172	\$20,564,344
Procurement and grants software (strategic investment and improvements fund (SIIF))		11,000,000	11,000,000
Child support computer project (\$20.4 million from community health trust fund and \$39.6 million federal funds)		60,000,000	60,000,000
Health care study and health care task force costs (community health trust fund)		750,000	750,000
Medicaid program integrity audits	2,250,000	2,250,000	4,500,000
Eliminate autism voucher program	(300,000)		(300,000)
Pregnant and parenting women residential facility (SIIF)		1,000,000	1,000,000
Northwest region behavioral health facility	1,950,000		1,950,000
Badlands region behavioral health facility grant (SIIF)		8,250,000	8,250,000
Youth crisis services grant (federal State Fiscal Recovery Fund)		300,000	300,000
Ecumenical ministry grant (State Fiscal Recovery Fund)		285,000	285,000
Cross-disability advisory council (\$700,000 community health trust fund and \$700,000 federal funds)		1,400,000	1,400,000
Basic care funding methodology study (community health trust fund)		600,000	600,000
State Hospital design (SIIF)		12,500,000	12,500,000
Southeast Human Service Center deferred maintenance (SIIF)		735,154	735,154
Law enforcement telehealth services (State Fiscal Recovery Fund)		2,650,000	2,650,000
Public health laboratory building (State Fiscal Recovery Fund)		55,120,000	55,120,000
Child care and workforce initiative (House Bill No. 1540)	19,000,000		19,000,000
Family caregiver service pilot project (Senate Bill No. 2276)	2,500,000		2,500,000
State Hospital building demolition (Senate Bill No. 2026)	4,000,000		4,000,000
Total	\$39,682,172	\$167,122,326	\$206,804,498

The following is a summary of the status of one-time funding items for DHHS:

Operating inflation	The department reviews areas with inflation periodically and allocates funds as necessary.
Procurement and grants software	The department is working through the Office of Management and Budget's enterprise solution for a contract system and the waiver process for the procure-to-pay system. Once implemented, the department will begin working on the grant management system.
Child support computer project	The department is preparing a request for proposal to procure a vendor who can assist with readiness and implementation preparations in advance of procurement of an implementation partner.
Health care study and health care task force costs	See North Dakota Legislative Health Care Task Force section below.
Medicaid program integrity audits	The Medical Services Division has signed a contract for \$1,108,885 with Acentra Health and will begin program integrity audits in May 2024.
Pregnant and parenting women residential facility	The department is in the process of establishing grants for residential providers interested in providing services to pregnant women and women with children who have a substance use disorder.
Northwest region behavioral health facility grant	Beginning September 1, 2023, DHHS signed a contract for \$1,950,000 with Mercy Medical Center to establish a behavioral health facility in the Northwest Human Service Center region.
Badlands region behavioral health facility grant	As of May 2024, DHHS has been unable to find a provider willing to provide inpatient health care in the Badlands region.
Youth crisis services and ecumenical ministry grants	The department has issued grants to Fraser Ltd and Ministry on the Margins to operationalize outreach and engagement services for people experiencing housing crisis or homelessness. The department is working with grantees to gather data on outcomes of the investment.
Cross-disability advisory council	The department has secured the services of a facilitator and subject matter consultant to support the work of the Cross Disability Advisory Council as the council accomplishes the task of providing recommendations regarding the design of a cross-disability waiver. The council began in December 2023 and has monthly meetings through May 2024.
Basic care funding methodology study	The department has signed a contract for \$593,975 with Guidehouse to complete a study of basic care and deliver a final report detailing analysis and recommendations. The final report is expected in the summer of 2024.
State Hospital design	See State Hospital project section below.

Southeast Human Service Center deferred maintenance	The parking lot repavement and fire alarm/suppression system projects have been through procurement and are scheduled to be completed in 2024.
Law enforcement telehealth services	Starting August 21, 2023, DHHS signed a contract for \$2,650,000 with Avel eCare Medical Group to provide 24-hour access to licensed behavioral health professionals to connect via a HIPAA compliant telehealth platform. Thirty-three of the sixty-three law enforcement sites are live in the state. Training is ongoing and the vendor has met with the tribal liaisons for planning.
Child care and workforce initiative	See child care assistance initiative section below.
Public health laboratory building	See public health laboratory capital project section below.
Family caregiver service pilot project	See family caregiver service pilot project section below.
State Hospital building demolition	As of May 2024, four of the five structures have been demolished at the State Hospital at a cost of \$897,794. The administrative building is scheduled to be demolished in June 2024.

Federal medical assistance percentage - The Legislative Assembly anticipated the following federal medical assistance percentages (FMAP) in developing DHHS's 2023-25 biennium budget:

Federal Fiscal Year	North Dakota's FMAP
2023	51.55% (actual)
2024	53.82% (estimate)
2025	54.06% (estimate)

The FMAP determines the state and federal share of Medicaid, foster care, and other program costs within DHHS. **The budget approved by the Legislative Assembly for the 2023-25 biennium assumed an FMAP rate of 52.50 percent for federal fiscal years 2024 and 2025.**

Medicaid eligibles - Medicaid eligibles include individuals that qualify through the medical assistance program, Medicaid Expansion project, or the long-term care continuum.

Actual FMAPs since 2018 are:

Federal Fiscal Year	North Dakota's FMAP	COVID-19 Temporary FMAP ¹
2018	50.00% (actual)	N/A
2019	50.00% (actual)	N/A
2020	50.05% (actual)	56.25% (actual)
2021	52.40% (actual)	58.60% (actual)
2022	53.59% (actual)	59.79% (actual)
2023	51.55% (actual)	57.75% (actual)
2024	53.82% (actual)	N/A
2025	50.97% (actual)	N/A

¹The federal Families First Coronavirus Response Act temporarily increases the FMAP by 6.2 percent effective January 1, 2020, through the last day of the calendar quarter in which the COVID-19 public health emergency declared by the Secretary of the federal Department of Health and Human Services terminates. The public health emergency ended in May 2023.

As of December 2023, approximately 115,000 individuals qualified to receive Medicaid benefits. This compares to approximately 120,000 individuals who qualified to receive Medicaid benefits in December 2021. The Families First Coronavirus Response Act passed by Congress in March 2020 provided an increase in the FMAP but also required states to continue coverage for all individuals currently in the program even if they no longer meet eligibility requirements. The requirement to continue all individuals in the program will remain in place until the quarter after the public health emergency order related to the COVID-19 health pandemic is

Medicaid Expansion - The Medicaid Expansion program was first authorized by the 2013 Legislative Assembly. A total of \$802.6 million, of which \$80.3 million is from the general fund, was appropriated to continue the Medicaid Expansion program during the 2023-25 biennium.

The department contracts with a managed care organization to administer the Medicaid Expansion program. However, the 2019 Legislative Assembly provided for Medicaid Expansion pharmacy services to be administered by the Department of Human Services. In 2021, the Legislative Assembly also provided for 19- and 20-year olds in the Medicaid Expansion program to be administered in a fee-for-service arrangement rather than by a managed care organization.

State Hospital project - Section 21 of Senate Bill No. 2012 provides \$12.5 million from SIFF for the design of a new state hospital and the development of a statewide acute psychiatric needs plan.

North Dakota Legislative Health Care Task Force - Section 28 of Senate Bill No. 2012 establishes the North Dakota Legislative Health Care Task Force to study North Dakota health care and requires the task force to submit an annual report to Legislative Management.

State Hospital land lease - Section 41 of Senate Bill No. 2012 authorizes DHHS to lease up to 20 acres of real property at the State Hospital to the Adjutant General for the National Guard to construct a training and storage facility.

Utilization rate adjustments - Section 47 of Senate Bill No. 2012 provides legislative intent that DHHS seek a deficiency appropriation from the 69th Legislative Assembly if utilization rates exceed estimates used in the budget.

Early childhood programs study - Section 51 of Senate Bill No. 2012 provides for a Legislative Management study of early childhood programs.

Medicaid provider reimbursement study - Section 53 of Senate Bill No. 2012 provides for a Legislative Management study of Medicaid provider reimbursement arrangements.

Intermediate care facility rate formula study - Section 54 of Senate Bill No. 2012 provides for a Legislative Management study of the intermediate care facility rate formula.

terminated. The public health emergency order terminated in May 2023; therefore, the requirement was discontinued in September 2023.

For the 2023-25 biennium through March 2024 (37.5 percent of the biennium), DHHS has spent a total of \$259.1 million, or 32.3 percent of the budgeted amount, on the Medicaid Expansion program. The monthly average caseload was 29,059 and the average monthly cost per person was \$991. Due to the discontinuation of public health emergency requirements, the monthly units decreased from 32,757 in July 2023 to 25,991 in March 2024.

The department has procured and is in contract with vendors for architecture, construction management, and owner's representation. The predesign and schematic phases of the project are complete and community engagement is underway. Through April 2024, the department has expended \$3,434,193 during the 2023-25 biennium.

The North Dakota Legislative Health Care Task Force has met in October 2023, January 2024, and April 2024. The department has contracted with Bailit Health Purchasing, LLC for \$348,112 to facilitate the meetings.

The department has entered into a memorandum of understanding with the North Dakota National Guard to lease 20 acres of real property for up to 99 years.

The department currently does not plan to seek a deficiency appropriation from the 69th Legislative Assembly related to utilization rate increases.

The department has presented program overviews and updates to the interim Human Services Committee in August 2023 and December 2023 relating to the early childhood program study.

The Director of the Medical Services Division has presented to the interim Health Care Committee in November 2023 regarding Medicaid value-based care strategies and care management options.

The department has presented to the interim Human Services Committee in August 2023 and December 2023 regarding the components of and the process used to establish the intermediate care facilities for individuals with intellectual disability rate.

Opioid settlement fund - North Dakota Century Code Chapter 50-36, as enacted in House Bill No. 1447, establishes an opioid settlement fund from money recovered by the state as a result of opioid litigation. The bill establishes an opioid settlement advisory committee and provides for DHHS to develop a process for receiving and evaluation spending recommendations of the committee. The bill appropriates \$8 million from the opioid settlement fund for opioid remediation and abatement efforts.

Child care assistance initiative - The Legislative Assembly in House Bill No. 1540 provided \$43.6 million from the general fund for child care assistance programs.

The department has posted a grant opportunity following the Opioid Settlement Advisory Committee recommendations and awarded 14 grants to support the implementation of workforce, prevention, treatment, and recovery initiatives. Grant awards totaling approximately \$60 million were announced January 2024 to the following agencies:

- Central Valley Health District - \$37,409
- Community Connect Providers - \$3.9 million
- Community Medical Services - \$452,389
- Endeavor Sober Living - \$535,000
- First District Health Unit - \$66,681
- Heartview Foundation - \$426,527
- Nelson-Griggs District Health Unit - \$21,600
- North Dakota State University Opioid and Naloxone Education Program - \$82,537
- Northeast Central Judicial District Drug Court - \$51,000
- Richland County Treatment Court - \$134,000
- Sanford Medical Center Fargo - \$397,430
- Training Academy of Addiction Professionals - \$613,002
- USpireND - \$130,075
- Valley City Public Schools - \$160,000

Section 1 - Eligibility requirement - DHHS, in partnership with North Dakota State University, is in the process of completing a market rate and cost study to determine the annual adjustment for child care assistance benefits. The new rates will be effective July 1, 2024.

Section 2 - Sliding fee schedule - Effective July 2023, families with income at or below 30 percent of the state median income are no longer charged a copayment. Through April 2024, DHHS expended \$778,802 for the offset of the family's copayment.

Section 3 - State median income requirement - Effective July 1, 2025, household income eligibility for the child care assistance program will be reduced from 85 percent of state median income to 75 percent.

Section 5.1 - Working families assistance - DHHS has implemented several programmatic changes that are intended to ease the burden for working families or those pursuing education or training, including:

- Effective February 2024, families will be allowed up to 4 months of child care assistance while they look for work or education opportunities;
- Effective April 2024, the eligibility period will be extended from 12 to 18 months, increasing the time frame between the required reapplication period by 6 months;
- Effective April 2024, families who apply for assistance will to have up to 30 days from the date of application to provide documentation necessary to support the eligibility determination; and

- Effective June 2024, 100 percent of child care costs will be covered for individuals who are employed by a licensed child care facility at least 25 hours per week.

Section 5.2 - Infant and toddler care assistance - Effective August 2023, DHHS increased infant and toddler rates. In July 2024, infant and toddler bonus payments will be made to providers caring for infants and toddlers whose family is receiving child care assistance. Through April 2024, DHHS expended \$1,841,869 to support infant and toddler care.

Section 5.3 - Quality tiers - Effective November 2023, quality-rated child care providers have received quality bonus payments for each child in their care when the child's family is receiving child care assistance. Through April 2024, DHHS expended \$275,290 to support this initiative.

Sections 5.6 and 6 - Employer led child care cost-share program - As of May 2024, the working parent child care relief program has 43 participating employers and DHHS has expended \$443,400 in funds to match \$443,400 in employer paid child care benefits. The Office of Management and Budget has drawn down \$402,900 for its employer benefit share.

Section 5.7 - Child care grants and shared services - DHHS has implemented a series of grants and incentives that are intended to support the success of child care businesses, including:

- Quality improvement grants awarded to 116 child care providers who have attained or maintained a Step 2, Step 3, or Step 4 quality rating. As of April 2024, DHHS has awarded \$318,000 to providers.
- Inclusive care support grants awarded to 42 child care providers to help create and maintain inclusive environments that support children with disabilities or developmental delays to learn, grow, play, and develop alongside their peers. As of April 2024, DHHS has awarded \$441,297 to providers.
- Facility improvement grants awarded to 135 child care providers to revitalize child care facilities and support providers in meeting space-based licensing requirements. As of April 2024, DHHS has awarded \$1,000,000. The department has waitlisted 219 applications with requests of \$1,742,568 and will make additional awards if funds become available.
- Grow child care grants awarded to 8 providers who created 80 spaces, supporting both child care startups and expansions. As of April 2024, DHHS has awarded \$164,600 to providers.
- Child Care Aware of North Dakota has created a shared services alliance for child care providers that includes access to child care management software, curriculum resources, and a business intensive course through North Dakota Women's Business Center. As of April 2024, DHHS has awarded \$318,682 to providers.

Section 5.8 - Partnerships care - In May 2024, DHHS launched the nontraditional hour pilot interest application and will consider applications as they are submitted.

Alternatives-to-abortion program - The Legislative Assembly in Senate Bill No. 2129 provided \$1 million from the general fund to establish and maintain the alternatives-to-abortion program.

Federally qualified health care center expansion - The Legislative Assembly in Senate Bill No. 2155 provided \$2 million from the general fund to provide grants to federally qualified health centers to expand services. The bill provided a study for the expansion of federally qualified health care centers. The study must include consideration of increasing the number of federally qualified health care centers in the state and improving federally qualified health care center collaboration with local public health units.

Criminal history record checks - The Legislative Assembly in Senate Bill No. 2238 provided \$300,000 from the general fund for salaries and wages for personnel to process fingerprint and complete required criminal history record checks and to purchase two fingerprint scanners.

Dual special needs plan - Senate Bill No. 2265 requires DHHS to establish at least one dual special needs plan for Medicare and Medicaid dual-eligible Medicaid recipients. The department shall establish standards for care coordination services which the dual needs plan must provide to recipients. The Legislative Assembly provided \$237,516 from the general fund for funding a FTE position to implement the Medicaid dual special needs plan.

Family caregiver service pilot project - Senate Bill No. 2276 establishes a cross-disability advisory council and a family caregiver service pilot project. The cross-disability advisory council shall participate and provide feedback to the department regarding the implementation, planning, and design of the cross-disability children's waiver, level of care reform for the comprehensive developmental disabilities Medicaid home- and community-based waiver, and a service option that will allow payment to a legally responsible individual who provides extraordinary care to an eligible individual through the Medicaid 1915(c) waivers. The department shall establish the family caregiver service pilot project to assist in making payments to a legally responsible individual who provides extraordinary care to an eligible individual who is a participant in the Medicaid 1915(c) waivers, excluding the home- and community-based

Section 5.9 - Worker training stipends - As of May 2024, DHHS awarded training stipends of \$122,600 to child care workers who completed above and beyond training. In October 2024, the department will begin offering an updated version of Career Pathway 2.0 incentives.

Section 5.10 - Provider infrastructure - As of March 2024, DHHS has invested \$880,165 in quality infrastructure to support child care program's continued excellence in service delivery.

The department currently has contracts with 10 entities that deliver services that promote childbirth instead of abortion.

In November 2023, DHHS distributed the 1st year of funding to five federally qualified health care centers, including:

- \$155,767 to Coal Country Community Health Center;
- \$97,761 to Northland Community Health Center;
- \$134,969 to Spectra Health;
- \$500,000 to Family Health; and
- \$111,503 to Community Health Services.

The department will distribute the final year of funding in July 2024.

The department has purchased additional scanners and has hired staff to support live scan operations in Cass County.

The department has shared the draft of the Medicaid dual special needs plan with organizations. Several Medicare Advantage organizations have indicated intent to proceed with offering a dual special needs plan in 2025 to qualifying dual-eligible members.

The family caregiver pilot project started April 1, 2024. The department completed the administrative rules with an effective date of April 1, 2024, and developed a web-based portal to facilitate program delivery during the pilot. The department began accepting applications on April 1, 2024, with applications being reviewed in the order received. Funding for the pilot is capped at \$2.2 million for the 2023-25 biennium. The family caregiver servicer position was hired in February 2024. The director of the Developmental Disabilities Division provided an update for the project to the interim Human Services Committee in December 2023.

services aged and disabled waiver. The Legislative Assembly provided \$2.5 million from the general fund to establish and issue payments as part of a family caregiver service pilot project. The department may use \$300,000 of this amount for hiring 1 FTE position to serve as the family service pilot project coordinator, who would be responsible for implementing the pilot project and for establishing a payment portal.

Tribal health care coordination fund - Section 50-24.1-40, as enacted in House Bill No. 1194 (2019), provides for the Department of Human Services to facilitate care coordination agreements between health care providers and tribal health care organizations that will result in 100 percent federal funding for eligible medical assistance provided to an American Indian. Any funding received in excess of the state's regular share of federal medical assistance funding due to a care coordination agreement is to be deposited 80 percent in the tribal health care coordination fund and 20 percent in the general fund. Money in the tribal health care coordination fund is appropriated on a continuing basis for distribution to tribal government in accordance with agreements between the Department of Human Services and the tribal governments.

County social and human services program - Senate Bill No. 2124 (2019) provides for the delivery of social services from human service zones rather than counties. The Legislative Assembly appropriated \$226.8 million, of which \$1.2 million is from the general fund, for the program for the 2023-25 biennium.

Emergency medical services - The Legislative Assembly provided a total of \$7,721,000, of which \$6,596,000 is from the general fund and \$1,125,000 is from the insurance tax distribution fund, for rural emergency medical services (EMS) grants, the same level of funding as the 2021-23 biennium. Emergency medical services rural assistance grants total \$6,875,000, of which \$5,750,000 is from the general fund and \$1,125,000 is from the insurance tax distribution fund. Emergency medical services training grants total \$846,000 from the general fund.

The Legislative Assembly, in House Bill No. 1294 (2023), provided for the distribution of annual financial assistance to eligible ambulance service operations.

The Legislative Assembly in House Bill No. 1477 provided a total of \$7,000,000 from the community health trust fund to aid the functions and operations of rural emergency medical services and rural ambulance service districts.

Through March 2024, \$82,535 has been deposited in the tribal health care coordination fund relating to Mandan, Hidatsa, and Arikara Nation signing the tribal care coordination agreement. The interim Tribal and State Relations Committee has been reviewing options to enter care coordination agreements with tribal nations.

Through March 2024, DHHS has spent \$63,216,935 for the delivery of social services through the human service zones.

House Bill No. 1477 appropriated an additional \$7,000,000 to the \$7,700,000 provided for rural EMS grants, for a total of \$14,700,000. Of the \$14,721,000 provided for rural EMS grants, \$846,000 was appropriated for training grants and is distributed based on certification and training. The remaining \$13,875,000 is distributed through the rural EMS grant program. When issuing contracts for the biennium, DHHS distributed rural assistance grants pursuant to the formula in Section 2 of House Bill No. 1294, including a \$125,000 base amount. The bill provided that if the legislative appropriation for state rural assistance for EMS is not sufficient to provide the full grant funding calculated, the department must distribute a prorated share of the calculated grants. Funding available for grants for the 2023-25 biennium totaled \$6,937,500 and eligible grant awards based on the formula totaled \$8,084,273. The department prorated the grants so that EMS providers received approximately 86 percent of their grant calculation, compared to 60 percent of the grant calculation during the 2021-23 biennium. Any unspent funding at the end of the 2023-24 fiscal year will be continued to the second year of the 2023-25 biennium and distributed per the formula in Section 2 of House Bill No. 1294.

House Bill No. 1294 also excluded EMS operations with more than 700 average runs for the 2 most recent fiscal years from being eligible for grant funding. The

Tobacco prevention and control - The Legislative Assembly, in Senate Bill No. 2024 (2017), repealed Chapter 23-42 related to the tobacco prevention and control program and transferred the responsibility for the statewide tobacco prevention and control plan from the Tobacco Prevention and Control Executive Committee to the State Department of Health. The Legislative Assembly, in House Bill No. 1004 provided \$14,224,257, of which \$75,000 is from the general fund, \$12,093,000 is from the community health trust fund, and \$2,056,257 is from federal funds for tobacco prevention and control, \$814,235 more than the 2021-23 biennium. This level of funding represents increases from the community health trust fund of \$800,000 and federal funds of \$14,235. Funding from the community health trust fund provides \$7,050,000 for grants to local public health units for tobacco prevention and control programs, an increase of \$800,000 from a total of \$6,250,000 provided for grants during the 2021-23 biennium, and \$5,043,000 for community health tobacco programs and the Tobacco Quitline.

Local public health units - The Legislative Assembly provided a total of \$8,000,000, of which \$4,725,000 is from the general fund and \$3,275,000 is from the community health trust fund, for grants to local public health units. The Legislative Assembly reduced funding from the tobacco prevention and control trust fund by \$525,000 and increased funding by \$3,275,000 from the community health trust fund for a total increase of \$2,750,000 compared to the 2021-23 biennium.

Medical Marijuana Division - In November 2016, voters approved Initiated Statutory Measure No. 5 (North Dakota Compassionate Care Act) relating to medical marijuana and created Chapter 19-24. In Senate Bill No. 2344 (2017), the Legislative Assembly repealed Chapter 19-24 and created and enacted Chapter 19-24.1 to provide for the legalization of medical marijuana. The bill required DHHS to establish and implement a medical marijuana program to allow for the production, processing, and sale of marijuana for medical use. In Section 19-24.1-40, the Legislative Assembly established a medical marijuana fund. DHHS must deposit all fees related to medical marijuana into the fund and must administer the fund. Money in the fund is appropriated to the department on a continuing basis for use in administering the medical marijuana program. Therefore, the Legislative Assembly does not include an appropriation for the Medical Marijuana Division in the DHHS' budget. The department presented a budget, funded through the continuing appropriation, totaling \$1,746,384, including 5 FTE positions, for the 2023-25 biennium. The Legislative Assembly approved

department reported 16 EMS operations in the state did not receive rural assistance grants because they exceeded the maximum number of average runs for funding. In addition, 3 EMS operations in the state elected not to accept the rural assistance grants.

Through May 2024, DHHS has allocated \$2,920,574, or 24 percent of the \$12,093,000 provided from the community health trust fund, for grants to local public health units for tobacco prevention and control programs. The funding was allocated to the 27 local public health units based in part on 2022 census information and on a tiered system. Through May 2024, reimbursements have totaled \$1,856,099.

Of the \$8 million provided for grants to local public health units, \$600,000 was identified for environmental state aid and \$7.4 million was designated for regular state aid. State aid of \$7.4 million was distributed to provide a \$6,000 base per county with the remainder distributed based on 2022 population estimates. The environmental state aid was distributed to the eight regions (\$590,000) and Bismarck Burleigh Public Health (\$10,000).

During the 2021-23 biennium, deposits in the medical marijuana fund of \$2,114,824, exceeded 2021-23 expenditures of \$1,609,658 by \$505,166, which, along with the 2021-23 biennium beginning balance in the fund of \$1,234,230, is available to DHHS on a continuing basis to administer the medical marijuana program during the 2023-25 biennium. The department anticipates funding continued from the 2021-23 biennium of \$1,234,230, along with \$1,408,680 of estimated revenue collections during the 2023-25 biennium, will be sufficient to pay the estimated \$2,076,454 of program expenses during the 2023-25 biennium. The department anticipates approximately \$1,000,000 will be available in the medical marijuana fund at the end of the 2023-25 biennium and continued into the 2025-27 biennium.

health insurance increases and salary adjustments of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, totaling \$95,747. In addition, the Legislative Assembly also approved Senate Bill No. 2201 (2023) relating to marijuana certification and application fees which decreased revenue by \$45,000 and increased expenditures by \$26,400 during the 2023-25 biennium. Indirect cost allocations were also increased by \$2,499 from the proposed budget. Expenditures from the medical marijuana fund are estimated to total \$1,871,030 for the 2023-25 biennium.

Public health laboratory capital project - The Legislative Assembly, in Section 14 of House Bill No. 1004 allowed any unexpended funds from the appropriation provided in Senate Bill No. 2345 (2021) approved during the November 2021 special legislative session, to be available for the public health laboratory capital project. The original bill provided \$15 million of one-time funding from the State Fiscal Recovery Fund for a public health laboratory capital project.

The Legislative Assembly, in Section 2 of House Bill No. 1004 identified \$55.12 million of one-time funding from the State Fiscal Recovery Fund for a new laboratory building to be shared with the Department of Environmental Quality.

Registered nurse loan repayment program - Senate Bill No. 2344 added funding for four slots for registered nurses in the health care professional student loan repayment program.

Community health worker task force - The Legislative Assembly in House Bill No. 1028 provided \$75,000 from the general fund to DHHS to establish and provide staffing and administrative services to a community health worker task force.

Suicide fatality review commission - The Legislative Assembly in House Bill No. 1390 provided \$15,000 from the general fund to DHHS to establish a suicide fatality review commission.

Health care professional student loan repayment program - The Legislative Assembly in Senate Bill No. 2344 provided \$48,000 from the general fund to DHHS to fund four slots for registered nurses under the health care professional student loan repayment program.

Medical assistance primary care provider - House Bill No. 1044 (2023) requires DHHS to eliminate the primary care provider case management system effective January 1, 2024.

The department has completed procurement for the project with groundbreaking occurring in April 2024. The department continued \$12,803,319 from the 2021-23 biennium appropriation and has expended \$2,288,277 through May 2024 for the 2023-25 biennium. The project is scheduled to be completed in June 2026.

The department completed administrative rules for the program with the effective date of April 1, 2024. Loan repayment applications opened January 15, 2024, and will close May 24, 2024. Applications will be reviewed with contracts issued beginning June 1, 2024. The department is projecting that all slots will be filled.

The Medical Services Division of the department is participating in the Community Health Worker Task Force to define scope of practice, education and training, certification, and the role of community health representatives trained by the Indian Health Service. The task force created two working groups to address training and education and certification and regulation.

Members of the Suicide Fatality Review Commission were appointed in September 2023. The first meeting took place in October 2023 with the first case review occurring in January 2024. The commission meets quarterly to review suicide death cases to consider potential prevention recommendations.

The department completed administrative rules for the program with the effective date of April 1, 2024. Loan repayment applications opened January 15, 2024, and will close May 24, 2024. Applications will be reviewed with contracts issued beginning July 1, 2024. The department is projecting all physician, dental, behavioral health, and veterinarian slots will be filled.

The primary care provider case management program ended on December 31, 2024.

Developmental disability program administration - House Bill No. 1048 (2023) 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.

The department started the developmental disability guardianship program in August 2023. The program is an alternative to corporate guardianship and funds are used for petitioning costs. As of May 16, 2024, 60 individuals have been approved for this program. The maximum funding available for the 2023-25 biennium is \$300,000.