

**Department of Health and Human Services
Budget No. 325
House Bill No. 1012**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriation	2,688.35	\$2,227,783,063 ¹	\$3,988,127,847 ²	\$6,215,910,910
2023-25 legislative appropriation	<u>2,483.83</u>	<u>2,051,109,719</u>	<u>3,708,852,326</u>	<u>5,759,962,045</u>
2025-27 appropriation increase (decrease) to 2023-25 appropriation	204.52	\$176,673,344	\$279,275,521	\$455,948,865

¹This amount includes \$40,159,181 of one-time funding. Excluding this amount, the agency's ongoing General Fund appropriation is \$2,187,623,882.

²This amount includes \$474,141,108 of one-time funding. Excluding this amount, the agency's ongoing other funds appropriation is \$3,513,986,739.

Item Description

Block grant FTE - The Legislative Assembly approved 2,688.35 FTE positions for the Department of Health and Human Services (DHHS) for the 2025-27 biennium, an increase of 204.52 FTE positions from the 2023-25 biennium. The Legislative Assembly appropriated salaries and wages funding for DHHS in a block grant pool authorizing the department to increase or decrease allowed FTE positions subject to the availability of funds and the provisions of Section 4 of House Bill No. 1012. The department is allowed to transfer appropriation authority of up to the underfunded amount of \$14,771,038 from other line items to the salaries and wages block grant line item. A total of \$611,513,737 was appropriated, including \$320,064,625 from the General Fund and \$291,449,112 from other funds.

Federal medical assistance percentage - The Legislative Assembly anticipated the following federal medical assistance percentages (FMAP) in developing the DHHS 2025-27 biennium budget.

Federal Fiscal Year	North Dakota's FMAP
2026	50.99% (actual)
2027	52.52% (estimated)
2028	55.29% (estimated)

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 2025-27 biennium assumed an FMAP rate of 50.99 percent for federal fiscal year 2026 and 51.99 percent for federal fiscal year 2027.

Status/Result

The department has 2,592.80 FTE positions filled as of April 2026. Through January 2026, \$173,390,078 has been spent of the total appropriation, including \$116,114,076 from the General Fund. Staff turnover has been 14.33 percent during 2025. The department has an internal committee that reviews FTE requests. The department utilizes temporary staff, overtime, and contracts with staffing agencies in meeting staffing needs.

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
2026	50.99% (actual)	N/A
2027	52.91% (actual)	N/A

¹The federal Families First Coronavirus Response Act temporarily increased 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 federal Consolidated Appropriations Act of 2023 sunsets the temporary increase through a phase down with the increase being fully removed on December 31, 2023.

One-time Funding - The following is a summary of one-time funding items for DHHS for the 2025-27 biennium:

	General Fund	Other Funds	Total
Technology Projects (\$1 million from the Strategic Investment and Improvements Fund (SIIF), \$1,613,000 from the Community Health Trust Fund, and \$2,213,930 from the public health laboratory)		\$4,826,930	\$4,826,930
Human service centers and Life Skills and Transition Center (LSTC) projects (SIIF)		1,684,480	1,684,480
Transition from mainframe (\$4 million from the Human Service Finance Fund, \$2.5 million from SIIF, and \$8.5 million from federal funds)		15,000,000	15,000,000
Child care programs	\$11,772,500		11,772,500
Housing programs (SIIF)		1,000,000	1,000,000
State laboratory move and equipment (SIIF)		2,962,304	2,962,304
Partial hospitalization day treatment (Community Health Trust Fund)		2,000,000	2,000,000
Developmental disabilities eligibility assessment tool for kids (\$200,000 from federal funds)	200,000	200,000	400,000
Toxicology equipment (\$100,000 from the Health and Consolidation Lab Fund)	151,500	100,000	251,500
Behavioral health facility grant (SIIF)		12,960,000	12,960,000
Cultural community center grant (Community Health Trust Fund)		300,000	300,000
Intermediate care facility grant (Community Health Trust Fund)		4,400,000	4,400,000
Juvenile justice diversion services (Human Services Finance Fund)		750,000	750,000
Critical access hospital networking (Community Health Trust Fund)		2,000,000	2,000,000
Basic care daily rate increase (\$1,448,052 from the Health Care Trust Fund)	2,619,004	2,922,236	5,541,240
Infant and toddler care provider support	11,000,000		11,000,000
Child welfare technology project line of credit (Bank of North Dakota line of credit)		8,411,218	8,411,218

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

Technology Projects	<ul style="list-style-type: none"> The electronic health records/pharmacy system is proceeding within estimated costs and a determination will be made on whether additional work will be necessary. Network redundancy and speed improvement have the initial quotes and ongoing cost requirements are being evaluated. The initial workflow study for forensic examiner records system is 35 percent complete with the system build set to begin in July 2026 and expected to be completed by the end of the biennium. Contract negotiations are in process for the food and lodging management system with completion expected by the end of the biennium. The first phase of the electronic vital event registration system project for vital records is complete. The second phase is beginning. Funding may not be utilized for the vocational rehabilitation system contingent on the evaluation of the functionality of the current system and may upgrade the current system as an alternative.
Human service centers and LSTC projects	Both projects are in progress and expected to be completed in fall 2026. The Southeast Human Service Center bathroom project will be under budget and the LSTC roofing project will be over budget as two roofs need to be replaced.
Transition from mainframe	The department is actively working to remove data and programs from the mainframe. The contract system is projected to be retired in spring 2027 after a new system is live with a projected date of February 2027. The department is reviewing the requests for proposal (RFP) for the two major systems on the mainframe: the child welfare system (Frame replacement) and child support system.
Child care programs	<p>The Best in Class Program has awarded grants to 69 programs for the 2026-27 year, including 96 classrooms with 26 small groups and 70 large groups. These programs also include grow grants for startup and expansion of child care, quality awards for achieving and maintaining Bright and Early ND, inclusion grants, and facility grants. Quality infrastructure support coaches work with child care programs on health and safety, business, and quality, and includes children with disabilities, developmental delays, and challenging behavior.</p> <ul style="list-style-type: none"> The Best in Class Program was appropriated an additional \$4 million to provide for a total of \$16 million with \$7.2 million spent by the department through May 2026. Child care grants resources and shared services were appropriated \$3 million with spending of \$802,468 through May 2026.

Medical housing for individuals with extraordinary medical needs	200,000		200,000
Northwest behavioral health facility grant	1,500,000		1,500,000
Guardianship funding	3,266,177		3,266,177
Waterford Upstart funding	1,500,000		1,500,000
Fetal alcohol spectrum disorder clinic	350,000		350,000
Prosecution-led diversion treatment services (SIIF) (House Bill No. 1425 (2025))		750,000	750,000
Behavior health facility grant in the West Central Human Service Center region (SIIF) (House Bill No. 1468 (2025))		16,000,000	16,000,000
Contracting for juvenile lack of criminal responsibility evaluation services (Senate Bill No. 2037 (2025))	300,000		300,000
Family paid caregiver service pilot project (Senate Bill No. 2305 (2025))	7,300,000		7,300,000
Rural Health Transformation Program (House Bill No. 1623 (2025))		397,873,940	397,873,940
Total	\$40,159,181	\$474,141,108	\$514,300,289

Housing programs	<ul style="list-style-type: none"> • Early childhood quality and infrastructure were appropriated \$3 million with spending of \$745,263 through April 2026. • Maintain and expand inclusion support was appropriated \$172,500 with spending of \$65,120 through April 2026. • Teaching strategies was appropriated \$100,000 and will be spent by July 1, 2026. • Quality tiered programs were appropriated \$1.5 million. <p>The department is currently in the process of awarding a grant to North Dakota Assitive to provide renovation services starting in July 2026.</p>
State laboratory move and equipment	The state laboratory move has not started because construction is still in progress with an estimated move date in late summer 2026. The new building will have 105,625 square feet.
Partial hospitalization day treatment	The department completed a draft RFP to identify a vendor following their market research.
Developmental disabilities eligibility assessment tool for kids	This project is on hold due to the work on the cross-disability waiver.
Toxicology equipment	This equipment will be purchased after the move to the new state laboratory building.
Behavioral facility grant	The contract is active from July 1, 2025, to June 30, 2027, and the recipient has provided updates to the interim Budget Section - Human Resources Division.
Cultural community center grant	The contract was award to Native, Inc., to provide a maximum of 172 after school programs twice a week and 172 family cultural programs twice a week to youth aged 10 years and older and their families who are referred from human service zones and the Children in Need of Services Program to prevent involvement with the juvenile justice system or out-of-home placement.
Intermediate care facility grant	A contract was issued and all funds have been spent.
Juvenile justice diversion services	The department awarded five grants to local providers in North Dakota with a target population of youth who are at risk of juvenile justice involvement but have not committed a delinquent act. Referrals to the diversion programs for those with Children in Need of Services Program behaviors and student behavior issues will be made by the human service zones and schools throughout North Dakota.
Critical access hospital networking	A contract has been issued with a vendor.
Basic care daily rate increase	The daily rates paid to basic care providers were increased to include this funding.

<p>Infant and toddler care provider support</p>	<p>The department implemented these payments effective January 1, 2026, for the Infant and Toddler Bonus Program. Eligible providers receive a flat rate of \$200 per infant and \$115 per toddler for all infants and toddlers in the provider's care, not just those participating in the Child Care Assistance Program (CCAP). Estimated spending for the biennium will be approximately \$7 million.</p>
<p>Child welfare technology project line of credit</p>	<p>The department has issued an RFP and began system demonstrations in May 2026. The evaluation team will decide on the next steps, including the awarding of a contract to a vendor in late May.</p>
<p>Medical housing for individuals with extraordinary medical needs</p>	<p>See the Medical housing for individuals with extraordinary medical needs section below.</p>
<p>Northwest behavioral health facility grant</p>	<p>The contract is active from July 1, 2025, to June 30, 2027, and the recipient has provided updates to the interim Budget Section - Human Resources Division.</p>
<p>Guardianship funding</p>	<p>All remaining corporate guardianship funds were transferred in May 2026. The developmental disability guardianship establishment has awarded all funds and DHHS continues to process payments. Any remaining funds will be transferred to the Office of Guardianship and Conservatorship.</p>
<p>Waterford Upstart funding</p>	<p>The department entered a memorandum of understanding with the Department of Public Instruction. The program enrolled 193 prekindergarten children for the 2025-26 school year with access to learning platforms through August 31, 2026. Ninety-six children have met the 400-minute usage threshold required to trigger contingent payments.</p>
<p>Fetal alcohol spectrum disorder clinic</p>	<p>The department has identified a grantee and a contract will be drafted for the grantee to complete the work.</p>
<p>Prosecution-led diversion treatment services</p>	<p>The department is working with the Department of Corrections and Rehabilitation on treatment services for participants in the Prosecution-Led Diversion Program.</p>
<p>Behavior health facility grant in the West Central Human Service Center region</p>	<p>The contract is active from July 1, 2025, to June 30, 2027, and the recipient has provided updates to the interim Budget Section - Human Resources Division. The expected completion date is June 2027.</p>
<p>Contracting for juvenile lack of criminal responsibility evaluation services</p>	<p>See the Juvenile court proceedings section below.</p>
<p>Family paid caregiver service pilot project</p>	<p>See the Family paid caregiver service pilot project section below.</p>

Rural Health Transformation Program	See the Rural Health Transformation Program section below.
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Medicaid eligibles - Medicaid eligibles include all medical assistance, Medicaid Expansion, and long-term care continuum eligibles with the exception of the Service Payments for Elderly and Disabled Program.

As of December 2025, approximately 106,398 individuals qualified to receive Medicaid benefits. This compares to approximately 108,915 individuals who qualified to receive Medicaid benefits in January 2025. 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 remained in place until the quarter after the federal public health emergency order related to the COVID-19 pandemic was terminated. The public health emergency order terminated in May 2023; therefore, the requirement was discontinued in September 2023.

Medicaid Expansion - The Medicaid Expansion Program was first authorized by the 2013 Legislative Assembly. A total of \$662.1 million, of which \$66.2 million is from the General Fund, was appropriated to continue the Medicaid Expansion Program during the 2025-27 biennium.

For the 2025-27 biennium through March 2026 (37.5 percent of the biennium), DHHS has spent a total of \$266.5 million, or 40.25 percent of the budgeted amount, on the Medicaid Expansion Program. The monthly average caseload was 23,727 and the average monthly cost per person was \$1,248. The monthly units were 23,775 in July 2025 and 24,011 in March 2026.

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. 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.

Pay for Success Program - House Bill No. 1480 (2023) created the Pay for Success Fund and Program with outcomes focused on improving educational, social, or emotional achievement of at-risk children, improving the health of children, and increasing participation in the workforce by individuals who qualify for government assistance and may include a performance-based grant, contract, or other agreement for initiatives to improve outcomes that result in increased public value and social benefits, including improved outcomes, cost-savings, increase public revenue, or minimal administrative requirements. The program was funded with a transfer of \$2.5 million from SIIF.

Currently no funds have been used, and none are expected to be utilized during the biennium. The balance of the fund as of March 31, 2026, is \$2.6 million. Any unobligated balance in the fund on July 1, 2027, will be transferred to SIIF.

Child Care Assistance Program - The total appropriation for CCAP for the 2025-27 biennium is \$112.2 million, including \$29.9 million from the federal Child Care Development Fund, \$75.3 million from the General Fund, and \$7 million of other funds. In addition to the budget for direct benefits, legislative appropriations include one-time funding of \$1.5 million for quality rating and improvement bonus payments and \$11 million for infant and toddler bonus payments. The 2025-27 biennium budget was based on a forecasted average of 6,400 children per month at an average cost of \$730 per child. As of

The federal Temporary Assistance for Needy Families (TANF) Program allows up to 30 percent of the annual funding of \$26.4 million to be used for child care assistance. The department transferred \$23.4 million from TANF funding for federal fiscal years 2025, 2026, and 2027. Additionally, families who are working and participating in the required work activities continue to receive child care assistance directly through the remaining TANF grant as a supportive service without being placed on the wait list below.

December 2025, the actual number served is 7,790 per month with a cost of \$857 per child, both exceeding the forecast. This is resulting in a projected shortfall of \$35.5 million for the biennium.

Rural Health Transformation Program - Federal H.R. 1, or the "One Big Beautiful Bill Act," created the federal Rural Health Transformation Program. This federal program appropriated \$50 billion over 5 years with 50 percent allocated to each state or \$100 million per year and the other 50 percent based on the notice of funding opportunity and the individual state's application. North Dakota received an allocation of \$198.9 million for the 1st year of funding. These funds must be obligated by October 30, 2026, and expended by September 30, 2027. House Bill No. 1623, approved during the January 2026 special legislative session, appropriated \$398 million for the program through June 30, 2027.

Emergency Commission request - The department presented two one-time funding requests to the Emergency Commission, and both were approved by the Emergency Commission and Budget Section. The first request was approved for \$1.96 million as part of federal H.R. 1 for technology upgrades to the Medicaid eligibility system with federal funding from the Centers for Medicare and Medicaid Services. The second request was for \$1.2 million in federal funding for the Supplemental Nutrition Assistance Program process and technology upgrades to reduce the payment error rate.

Certified community behavioral health clinics - Section 30 of House Bill No. 1012 provides legislative intent that DHHS continue the process of converting the human service centers to certified community behavioral health clinics.

The following program changes were also implemented to contain the expected costs:

1. A wait list was implemented on December 1, 2025, for families applying for CCAP benefits. As of March 19, 2026, there were 708 families on the wait list. Families on the wait list are prioritized based on the family's income being at or below 30 percent of the state median income and households experiencing homelessness.
2. DHHS made changes to the state maximum rate effective on January 1, 2026, based on the most recent cost analysis and market rate survey.
3. DHHS adjusted the payments for the quality rating and improvement system as of January 1, 2026, by removing bonus payments for facilities with a Step 2 rating.
4. The minimum attendance requirement was adjusted as of April 1, 2026, by requiring children to attend at least 40 hours per month for a CCAP payment to ensure payments reflect true child care usage.
5. DHHS adjusted the eligibility age effective April 1, 2026, by making CCAP payments through the month a child turns 12.

The department has opened several grant opportunities with Rural Health Transformation Program funding, including expanding rural health care rotations, train in place, workforce retention funding for critical access hospitals and their owned and operated clinics, the zero-hour physical education initiative, community gardens project, community-based walking program, behavioral health promotion community grants, suicide intervention - health care systems initiative, rightsizing health care delivery systems for the future, ensuring safety net service delivery, and rural health clinic equipment. The department dedicated a section of their website to the program and the grant opportunities. As of June 1, 2026, the department has obligated \$5.7 million, \$82 million in grants opportunities are currently open, and \$18 million in grants are being processed.

The department is working with technology vendors on upgrades for both systems for design and implementation.

The department is completing a return on investment projection for the clinics, including the effects on billable services for the certified community behavioral health clinics, and will include the information in their budget considerations.

Utilization rate adjustment - Section 33 of House Bill No. 1012 provides legislative intent that DHHS seek a deficiency appropriation from the 70th Legislative Assembly if utilization rates exceed estimates used in the budget.

Provider rate increase - Section 34 of House Bill No. 1012 provides legislative intent that DHHS provide an increase of 2 percent for each year of the biennium to service providers.

Medical housing for individuals with extraordinary medical needs - Section 13 of House Bill No. 1012 identifies \$200,000 for the preliminary design consultation and project administration to develop housing for individuals with disabilities that have extraordinary medical needs and provide rent subsidies for individuals residing in these facilities. The department is to collaborate with the North Dakota Housing Finance Agency, individuals with disabilities, caregivers, and families to solicit proposals for the development of accessible housing for individuals with disabilities that have extraordinary medical needs.

Behavioral health facility grant - Section 6 of House Bill No. 1012 identifies \$12,960,000 in appropriations from SIIF for a behavioral health facility in the northeast human service region. The grant recipient must provide matching funds of \$3,224,000 to establish the facility.

Behavioral health facility grant - Section 14 of House Bill No. 1012 identifies \$1.5 million in General Fund appropriations and Section 29 continues the unexpended appropriation authority of up to \$1.95 million to provide a total of \$3.45 million to establish a behavioral health facility in the northwest human service region.

Behavioral health facility grant - House Bill No. 1468 (2025) provides \$16 million in appropriations from SIIF for a behavioral health facility in the West Central Human Service Center region to increase the number of behavioral health beds.

Long-term structured residences plan - Section 36 of House Bill No. 1012 provides for DHHS to review options and develop a plan to establish long-term structured residences that are a highly structured therapeutic residential mental health treatment facility that is staffed continuously and designed to treat adults, under North Dakota Century Code Chapters 12.1-04.1 and 25-03.1, who have severe and persistent mental illness and who have reached the maximum benefit from the mental health resources available elsewhere in the community or hospital.

The department is monitoring the utilization rates of the Medicaid entitlement programs and is anticipating a deficiency appropriation from the 70th Legislative Assembly related to the increase in utilization.

The department has implemented the 1st year increase and will implement the increase for the 2nd year.

The department contracted with Stone Group Architects to develop an accessible, medically equipped housing model for individuals with disabilities that have extraordinary medical needs, including project feasibility and cost projections with the work expected to be completed by September 30, 2026.

The department awarded the grant to Altru Health System in Grand Forks and the project is proceeding on the behavioral health facility with completion projected in March 2027.

The department awarded the grant to CHI St. Alexius Health Williston and the project is underway to provide a 10-bed unit with completion estimated in December 2026.

The department awarded the grant to CHI St. Alexius in Bismarck and the project is proceeding to develop 30 single rooms and a 10-bed flex unit with completion projected in June 2027.

The department has been reviewing options and will be presenting a report at the September 2026 meeting of the interim Human Services Committee.

Real and personal property lease - Section 38 of House Bill No. 1012 amended Section 50-06-06.6 to allow the commissioner of DHHS or the commissioner's designee to lease real or personal property at LSTC or the State Hospital for a term that may not exceed 99 years.

Life Skills and Transition Center - Section 48 of House Bill No. 1012 provides legislative intent that DHHS review the facilities and land at LSTC to identify the portions of the LSTC campus that are necessary for delivery of services and the portions of the campus that could be conveyed to a local government or related public or not-for-profit community development entity to redevelop to optimize local community development goals and the successful operation of LSTC. The department will make any recommendations to the 70th Legislative Assembly.

Value-Based Care Incentive Program - Section 50 of House Bill No. 1012 provides for DHHS, in collaboration with the North Dakota Long Term Care Association, to develop a payment withholding structure for value-based payments to provide funding for the Value-Based Care Incentive Program for nursing facilities. The department is to implement the payment withholding beginning July 1, 2027.

Statewide dementia coordination - Section 53 of House Bill No. 1012 provides legislative intent that DHHS address the statewide coordination of dementia services.

Personal allowance for Medicaid residents - House Bill No. 1485 (2025) increased the personal monthly needs allowance by \$15, from \$100 to \$115, for an individual covered under Section 50-24.1-02.6 and provided for the allowance to be adjusted annually based on inflation.

Office of Guardianship and Conservatorship - Senate Bill No. 2029 (2025) creates the Office of Guardianship and Conservatorship, provides an appropriation, and for any unspent appropriations for guardianship-related services and grants to be transferred from DHHS to the Office of Guardianship and Conservatorship.

Fitness to proceed and remediation of juveniles - Senate Bill No. 2036 (2025) provides a \$500,000 General Fund appropriation to implement and administer the juvenile fitness to proceed process.

The department is negotiating a possible lease agreement for land by the State Hospital and there are no current discussions on lease agreements for LSTC.

The department continues to review the facilities, land, and services at LSTC and will present any recommendations to the 70th Legislative Assembly.

The department is working with the North Dakota Long Term Care Association and will develop a payment withholding structure for value-based payments to provide funding for the Value-Based Care Incentive Program for nursing facilities.

The Dementia Care Services Program, provided through a contract with the Alzheimer's Association, is focused on improving access to support, education, and care coordination for individuals living with dementia and their caregivers. In the next biennium, the department plans to route all calls through the Association's 24-hour helpline to provide immediate assistance and guidance, addressing current staffing shortages that have resulted in an average two-week wait for services. Individuals needing local resources or ongoing support will be referred to state Alzheimer's Association staff for connections to community-based services. The department will provide an update on the statewide coordination of dementia services at the interim Budget Section - Human Resources Division at the June 2026 meeting.

The department has implemented the increase in the personal monthly needs allowance.

The Office of the Guardianship and Conservatorship was established and all remaining corporate guardianship funds were transferred in May 2026. The developmental disability guardianship corporate guardianship establishment has awarded all funds and DHHS continues to process payments. Any remaining funds will be transferred to the Office of Guardianship and Conservatorship.

A draft scope of work has been developed and reviewed, including discussions with a potential provider to meet statutory requirements. A risk assessment is being performed and implementation remains on schedule to begin January 2, 2027.

Juvenile court proceedings - Senate Bill No. 2037 (2025) provides a \$300,000 appropriation from the General Fund to contract for juvenile fitness to proceed evaluation services.

988 Crisis Hotline Program - Senate Bill No. 2200 (2025) provides an appropriation of \$500,000 from the Community Health Trust Fund for the 988 Crisis Hotline Program.

Adult residential facility payment rates - Senate Bill No. 2271 (2025) provides an appropriation of \$3,418,604, of which \$1,709,302 is from the General Fund to increase adult residential facility rates and provides for a basic care study and recommendations for the development of a basic care, assisted living, and adult residential facilities payment model continuum.

Family paid caregiver service pilot project - Senate Bill No. 2305 (2025) provides a one-time appropriation of \$7.3 million from the General Fund to establish a family paid caregiver service pilot project.

Medical assistance reimbursement of psychiatric residential treatment facilities - Senate Bill No. 2399 (2025) provides an appropriation of \$647,149 from the General Fund and \$660,025 from federal funds to DHHS for psychiatric residential treatment facility reimbursement. The section also amends the rules for medical assistance reimbursement of psychiatric residential treatment facilities for direct care costs.

Funds have not been designated for specific evaluations. Current planning is to coordinate these resources with the Senate Bill No. 2036 (2025) procurement process to establish a comprehensive and integrated response for juvenile competency, criminal responsibility evaluations, and associated treatment services, maximizing statewide capacity and consistency in service delivery.

Funding was awarded to FirstLink beginning July 1, 2025 and ending June 30, 2027.

The department has been holding meetings regarding the basic care study and reported to the Human Services Committee in February 2026. The final report and recommendations will be presented at the Human Services Committee meeting in September 2026.

The department has obligated \$6.3 million through July 2026. Seventy-five applications have been approved and 108 denied with a wait list of 137 individuals. A recent United States Supreme Court ruling requires a change to North Dakota Administrative Code Section 75-02-13 to clarify the assessment scoring process and DHHS is unable to approve or deny applications until the new rules become effective.

North Dakota Administrative Code Section 75-02-09 was amended effective January 1, 2026, and over 450 therapeutic leave days have been reimbursed for psychiatric residential treatment facilities.