

2025 SENATE HUMAN SERVICES

SB 2399

2025 SENATE STANDING COMMITTEE MINUTES

Human Services Committee Fort Lincoln Room, State Capitol

SB 2399
2/4/2025

Relating to medical assistance reimbursement of psychiatric residential treatment facilities; and to provide for a legislative management report.

10:13 a.m. Chairman Lee opened the hearing.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers.

Discussion Topics:

- Administration reimbursement
- Emergency safety net
- Administrative rules
- Continuum of care
- Federal mandates
- Additional providers

10:13 a.m. Senator Lee introduced the bill.

10:15 a.m. Tim Gienger, Senior Director of Residential Partnerships for Dakota Boys and Girls Ranch, testified in favor and submitted testimony #33959.

10:29 a.m. Kate Coughlin, Executive Director of Nexus Path Family Healing, testified in favor and submitted testimony #34504.

10:38 a.m. Sarah Aker, Executive Director of Medical Services Division for Health and Human Services, testified in neutral and submitted testimony #34168.

11:01 a.m. Chairman Lee closed the hearing.

Andrew Ficek, Committee Clerk



Testimony in Support of

SB 2399

February 3, 2025

Greetings Chairman Lee and Members of the Committee,

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

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

The PRTF rate setting process was developed 30 years ago, a time when the economy was less volatile, children had fewer challenges, and we didn't have electronic health records, HIPPA regulations, and cybersecurity issues to manage. Accreditation, audits, billing, and the cost report have all become more complicated, requiring significant increases in staffing to meet regulations and best practices. These additional requirements, as well as erratic costs created by inflation and rising labor costs put the burden on private providers to underwrite the increased costs of caring for the state's most vulnerable children and to manage cash flow until the new rates are put into place up to 16 months after the service is provided.

Going through the administrative rules process during the interim sparked the need for Senate Bill 2399. For more details on this process, see Administrative Rules Committee testimony from Dec. 5, 2024.

Senate Bill 2399 was created to simplify and modernize terminology regarding what is included in "direct care costs." It is also intended to provide an emergency safety net so when emergencies arise, funding is available in real time to minimize any service disruption to kids and families.

Section 1, Number 1, Letter A will create a definition of "direct care costs" that includes all licensing and accreditation requirements, including home visits, parental engagement, and use of technology like electronic health records and electronic patient monitoring systems. The current rate-setting process puts many of these required costs into administrative expenses which have limited reimbursement.

Letter B, Number 1, addresses the need for an emergency safety net for providers when they have non-recurring costs like damage to buildings and vehicles, or must provide

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Testimony in Support of

SB 2399

specialized training to meet the needs of the kids. These costs will be offset during the next cost analysis period.

Letter B, Number 2, addresses sudden increased costs like additional staff, sudden labor market increases, and replacing required positions such as the Medical Director. These are ongoing expenses which will be included in the next cost report.

Numbers 2, 3, and 4 have to do with the department establishing rules, procedures, and reporting consistent with this section.

A "yes" vote on this bill will provide for the needs of North Dakota's most vulnerable children by ensuring the state's Psychiatric Residential Treatment Facilities can continue to operate without disruption.

Tim Gienger, LCSW

Senior Director of Residential Partnerships

Dakota Boys and Girls Ranch

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



Senate Bill 2399

Senate Human Services | Representative Lee, Chair

North Dakota Medicaid Psychiatric Residential Treatment Facilities | Sarah Aker
February 4, 2025



Health & Human Services

Key Medicaid Tenets

- **Entitlement Program**
 - Anyone who meets eligibility rules has a right to enroll and be served in Medicaid
 - HCBS waivers can be limited by a total number of slots.
 - Federal financial support
- **Partnership with the Federal Government**
 - Federal mandates and regulations obligate state action and expenditures
 - Federal approval required for changes to Medicaid program
- **Not a traditional grant**
 - Open ended funding source; no cap on total federal funds
 - Cost sharing model; State funding match required for use of federal funds

Rate Methodology Guiding Principles: Traditional Medicaid

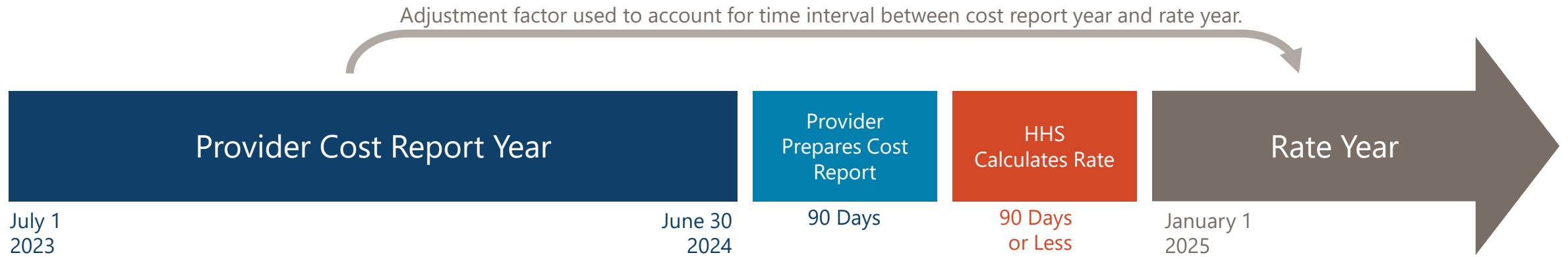
- Predictable
- Consistent
- Transparent
- Data Driven
- Population Focused
- Quality & Outcomes Oriented
- Incentivizes Innovation, Efficiency & Community Based Care

Payment Methodology

Psychiatric Residential Treatment Facilities

- Administrative Code 75-02-09 details ratesetting for Psychiatric Residential Treatment Facilities.
 - Prospective Rate Setting based on historical costs as reported on the provider's cost report. Defines cost categories in 75-02-09-06:
 - Administration
 - Direct Care
 - Dietary Costs
 - Laundry
 - Plant & Housekeeping
 - Property
 - Includes provisions in 75-02-09-04 to account for changes to the rate related to services or staff.
- Section 1902(a)(30) of the Social Security Act (SSA) requires that Medicaid payments be consistent with efficiency, economy and quality of care.
- CMS requires states to follow Medicare's principles of reasonable cost reimbursement found in 42 CFR Part 413.

How are cost reports used to set rates?



The rate methodology for the service uses cost report data to calculate provider rates.

- An adjustment factor is used to inflate costs forward from the cost report year to the rate year.
- Some costs are not allowable (ex. lobbying) for use in calculating reimbursement rates.
- Cost categories are used to ensure costs are not duplicated.
- Cost categories have limits to ensure that costs are reasonable and efficient.
- Provider cost reports and underlying data are audited to ensure that costs were appropriately reported and allocated.

Direct Care Definition

Administrative Code 75-02-09-06

Direct care costs include:

- Salaries and fringe benefits for individuals providing treatment or supervision of residents;
- Personal supplies used by an individual resident;
- Clothing necessary to maintain a resident's wardrobe;
- School supplies and activity fees, when not provided by or at the expense of the school;
- Costs incurred for providing recreation to the residents including subscriptions, sports equipment, and admission fees to sporting, recreation, and social events
- All costs related to transporting residents, and transportation costs that may include actual expenses of facility-owned vehicles or mileage paid to employees for use of personal vehicle;
- The cost of services purchased and not provided at the facility, including case management, addiction, psychiatric, psychological, and other clinical evaluations, medication review, and partial care or day treatment; and
- Training required to maintain licensure, certification, or professional standards requirements, and the related travel costs.

SB 2399

"Direct care costs" are the costs incurred by a licensed psychiatric residential treatment facility to provide care for residents of the facility, including the costs incurred by the facility to meet licensure and accreditation requirements.

Special Costs

Administrative Code 75-02-09-04

The department may provide for an increase in the established rate for additional costs necessary to add services or staff to the existing program.

- (1) The facility shall submit information, to the department's medical services division, supporting the request for the increase in the rate. Information must include a detailed listing of new or additional staff or costs associated with the increase in services.
- (2) The department shall review the submitted information and may request additional documentation or conduct onsite visits. The established rate will be adjusted if an increase in costs is approved. The effective date of the rate increase will be the later of the first day of the month following approval by the department or the first day of the month following the addition of services or staff. The adjustment will not be retroactive to the beginning of the rate year and will exclude adjustment factors provided for in subsection 8.
- (3) For the rate year immediately following a rate year in which a rate was adjusted under paragraph 2, the facility may request consideration be given to additional costs. The facility shall demonstrate to the department's satisfaction that historical costs do not reflect twelve months of actual costs of the additional staff or added services in order to adjust the rate for the second rate year. The additional costs would be based on a projection of costs for the remainder of a twelve-month period, exclusive of adjustment factors provided for in subsection 8.

SB 2399

"Emergent costs" are direct care costs incurred by a licensed psychiatric residential treatment facility that are:

- (1) Nonrecurring costs that will be offset in the next cost-analysis period; or
- (2) Not considered in the submitted cost report, which enhance treatment efficacy, reflect changes in requirements for licensure or accreditation, address workforce changes, or are necessary to ensure resident safety, which will not be offset in the next cost-analysis period.

Upper Payment Limit

- Medicaid payments are required to be “consistent with efficiency, economy, and quality of care.”
- CMS requires states to demonstrate compliance that payments for certain providers do not exceed an upper payment limit (UPL).
- The UPL is a reasonable estimate of the amount that would have been paid for the same service under Medicare payment principles.

Required Upper Payment Limit Demonstrations in North Dakota:

- Inpatient Hospital Services
- Outpatient Hospital Services
- Nursing Facility Services
- Institutions for Mental Disease (IMD)
- Clinic Services
- Intermediate Care Facility for the Individuals with Intellectual Disabilities (ICF/IID)
- Psychiatric Residential Treatment Facility (PRTF)

Federal Financial Participation Limit:

- Durable Medical Equipment

What's next in Value Based Care?



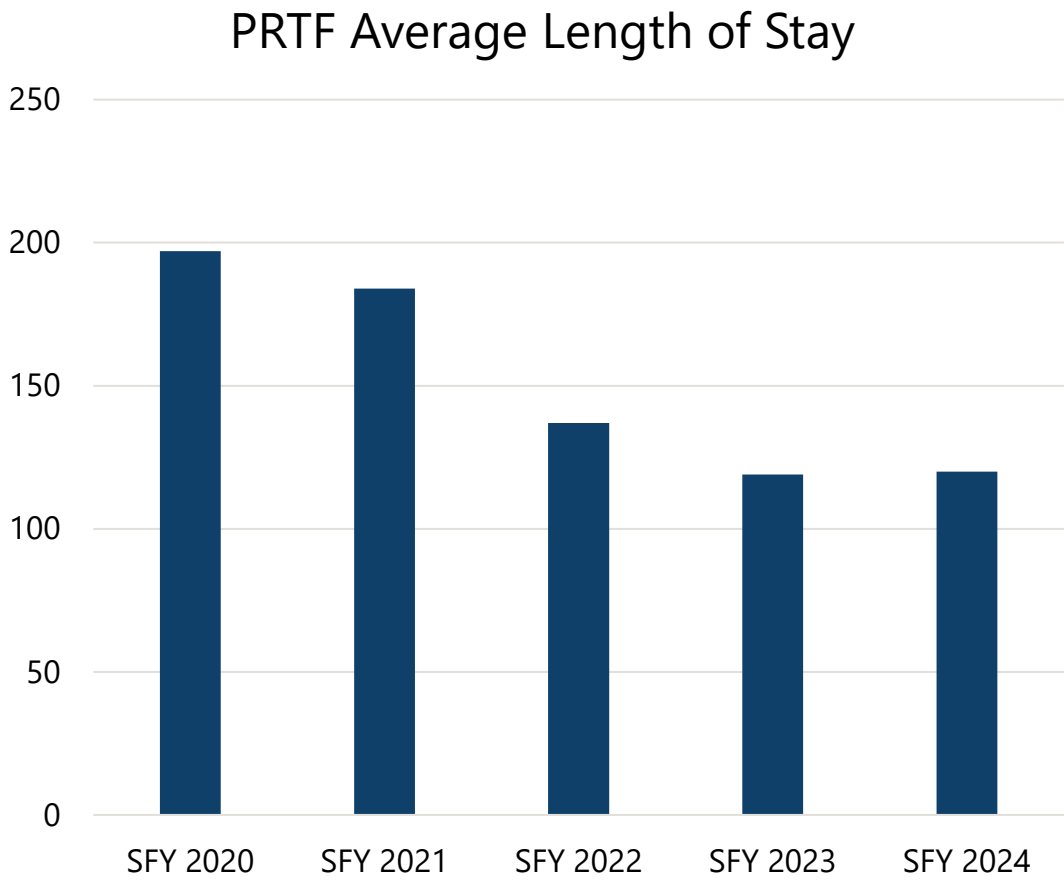
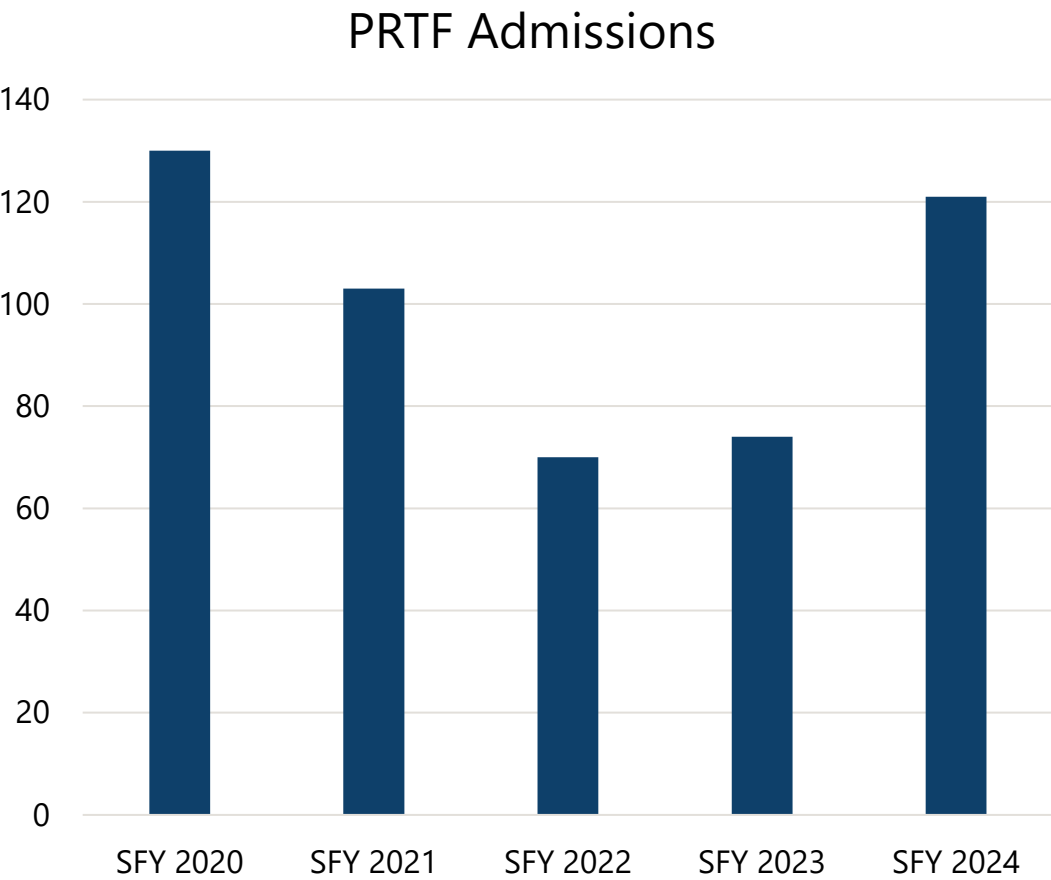
Refinement and Expansion of Current Programs



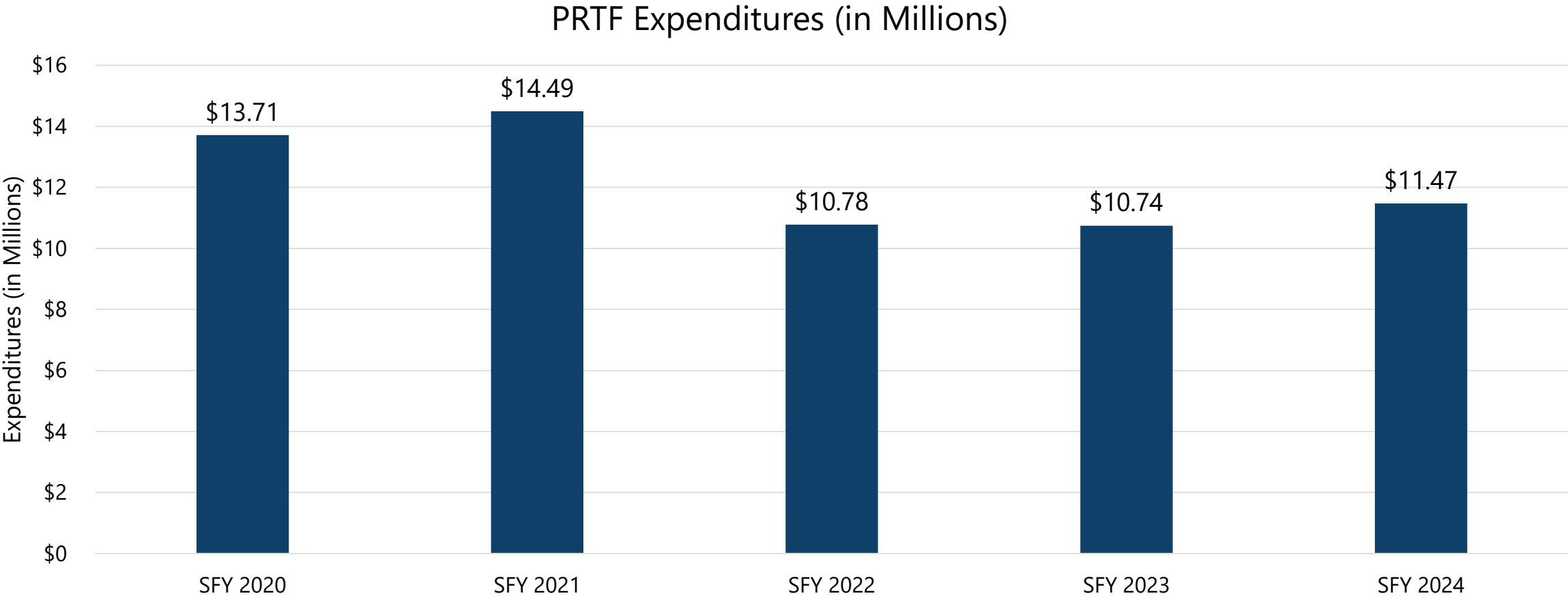
Exploration of New Provider Groups

- High-Cost Services
- Opportunity to Impact Care Outcomes and Improve Services
- Ability to Incentivize Innovation
- Need to Stabilize Funding

Psychiatric Residential Treatment Facilities



Psychiatric Residential Treatment Facility Expenditures



Value Based Care Ongoing

Total	\$2,000,000
General	\$1,000,000
Federal	\$1,000,000

Expand care focused on value to additional provider groups and continue to refine current programs to ensure populations are supported with person-centered care and support.

Refinement and Expansion of Current Programs

- Continue to grow and refine current value-based programs.
- Review attributed populations and supports available to individuals with complex health care needs.
- Strengthen care coordination to ensure service delivery provides comprehensive, person-centered care focused on ensuring access and appropriate follow-up supports across multiple delivery systems.

Exploration of New Provider Groups

- Expand health system value-based program to rural delivery system to include critical access hospitals and associated primary care providers. Ensure rural VBP design builds on the current program to improve healthcare quality, accessibility, and sustainability in rural areas.
- Explore a value-based purchasing model with PRTFs and Q RTP providers to drive towards enhanced services and outcomes for youth while ensuring stability of safety net service delivery for children with behavioral health needs in North Dakota.

Funding will support:

- Subject Matter Expertise
- Value Based Program Provider Workgroup Facilitator
- Service Infrastructure Development

Federal Requirements for Youth Behavioral Health Inpatient and Residential Services

- 42 CFR Part 441 Subpart D requires state Medicaid programs to have an independent team certify the need for services when a youth under age 21 is admitted to inpatient psychiatric services.
 - Inpatient psychiatric services include services provided in hospitals and psychiatric residential treatment facilities (PRTF).
 - ND Medicaid also issues a level of care for youth served in Qualified Residential Treatment Programs (QRTPs).

Level of Care Process

Pre One Assessment

Services before July 1, 2024

- **Fragmented and Inconsistent.** Prior to the one assessment, North Dakota had separate entry points and review processes for PRTF and QRTP levels of care. Additionally, the review and documentation process differed substantially between settings. PRTF reviews were based on narrative documentation only and referral information was submitted by the PRTF provider while QRTP reviews included interviews with families and youth.
- **Not Person Centered.** PRTF reviews did not include interviews of youth and families.
- **Potential for Bias.** PRTF reviews only focused on narrative documentation, not medical records.
- **Duplication.** Multiple assessments and dual determinations for the same youth.

Post One Assessment

Services After July 1, 2024

- **Streamlined approach.** One assessment and evaluation, regardless of the type inpatient or residential behavioral health treatment requested.
- **Independent.** Medical documentation review is completed by an independent third party and is broader than a narrative description.
- **Family and person-centered.** Includes interviews with youth and families. Ensures care is provided in the least restrictive, most appropriate setting to meet the youth's needs.
- **Consistent.** Clinical criteria are applied consistently for all youth across North Dakota. Eliminates variance in provider interpretation of clinical criteria.

One Assessment Transition

Did clinical criteria change?

No, the one assessment is a process change only and did not change the clinical criteria for PRTF or QRTP admission. The clinical criteria for PRTFs were updated in June 2023 and providers were trained in the criteria at that time and have had a year to adjust to the clinical criteria. The one assessment adds independent verification of clinical criteria and provider submitted information through review of clinical notes and an interview with youth and families but does not change the certificate of need (CON) clinical requirements in place prior to the one assessment.

How does this change impact the care of kids?

The new assessment will allow better supports for youth and families entering treatment service by streamlining entry and ensuring the right care at the right time, provided in the least restrictive, most appropriate setting. The one assessment creates an opportunity for NDHHS to assist families who do not qualify for PRTF level of care to identify other treatment options and resources in the community. NDHHS will also have more data related to youth entering services to allow the state to monitor and identify trends related to service delivery across the continuum of care.

What has NDHHS done to help facilities and families?

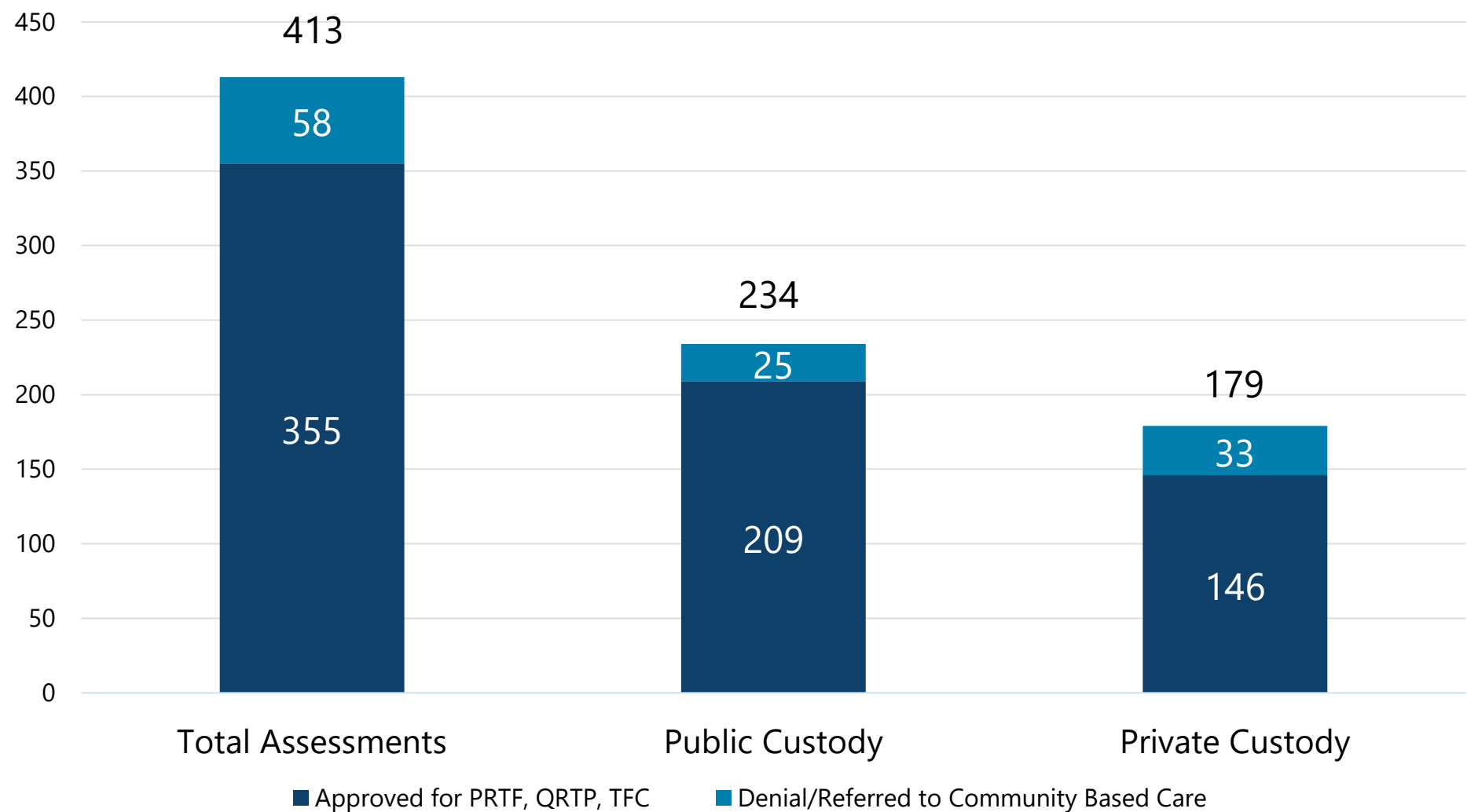
NDHHS has collaborated with providers and families to navigate changing processes. NDHHS provided multiple educational sessions to providers before, during, and after implementation of the One Assessment, with opportunities to provide feedback and ask clarifying questions. NDHHS has added a Behavioral Health Navigator to support families in determining the right source of care. NDHHS continues to assess the behavioral health landscape of North Dakota and has included stakeholders in discussions to consider further enhancements to ensure youth have the right care at the right time, provided in the least restrictive, most appropriate setting.

One Assessment

- The new process is one assessment for both PRTF and QRTP levels of care, along with the addition of Treatment Foster Care.
 - The process change to one assessment is centered around streamlining services for youth and families and ensuring that care is provided in the least restrictive, most appropriate setting.
 - This new process will ensure families and youth come through a single point of entry, allowing ND HHS to have better data about PRTF admissions and denials and an opportunity to assess and help ensure youth with behavioral health needs are directed to appropriate supports at all levels of care.
 - Under the one assessment, referrals for Children's Treatment Services assessment will go to one 3rd Party Vendor. The vendor will assess for PRTF, QRTP, and TFC level of care, and complete independent interviews with youth and families and review additional required documentation to limit bias to ensure that clinical criteria are applied appropriately and consistently for all youth across the state.

Children's Treatment Services Level of Care

July 1, 2024 -December 31, 2024



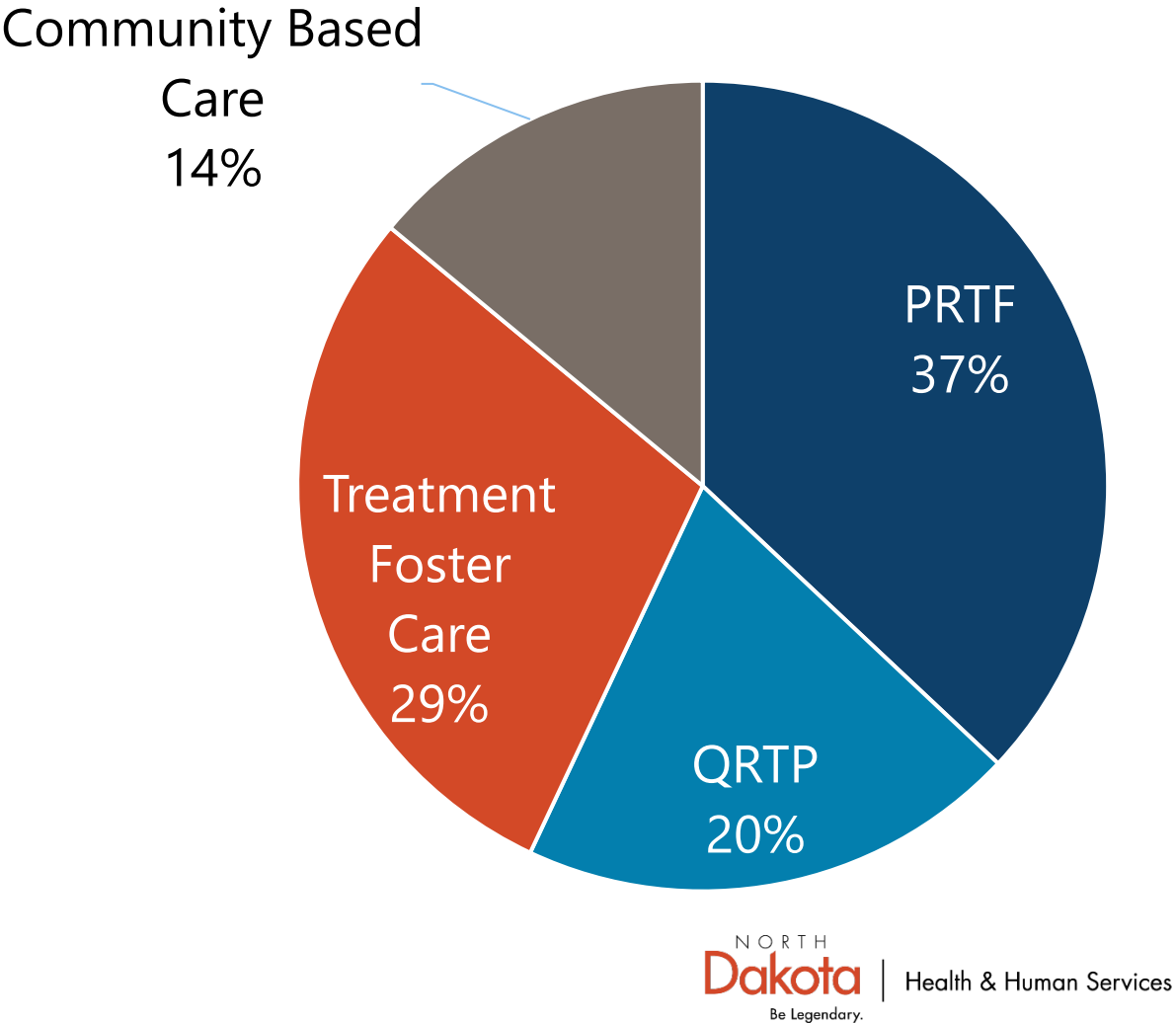
85.9%
Approved for PRTF,
QRTF, and TFC

14.1%
Denials/Referred to
Community Based
Care

One Assessment Determinations

July 1, 2024 – December 31, 2024

Determination	Assessments
Community Based Care Appropriate	58
PRTF Appropriate	153
QRTP Appropriate: Difficulty of Care Level: Base	9
QRTP Appropriate: Difficulty of Care Level: 2	55
QRTP Appropriate: Difficulty of Care Level: 3	19
Treatment Foster Care Appropriate	119
TOTAL	413





SENATE HUMAN SERVICES COMMITTEE

FEBRUARY 4, 2025

TESTIMONY OF SENATE BILL 2399

Chair Lee, members of the Senate Human Services Committee, I am Kate Coughlin, Executive Director of Nexus-PATH Family Healing, appearing on behalf of Nexus-PATH's Psychiatric Residential Treatment Facility Luther Hall, located in Fargo, ND.

Psychiatric Residential Facilities such as the 16 bed, mixed gender Luther Hall, are critical to the mental health needs of youth in North Dakota. PRTF facilities provide a less restrictive setting than in-patient hospitalization and allow children a therapeutic environment to address symptoms of complex trauma and other mental health needs. In 2023 and 2024, Luther Hall supported 36 individual children each year. In 2025, 13 youth have received these critical services and supports to date.

A unique challenge faced by PRTF's in the state of North Dakota lies with the cost reporting system and structure. SB 2399 addresses some of the barriers to sustainability of these critical services. While it doesn't alleviate all barriers faced with the current cost reporting modality, it is a critical first step in North Dakota creating a sustainable and responsive fiscal structure to maintain this level of care.

The addition to section 50-24.1 of "Emergent Costs" will have broad reaching impact for non-profit service providers. As it sits currently, agencies such as Nexus-PATH work continuously throughout the year to identify practices that will ensure the most positive outcomes for young people in North Dakota. The costs incurred when changes are made fall to the agencies for lengthy periods of time up to a year prior to the next cost reporting cycle where some, but not all costs, will be able to be recouped through a new rate. Nexus-PATH has a recent example of changes made in what is our fiscal year of 2025 that shed light on the challenges of incurring emergent costs. Due to the acuity of youth being admitted to PRTF level of care, Nexus-PATH identified the need to increase base wages for youth care professionals to \$21.00/hour and enhance the number of supervisor-level individuals supporting youth care professionals. These changes allow Nexus-PATH to recruit competent, caring, high quality staff. Adding additional supervisors allows for leadership to be present during all awake hours, creating enhanced stability and continuity of care. These investments will cost roughly \$200,000. These costs will be incurred by Nexus-PATH for all of 2025 before a portion of them can be recouped through the administrative rate set from the prospective cost reporting. Investments of this magnitude enhance the treatment quality for children in North Dakota, however, they are challenging to incur for non-profit service providers.

Other non-recurring costs are not considered in the cost reporting rules but are critical to ensuring that North Dakota's youth in need of this highest level of residential care stand the best chance at seeing a reduction in symptomology and returning to their home communities as expeditiously as possible. By allowing these costs to be reviewed as emergent costs and non-profit service providers being able to recoup some of these costs allows for agencies such as Nexus-PATH to continue to prioritize cutting edge treatment modalities. Things that can address workforce changes, ensure resident safety and ensure that our staff are trained in evidence based modalities allow us to remain steadfast in our commitment to ensuring PRTF level of care meets the needs of North Dakota's youth in the most efficient and effective way possible.

Due to North Dakota being a strict cost reporting structure with federal funds, there are limitations placed upon service providers due to caps on critical categories and limitations to funding sources, such as outside and state supplemented funding and availability. Senate Bill 2399 is the beginning of much needed reform to address the gaps in fiscal sustainability for non-profit service providers who choose to prioritize this critical level of care service. We appreciate the sponsors for bringing this important legislation forward, and would ask the committee to give it a "DO PASS" recommendation.

Thank you for your time and attention. I would be happy to answer any questions.

2025 SENATE STANDING COMMITTEE MINUTES

Human Services Committee Fort Lincoln Room, State Capitol

SB 2399
2/5/2025

Relating to medical assistance reimbursement of psychiatric residential treatment facilities; and to provide for a legislative management report.

11:12 a.m. Chairman Lee opened the hearing.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers.

Discussion Topics:

- Administrative cost cap
- Value Based Care

11:13 a.m. Sarah Aker, Executive Director for ND Department of Health and Human Services, answered committee questions.

11:16 a.m. Senator Hogan moved amendment LC#25.1375.01001.

11:17 a.m. Senator Roers seconded the motion.

Senators	Vote
Senator Judy Lee	Y
Senator Kent Weston	Y
Senator David A. Clemens	Y
Senator Kathy Hogan	Y
Senator Kristin Roers	Y
Senator Desiree Van Oosting	Y

Motion passed 6-0-0.

11:19 a.m. Senator Hogan moved Do Pass as Amended and rerefer to Appropriations.

11:19 a.m. Senator Roers seconded the motion.

Senators	Vote
Senator Judy Lee	Y
Senator Kent Weston	Y
Senator David A. Clemens	Y
Senator Kathy Hogan	Y
Senator Kristin Roers	Y
Senator Desiree Van Oosting	Y

Motion passed 6-0-0.

Senator Lee will carry the bill.

11:21 a.m. Chairman Lee closed the hearing.

Andrew Ficek, Committee Clerk

February 5, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

2-5-25

SENATE BILL NO. 2399

Introduced by

Senators Lee, Larson, Roers

Representatives Mitskog, M. Ruby

(Approved by the Delayed Bills Committee)

JLB 1062

- 1 A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota
2 Century Code, relating to medical assistance reimbursement of psychiatric residential treatment
3 facilities; and to provide for a legislative management report.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 50-24.1 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Reimbursement of psychiatric residential treatment facilities.**

8 ~~1. As used in this section:~~

- 9 ~~a. "Direct care costs" are the costs incurred by a licensed psychiatric residential~~
10 ~~treatment facility to provide care for residents of the facility, including the costs~~
11 ~~incurred by the facility to meet licensure and accreditation requirements.~~
12 ~~b. "Emergent costs" are direct care costs incurred by a licensed psychiatric~~
13 ~~residential treatment facility that are:~~
14 ~~(1) Nonrecurring costs that will be offset in the next cost analysis period; or~~
15 ~~(2) Not considered in the submitted cost report, which enhance treatment~~
16 ~~efficacy, reflect changes in requirements for licensure or accreditation,~~
17 ~~address workforce changes, or are necessary to ensure resident safety,~~
18 ~~which will not be offset in the next cost analysis period.~~

19 ~~2. The department shall establish amend the rules and procedures for medical assistance~~
20 ~~reimbursement of psychiatric residential treatment facilities for direct care costs to a licensed~~

1 ~~psychiatric residential treatment facility consistent with this section, including the applicable~~
2 ~~costs related to clinical supervisors, medical directors, engagement of families in care,~~
3 ~~therapeutic leave days, and an administrative costs cap.~~

4 ~~3. The department shall establish a procedure for a psychiatric residential treatment~~
5 ~~facility to request reimbursement for emergent costs.~~

6 ~~a. Within thirty days of receipt of a request for reimbursement of emergent costs,~~
7 ~~the department shall:~~

8 ~~(1) Thoroughly review the request;~~

9 ~~(2) Request additional information, if necessary; and~~

10 ~~(3) Provide a notice of decision to the psychiatric residential treatment facility.~~

11 ~~b. If the department denies the request, the department shall provide a detailed~~
12 ~~basis for the denial in the notice of decision.~~

13 ~~c. If the department approves the request and determines the emergent costs will~~
14 ~~be reimbursed, the department shall issue payment to the requesting facility~~
15 ~~within sixty days of receipt of the request.~~

16 ~~4. By August first of each even-numbered year, the department shall submit a report to~~
17 ~~the legislative management regarding medical assistance reimbursement of~~
18 ~~psychiatric residential treatment facilities for direct care costs and emergent costs,~~
19 ~~including information and data about the decisions made in response to requests for~~
20 ~~emergent costs.~~

21 **SECTION 2. DEPARTMENT OF HEALTH AND HUMAN SERVICES - MEDICAL**

22 **ASSISTANCE REIMBURSEMENT - LEGISLATIVE MANAGEMENT REPORT.** The department
23 shall submit a report to the legislative management by October 1, 2026, regarding changes to
24 medical assistance reimbursement of psychiatric residential treatment facilities for direct care
25 costs, including the applicable costs related to clinical supervisions, medical directors,
26 engagement of families in care, therapeutic leave days, and an administrative cost cap and
27 progress towards value-based care.

**REPORT OF STANDING COMMITTEE
SB 2399**

Human Services Committee (Sen. Lee, Chairman) recommends **AMENDMENTS** ([25.1375.01001](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2399 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

2025 SENATE APPROPRIATIONS

SB 2399

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2399
2/12/2025

A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota Century Code, relating to medical assistance reimbursement of psychiatric residential treatment facilities; and to provide for a legislative management report.

10:01 a.m. Chairman Dever opened the hearing.

Members Present: Chairman Dever, Senators Cleary, Davison, Magrum and Mathern

Discussion Topics:

- Rate Setting Process for Psychiatric Residential Treatment Facilities (PRTF)
- Update of Administrative Rules
- Parent Travel Costs
- Leave Days for Kids
- Reimbursement Increase for PRTF Providers.

10:02 a.m. Tim Gienger, Director of Residential Partnerships, Dakota Boys and Girls Ranch, testified in favor and submitted testimony #37323.

10:07 a.m. Sarah Aker, Executive Director, Department of Health and Human Services, testified neutral.

10:15 a.m. Tim Genger, Executive Director, Dakota Boys and Girls Ranch, testified in favor.

10:15 a.m. Senator Dever closed hearing.

Joan Bares, Committee Clerk

25.1375.01001
Title.02000

Adopted by the Human Services
Committee

February 5, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2399

Introduced by

Senators Lee, Larson, Roers

Representatives Mitskog, M. Ruby

(Approved by the Delayed Bills Committee)

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18 ~~which will not be offset in the next cost-analysis period.~~

19 ~~2. The department shall establish~~ amend the rules ~~and procedures~~ for medical assistance
20 reimbursement of ~~psychiatric residential treatment facilities for~~ direct care costs ~~to a licensed~~

psychiatric residential treatment facility consistent with this section, including the applicable costs related to clinical supervisors, medical directors, engagement of families in care, therapeutic leave days, and an administrative costs cap.

~~3. The department shall establish a procedure for a psychiatric residential treatment facility to request reimbursement for emergent costs.~~

~~a. Within thirty days of receipt of a request for reimbursement of emergent costs, the department shall:~~

~~(1) Thoroughly review the request;~~

~~(2) Request additional information, if necessary; and~~

~~(3) Provide a notice of decision to the psychiatric residential treatment facility.~~

~~b. If the department denies the request, the department shall provide a detailed basis for the denial in the notice of decision.~~

~~c. If the department approves the request and determines the emergent costs will be reimbursed, the department shall issue payment to the requesting facility within sixty days of receipt of the request.~~

~~4. By August first of each even-numbered year, the department shall submit a report to the legislative management regarding medical assistance reimbursement of psychiatric residential treatment facilities for direct care costs and emergent costs, including information and data about the decisions made in response to requests for emergent costs.~~

SECTION 2. DEPARTMENT OF HEALTH AND HUMAN SERVICES - MEDICAL ASSISTANCE REIMBURSEMENT - LEGISLATIVE MANAGEMENT REPORT. The department shall submit a report to the legislative management by October 1, 2026, regarding changes to medical assistance reimbursement of psychiatric residential treatment facilities for direct care costs, including the applicable costs related to clinical supervisions, medical directors, engagement of families in care, therapeutic leave days, and an administrative cost cap and progress towards value-based care.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Harvest Room, State Capitol

SB 2399
2/14/2025

Relating to medical assistance reimbursement of psychiatric residential treatment facilities; and to provide for a legislative management report.

9:09 a.m. Chairman Dever opened the hearing.

Members Present: Chairman Dever, Senators Cleary, Davison, Magrum, Mathern

Discussion Topics:

- Changing Rates for Service

9:09 a.m. Senator Davison provided bill overview.

9:13 a.m. Senator Cleary Moved Do Pass.

9:13 a.m. Senator Davison seconded the motion.

Senators	Vote
Senator Dick Dever	Y
Senator Sean Cleary	Y
Senator Kyle Davison	Y
Senator Jeffery J. Magrum	A
Senator Tim Mathern	Y

Motion Passed 4-0-1.

9:13 a.m. Chairman Dever closed the hearing.

Joan Bares, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2399
2/17/2025

A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota Century Code, relating to medical assistance reimbursement of psychiatric residential treatment facilities; and to provide for a legislative management report.

3:03 p.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dwyer, Magrum, Mathern, Meyer, Schaible, Sorvaag, Thomas, Wanzek.

Members Absent: Senators Dever, Sickler.

Discussion Topics:

- Committee Action

3:03 p.m. Senator Cleary introduced the bill.

3:07 p.m. Senator Cleary moved a Do Pass.

3:07 p.m. Senator Davison seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	A
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	A
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 14-0-2.

Senator Lee will carry the bill.

Senate Appropriations Committee

SB 2399

02/17/2025

Page 2

3:08 p.m. Chairman Bekkedahl closed the hearing.

Elizabeth Reiten, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED SB 2399 ([25.1375.02000](#))**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 2 ABSENT OR EXCUSED AND NOT VOTING). SB 2399 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

2025 HOUSE HUMAN SERVICES

SB 2399

2025 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee Pioneer Room, State Capitol

SB 2399
3/17/2025

Relating to medical assistance reimbursement of psychiatric residential treatment facilities; and to provide for a legislative management report.

2:54 p.m. Chairman M. Ruby opened the hearing.

Members Present: Chairman M. Ruby, Representatives Beltz, Bolinske, Fegley, Hendrix, Holle, Kiefert, Rios, Rohr

Members Absent: Vice-Chairman Frelich, Representatives K. Anderson, Davis, Dobervich

Discussion Topics:

- Rate setting process
- Reimbursement options for residential facilities

2:54 p.m. Senator Lee, District 13, introduced the bill.

2:56 p.m. Tim Gienger, Senior Director of Residential Partnerships of the Dakota Boys and Girls Ranch, testified in favor and submitted testimony, #41628.

3:07 p.m. Sarah Aker, Executive Director of the Division of Medical Services of the Department of Health and Human Services, testified and answered questions.

3:10 p.m. Chairman M. Ruby closed the hearing.

Jackson Toman, Committee Clerk



Testimony in Support of
SB 2399

March 17th, 2025

Greetings Chairman Ruby and Members of the Committee,

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

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

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

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

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

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



Testimony in Support of

SB 2399

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

Tim Gienger, LCSW

Senior Director of Residential Partnerships

Dakota Boys and Girls Ranch

1227 N. 35th St, Bismarck, ND 58501

t.gienger@dakotaranch.org

Lobbyist #1573

(701) 527.8152

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

2025 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee Pioneer Room, State Capitol

SB 2399
3/19/2025

Relating to medical assistance reimbursement of psychiatric residential treatment facilities; and to provide for a legislative management report.

9:36 a.m. Chairman M. Ruby opened the meeting.

Members Present: Chairman M. Ruby, Vice-Chairman Frelich, Representatives K. Anderson, Beltz, Bolinske, Dobervich, Fegley, Holle, Kiefert, Rohr
Members Absent: Representatives Davis, Hendrix, Rios

Discussion Topics:

- Committee action

9:37 a.m. Representative Holle moved a Do Pass and rerefer to appropriations.

9:38 a.m. Representative Fegley seconded the motion.

Representatives	Vote
Representative Matthew Ruby	Y
Representative Kathy Frelich	Y
Representative Karen Anderson	Y
Representative Mike Beltz	Y
Representative Macy Bolinske	Y
Representative Jayme Davis	AB
Representative Gretchen Dobervich	Y
Representative Cleyton Fegley	Y
Representative Jared Hendrix	AB
Representative Dawson Holle	Y
Representative Dwight Kiefert	Y
Representative Nico Rios	AB
Representative Karen Rohr	Y

9:38 a.m. Motion passed 10-0-3.

Representative Holle will carry the bill.

9:38 a.m. Chairman M. Ruby closed the meeting.

Jackson Toman, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED SB 2399 ([25.1375.02000](#))**

Human Services Committee (Rep. M. Ruby, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 0 NAYS, 3 ABSENT OR EXCUSED AND NOT VOTING). SB 2399 was rereferred to the **Appropriations Committee**.

2025 HOUSE APPROPRIATIONS

SB 2399

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2399
3/27/2025

A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota Century Code, relating to medical assistance reimbursement of psychiatric residential treatment facilities; and to provide for a legislative management report.

9:35 a.m. Chairman Vigesaa opened the meeting.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Discussion Topics:

- Therapeutic Leave Days
- Dakota Boys and Girls Ranch

9:35 a.m. Representative M. Ruby introduced the bill.

9:39 a.m. Sara Aker, Medical Services Division Director, Department of Health and Human Services, answered questions.

9:46 a.m. Chairman Vigesaa closed the meeting.

Krystal Eberle, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2399
4/8/2025

A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota Century Code, relating to medical assistance reimbursement of psychiatric residential treatment facilities; and to provide for a legislative management report.

10:41 a.m. Chairman Vigesaa opened the meeting.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Martinson, Meier, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Members absent: Louser, Mitskog

Discussion Topics:

- Rate Setting Process
- Therapeutic Leave Days
- Psychiatric Residential Treatment Facility (PRTF)
- Dakota Boys and Girls Ranch

10:45 a.m. Tim Gienger, ND Dakota Boys and Girls Ranch testified In Favor and answered questions.

11:05 a.m. Chairman Vigesaa adjourned the meeting.

Krystal Eberle, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

SB 2399
4/8/2025

A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota Century Code, relating to medical assistance reimbursement of psychiatric residential treatment facilities; and to provide for a legislative management report.

3:29 p.m. Chairman J. Nelson called the meeting to order.

Members Present: Chairman J. Nelson, Vice Chairman Stemen, Representatives B. Anderson, Berg, Mitskog, Murphy, O'Brien, Wagner.

Discussion Topics:

- Psychiatric Residential Treatment Rates
- Therapeutic Leave Day Rate

3:30 p.m. Sarah Aker, Executive Director, Medical Services, ND Health and Human Services, testified and presented neutral testimony #44803.

3:56 p.m. Representative Stemen moved an amendment LC#25.1375.02001 for a flat rate of \$500.00 for a leave rate #44825.

3:56 p.m. Representative Mitskog seconded the motion.

3:58 p.m. Sarah Aker, Executive Director, Medical Services, ND Health and Human Services, continued with neutral testimony #44803.

4:03 p.m. Representative Mitskog retracted the second.

4:03 p.m. Representative Stemen retracted the motion.

4:03 p.m. Representative Stemen moved an amendment LC #25.1375.02001 for a cap of \$500.00 on therapeutic visits and authorized approval from department to administer monthly leave days #44825.

4:04 p.m. Representative Murphy seconded the motion.

Roll Call Vote:

Representatives	Vote
Representative Jon O. Nelson	Y
Representative Gregory Stemen	Y
Representative Bert Anderson	N
Representative Mike Berg	Y
Representative Alisa Mitskog	Y
Representative Eric J. Murphy	Y
Representative Emily O'Brien	Y
Representative Scott Wagner	N

Motion carried 6-2-0.

4:07 p.m. Chairman J. Nelson adjourned the meeting.

Jan Kamphuis, Committee Clerk

Psychiatric Residential Treatment Facility Rates

SFY2025 | CY 2025

Psychiatric Residential Treatment Facility Average Daily Rate				
North Dakota Medicaid	Medicare	<u>Minnesota Medicaid</u>	<u>Montana Medicaid</u>	<u>South Dakota Medicaid</u>
\$ 1,199.09	-	\$952.76	\$509.81	\$408.43

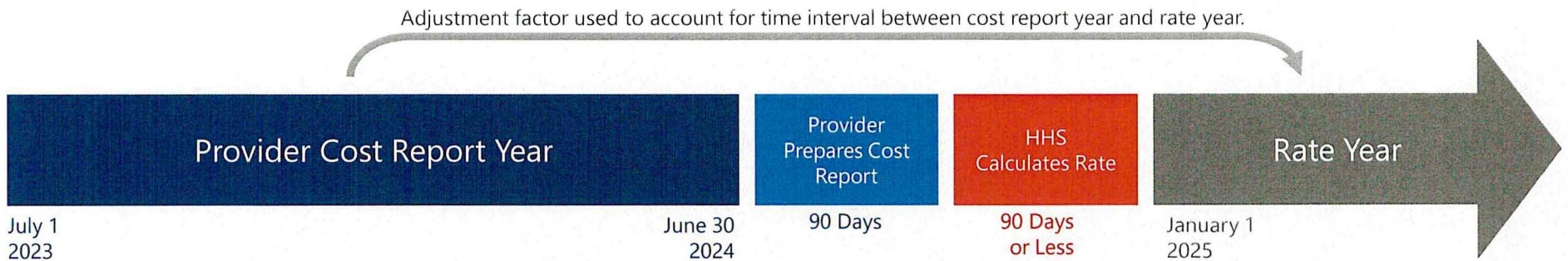
Private PRTF Provider Rates, CY 2025		
Provider	Location	CY2025 Rate
Dakota Boys & Girls Ranch	Fargo	\$1,301.50
	Minot	\$1,043.25
	Bismarck	\$1,252.51
Pride Manchester House	Bismarck	\$720.44
Nexus-PATH Luther Hall	Fargo	\$705.68
Average		\$1,199.09

What is a cost report?

A cost report is a financial document submitted by health care providers and outline the expenses incurred in delivering patient care and include data on operating costs, salaries, supplies, and other expenditures. Cost report data is used to set provider reimbursement rates.

- Cost reports cover a defined time period and are used to detail provider costs during that timeframe.
- Costs are generally broken into a few distinct categories:
 - Direct Care
 - Indirect Care
 - Property
 - Other
- Some costs are not allowable (ex. lobbying) for use in calculating reimbursement rates.
- Cost categories have limits to ensure that costs are reasonable and efficient.

How are cost reports used to set rates?

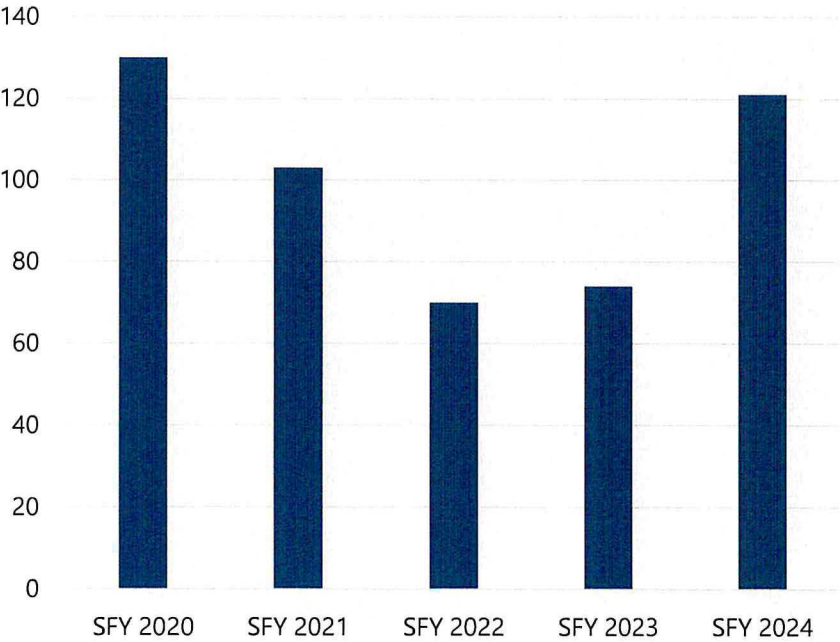


The rate methodology for the service uses cost report data to calculate provider rates.

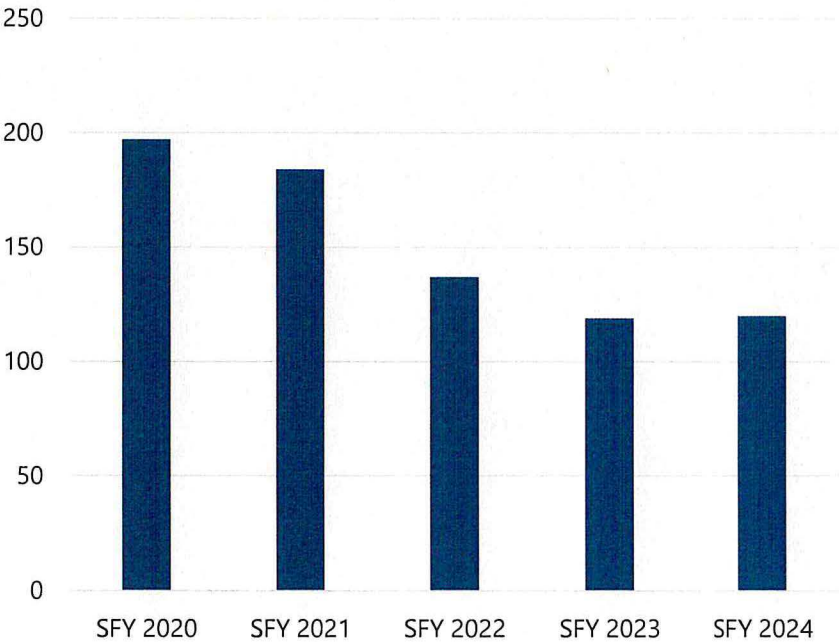
- An adjustment factor is used to inflate costs forward from the cost report year to the rate year.
- Provider cost reports and underlying data may be audited to ensure that costs were appropriately reported and allocated.
- The department must prepare/calculate rates for multiple providers within the same 90 day timeframe.

Psychiatric Residential Treatment Facilities

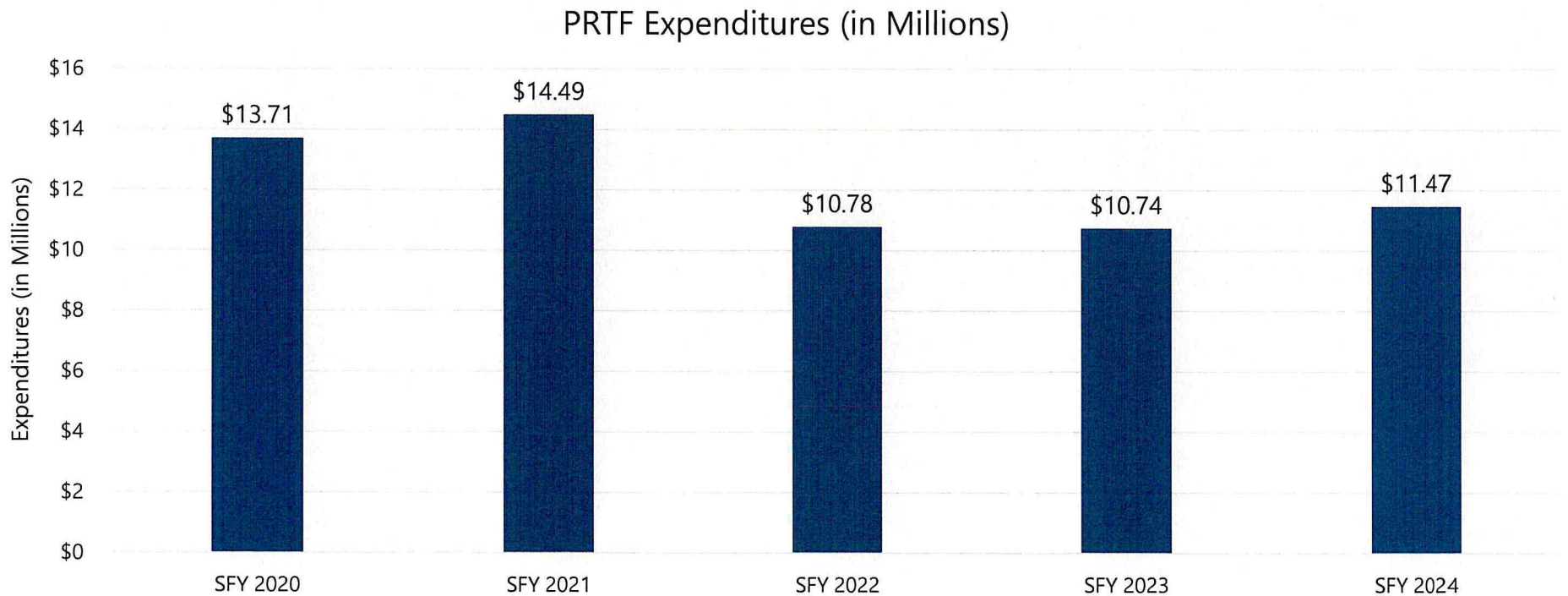
PRTF Admissions



PRTF Average Length of Stay



Psychiatric Residential Treatment Facility Expenditures



25.1375.02001
Title.

Prepared by the Legislative Council
staff for House Appropriations - Human
Resources Division Committee
April 8, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2399

Introduced by

Senators Lee, Larson, Roers

Representatives Mitskog, M. Ruby

(Approved by the Delayed Bills Committee)

1 A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota
2 Century Code, relating to medical assistance reimbursement of psychiatric residential treatment
3 facilities; and to provide for a legislative management report.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 50-24.1 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Reimbursement of psychiatric residential treatment facilities.**

8 The department shall amend the rules for medical assistance reimbursement of psychiatric
9 residential treatment facilities for direct care costs, including the applicable costs related to
10 clinical supervisors, medical directors, engagement of families in care, therapeutic leave days,
11 and an administrative costs cap. Reimbursements for therapeutic leave days may not exceed
12 five hundred dollars per day. The department shall implement utilization controls, including
13 service authorization for therapeutic leave days.

14 **SECTION 2. DEPARTMENT OF HEALTH AND HUMAN SERVICES - MEDICAL**
15 **ASSISTANCE REIMBURSEMENT - LEGISLATIVE MANAGEMENT REPORT.** The department
16 shall submit a report to the legislative management by October 1, 2026, regarding changes to
17 medical assistance reimbursement of psychiatric residential treatment facilities for direct care
18 costs, including the applicable costs related to clinical supervisions, medical directors,
19 engagement of families in care, therapeutic leave days, and an administrative cost cap and
20 progress towards value-based care.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Human Resources Division Roughrider Room, State Capitol

SB 2399
4/9/2025

A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota Century Code, relating to medical assistance reimbursement of psychiatric residential treatment facilities; and to provide for a legislative management report.

8 :15 a.m. Chairman J. Nelson called the meeting to order.

Members Present: Chairman J. Nelson, Vice Chairman Stemen, Representatives B. Anderson, Berg, Mitskog, Murphy, O' Brien, Wagner.

Discussion Topics:

- Committee Action

8:18 a.m. Grant Gadar, Fiscal Analyst, ND Legislative Council, read the amendment (previous testimony 040825 #44825).

8:18 a.m. Representative Mitskog moved a DO Pass as amended SB2399.

Representative Stemen seconded.

Roll Call Vote:

Representatives	Vote
Representative Jon O. Nelson	Y
Representative Gregory Stemen	Y
Representative Bert Anderson	N
Representative Mike Berg	Y
Representative Alisa Mitskog	Y
Representative Eric J. Murphy	Y
Representative Emily O'Brien	Y
Representative Scott Wagner	N

Motion passed 6-2-0.

8:19 a.m. Chairman J. Nelson adjourned the meeting.

Jan Kamphuis, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2399
4/9/2025

A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota Century Code, relating to medical assistance reimbursement of psychiatric residential treatment facilities; and to provide for a legislative management report.

8:44 a.m. Chairman Vigesaa called the meeting to order.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Brandenburg, Fisher, Hanson, Louser, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Swiontek, Wagner

Members absent: Representatives: Bosch, Martinson, Stemen

Discussion Topics:

- Committee Action

8:47 a.m. Representative J. Nelson introduced the amendment LC #25.1375.02001, #44832.

8:54 a.m. Representative J. Nelson moved to adopt amendment LC #25.1375.02001.

8:54 a.m. Representative Mitskog seconded the motion.

8:54 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	AB
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	AB
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y

Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	AB
Representative Scott Wagner	Y

8:54 a.m. Motion passed 20-0-3.

8:55 a.m. Representative J. Nelson moved Do Pass as Amended.

8:55 a.m. Representative O'Brien seconded the motion.

8:56 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	N
Representative Mike Berg	Y
Representative Glenn Bosch	AB
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	AB
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	AB
Representative Scott Wagner	N

8:56 a.m. Motion passed 18-2-3.

8:56 a.m. Representative Stemen will carry the bill.

8:57 a.m. Chairman Vigesaa closed the meeting.

Krystal Eberle, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

CO
4/9/25
10f1

ENGROSSED SENATE BILL NO. 2399

Introduced by

Senators Lee, Larson, Roers

Representatives Mitskog, M. Ruby

(Approved by the Delayed Bills Committee)

1 A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota
2 Century Code, relating to medical assistance reimbursement of psychiatric residential treatment
3 facilities; and to provide for a legislative management report.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 50-24.1 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Reimbursement of psychiatric residential treatment facilities.**

8 The department shall amend the rules for medical assistance reimbursement of psychiatric
9 residential treatment facilities for direct care costs, including the applicable costs related to
10 clinical supervisors, medical directors, engagement of families in care, therapeutic leave days,
11 and an administrative costs cap. Reimbursements for therapeutic leave days may not exceed
12 five hundred dollars per day. The department shall implement utilization controls, including
13 service authorization for therapeutic leave days.

14 **SECTION 2. DEPARTMENT OF HEALTH AND HUMAN SERVICES - MEDICAL**
15 **ASSISTANCE REIMBURSEMENT - LEGISLATIVE MANAGEMENT REPORT.** The department
16 shall submit a report to the legislative management by October 1, 2026, regarding changes to
17 medical assistance reimbursement of psychiatric residential treatment facilities for direct care
18 costs, including the applicable costs related to clinical supervisions, medical directors,
19 engagement of families in care, therapeutic leave days, and an administrative cost cap and
20 progress towards value-based care.

**REPORT OF STANDING COMMITTEE
ENGROSSED SB 2399**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS** ([25.1375.02001](#)) and when so amended, recommends **DO PASS** (18 YEAS, 2 NAYS, 3 ABSENT OR EXCUSED AND NOT VOTING). Engrossed SB 2399 was placed on the Sixth order on the calendar.

25.1375.02001
Title.

Prepared by the Legislative Council
staff for House Appropriations - Human
Resources Division Committee
April 8, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2399

Introduced by

Senators Lee, Larson, Roers

Representatives Mitskog, M. Ruby

(Approved by the Delayed Bills Committee)

1 A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota
2 Century Code, relating to medical assistance reimbursement of psychiatric residential treatment
3 facilities; and to provide for a legislative management report.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 50-24.1 of the North Dakota Century Code is created
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13 service authorization for therapeutic leave days.

14 **SECTION 2. DEPARTMENT OF HEALTH AND HUMAN SERVICES - MEDICAL**
15 **ASSISTANCE REIMBURSEMENT - LEGISLATIVE MANAGEMENT REPORT.** The department
16 shall submit a report to the legislative management by October 1, 2026, regarding changes to
17 medical assistance reimbursement of psychiatric residential treatment facilities for direct care
18 costs, including the applicable costs related to clinical supervisions, medical directors,
19 engagement of families in care, therapeutic leave days, and an administrative cost cap and
20 progress towards value-based care.

2025 CONFERENCE COMMITTEE

SB 2399

2025 SENATE STANDING COMMITTEE MINUTES

Human Services Committee Fort Lincoln Room, State Capitol

SB 2399
4/18/2025
Conference Committee

Relating to medical assistance reimbursement of psychiatric residential treatment facilities; and to provide for a legislative management report.

10:34 a.m. Chairman Lee opened the hearing.

Members Present: Chairman Lee, Senator Van Oosting, Senator Hogan, Representative Stemen, Representative Wagner, Representative Holle.

Discussion Topics:

- Available units
- Youth treatment services
- Therapeutic Leave Days
- Discharge Planning

10:35 a.m. Representative Stemen opened discussion on the availability of beds.

10:39 a.m. Sarah Aker, Executive Director of Medical Services with the Department of Health and Human Services, answered committee questions.

10:49 a.m. Tim Gienger, Senior Director of Residential Partnerships for Dakota Boys and Girls Ranch, answered committee questions.

10:57 a.m. Senator Hogan moved to amend by adding an appropriation of \$1,307,174.

Representative Stemen seconded the motion.

Roll Call Vote. Motion passed 6-0-0.

10:59 a.m. Senator Hogan moved in place of the house amendments LC#25.1375.02001 adopted by the House, the bill is amended by the conference committee amendment LC#25.1375.02003.

Representative Wagner seconded the motion.

Motion passed 6-0-0.

11:02 a.m. Senator Lee will carry the bill.

11:02 a.m. Representative Stemen will carry the bill.

11:03 a.m. Chairman Lee closed the hearing.

Andrew Ficek, Committee Clerk

April 18, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

4/18/25 Vc
1 of 2

ENGROSSED SENATE BILL NO. 2399

Introduced by

Senators Lee, Larson, Roers

Representatives Mitskog, M. Ruby

(Approved by the Delayed Bills Committee)

In place of amendment (25.1375.02001) adopted by the House, Engrossed Senate Bill No. 2399 is amended by amendment (25.1375.02003) as follows:

- 1 A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota
2 Century Code, relating to medical assistance reimbursement of psychiatric residential treatment
3 facilities; ~~and~~ to provide for a legislative management report: and to provide an appropriation.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

- 5 **SECTION 1.** A new section to chapter 50-24.1 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Reimbursement of psychiatric residential treatment facilities.**

- 8 The department shall amend the rules for medical assistance reimbursement of psychiatric
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10 clinical supervisors, medical directors, engagement of families in care, therapeutic leave days,
11 and an administrative costs cap. Reimbursements for therapeutic leave days may not exceed
12 five hundred dollars per day. The department shall implement utilization controls, including
13 service authorization for therapeutic leave days.

- 14 **SECTION 2. DEPARTMENT OF HEALTH AND HUMAN SERVICES - MEDICAL**
15 **ASSISTANCE REIMBURSEMENT - LEGISLATIVE MANAGEMENT REPORT.** The department
16 shall submit a report to the legislative management by October 1, 2026, regarding changes to
17 medical assistance reimbursement of psychiatric residential treatment facilities for direct care
18 costs, including the applicable costs related to clinical supervisions, medical directors,
19 engagement of families in care, therapeutic leave days, and an administrative cost cap and
20 progress towards value-based care.

1 **SECTION 3. APPROPRIATION - DEPARTMENT OF HEALTH AND HUMAN SERVICES -**
2 **PSYCHIATRIC RESIDENTIAL FACILITIES.** There is appropriated out of any moneys in the
3 general fund in the state treasury, not otherwise appropriated, the sum of \$647,149, or so much
4 of the sum as may be necessary, and from other funds derived from federal and special funds,
5 the sum of \$660,025, or so much of the sum as may be necessary, to the department of health
6 and human services for the purpose of psychiatric residential treatment facility reimbursement,
7 for the biennium beginning July 1, 2025, and ending June 30, 2027.

SB 2399 041825 1102 AM Roll Call Vote

Amendment

SB 2399

Date Submitted: April 18, 2025, 11:02 a.m.

Action: Passed

Amendment LC #: Pending LC #

Description of Amendment: Add appropriation for \$1,307,174.

Motioned By: Hogan, Kathy

Seconded By: Wagner, Scott

Emergency Clause: None

Vote Results: 6 - 0 - 0

Sen. Lee, Judy	Yea
Sen. Hogan, Kathy	Yea
Sen. Van Oosting, Desiree	Yea
Rep. Stemen, Gregory	Yea
Rep. Wagner, Scott	Yea
Rep. Holle, Dawson	Yea

SB 2399 041825 1102 AM Roll Call Vote

Final Recommendation

SB 2399

Date Submitted: April 18, 2025, 11:02 a.m.

Recommendation: In Place Of

Amendment LC #: 25.1375.02003

Engrossed LC #: N/A

Description:

Motioned By: Hogan, Kathy

Seconded By: Wagner, Scott

House Carrier: Stemen, Gregory

Senate Carrier: Lee, Judy

Emergency Clause: None

Vote Results: 6 - 0 - 0

Sen. Lee, Judy	Yea
Sen. Hogan, Kathy	Yea
Sen. Van Oosting, Desiree	Yea
Rep. Stemen, Gregory	Yea
Rep. Wagner, Scott	Yea
Rep. Holle, Dawson	Yea

**REPORT OF CONFERENCE COMMITTEE
ENGROSSED SB 2399**

Your conference committee (Sens. Lee, Hogan, Van Oosting and Reps. Stemen, Wagner, Holle) recommends that in place of amendment [25.1375.02001](#) adopted by the House, Engrossed SB 2399 is amended by amendment [25.1375.02003](#).

Engrossed SB 2399 was placed on the Seventh order of business on the calendar.