

STUDY OF BEHAVIORAL HEALTH NEEDS - BACKGROUND MEMORANDUM

Section 1 of 2013 Senate Bill No. 2243 (attached as an [appendix](#)) provides for a Legislative Management study of behavioral health needs. The study must include consideration of behavioral health needs of youth and adults, and the scope of the study must include consideration of access, availability, and delivery of services. The study must include input from stakeholders, including representatives of law enforcement, social and clinical service providers, education, medical providers, mental health advocacy organizations, emergency medical service providers, juvenile court, tribal government, and state and local agencies and institutions. The Legislative Council may contract for consulting and coordination of study services to assist the Legislative Management in conducting the behavioral health study. The Human Services Committee has been assigned this responsibility for the 2013-14 interim.

BACKGROUND

The Department of Human Services provides behavioral health services through its Division of Mental Health and Substance Abuse Services, the State Hospital, the Life Skills and Transition Center (formerly the Developmental Center at Westwood Park, Grafton), and the eight human service centers located throughout the state.

The Department of Corrections and Rehabilitation provides behavioral health services through its Division of Adult Services and Division of Juvenile Services.

DEPARTMENT OF HUMAN SERVICES

Division of Mental Health and Substance Abuse Services

The Division of Mental Health and Substance Abuse Services is responsible for overseeing a statewide network of substance abuse and mental health treatment, recovery support services, mental health promotion, and substance abuse prevention services. During the 2011-13 biennium, the division has licensed 84 substance abuse treatment programs, 44 driving under the influence (DUI) education programs, eight regional human service centers, and six psychiatric residential treatment facilities for children and adolescents.

State Hospital

The State Hospital, located in Jamestown, provides traditional and secure services to adult patients. Traditional services include short-term acute inpatient psychiatric and substance abuse treatment, intermediate psycho-social rehabilitation services, forensic services, and safety net services for the adult patients. Secure services include inpatient evaluation and treatment services for sexually dangerous individuals.

Currently, the State Hospital utilizes 289 beds as follows:

- 90 beds for addiction services to 60 male and 30 female offenders at the Tompkins Rehabilitation and Corrections Center.
- 123 beds for acute inpatient and intermediate psycho-social rehabilitation services.
- 76 beds in the secure services unit (sexual offender program).

Human Service Centers

The Department of Human Services operates eight regional human service centers--the Northwest Human Service Center in Williston, North Central Human Service Center in Minot, Lake Region Human Service Center in Devils Lake, Northeast Human Service Center in Grand Forks, Southeast Human Service Center in Fargo, South Central Human Service Center in Jamestown, West Central Human Service Center in Bismarck, and Badlands Human Service Center in Dickinson. The human service centers provide core services, including the following:

- Aging services.
- Developmental disabilities.
- Vocational rehabilitation.
- Child welfare services.
- Children's mental health.
- Serious mental illness (Extended Care Coordination).

- Acute clinical services.
- Substance abuse services.
- Outpatient sexual offender treatment.
- Crisis/emergency response services.

Services are provided at public outpatient clinic settings, rural outreach centers, client homes, or other community settings.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

Division of Adult Services

The Division of Adult Services treatment department provides for the development of personal growth and rehabilitation programs for inmates. Mental health programs are provided to assist inmates with mental health concerns through counseling, psychological, and psychiatric services. In addition, the State Penitentiary is a licensed addiction treatment center which staffs licensed addiction counselors, licensed social workers, and paraprofessionals to assist inmates in overcoming addictions and personal problems.

Division of Juvenile Services

The Division of Juvenile Services includes the Youth Correctional Center and eight regional community-based services offices located throughout the state. The division provides comprehensive case management, treatment and supervision programs for troubled adolescents. Treatment programs for juveniles include:

- Group counseling.
- Individual counseling.
- Substance abuse education.
- Cognitive-behavioral classes.
- Recovery and relapse prevention counseling.
- Grief/loss counseling.
- Victim impact programming.
- Security intervention (gang) classes.
- Physical fitness.
- Spirituality.
- Health.
- Work.

FUNDING

The 2013 Legislative Assembly provided funding as follows for programs and services relating to behavioral health needs:

	General Fund	Other Funds	Total
Department of Human Services			
Division of Mental Health and Substance Abuse Services	\$8,520,188	\$15,390,004	\$23,910,192
State Hospital - Traditional services	45,265,694	19,602,513	64,868,207
Human service centers	105,076,400	77,357,138	182,433,538
Total Department of Human Services	\$158,862,282	\$112,349,655	\$271,211,937
Department of Corrections and Rehabilitation			
Division of Adult Services	\$4,400,000		\$4,400,000
Division of Juvenile Services	2,300,000		2,300,000
Total Department of Corrections and Rehabilitation	\$6,700,000		\$6,700,000

PREVIOUS LEGISLATIVE STUDIES 2007-08 Interim

2-1-1 Services

The 2007-08 Human Services Committee received information on the Mental Health America of North Dakota 2-1-1 program. The committee learned that four state agencies had contracts with the 2-1-1 program during the 2007-09 biennium. In 2007 funding received by the 2-1-1 program from state agencies totaled \$25,126. Mental Health America of North Dakota does not charge a fee for entities to be listed in its 2-1-1 database. However, a fee may be charged if services to be provided require special training for staff, extra website or database activities, or specific entity reporting needs.

The 2013 Legislative Assembly provided a \$285,000 general fund appropriation to the Department of Human Services for a grant to an organization to administer statewide 2-1-1 services that include suicide prevention services for the 2013-15 biennium.

2009-10 Interim

Mental Health and Substance Abuse Treatment Services and Limitations

The 2009-10 Health and Human Services Committee received a summary of the cost of substance abuse and mental health services in each region, including contract costs and numbers served by race. The committee learned of the \$97.8 million budgeted at the human service centers for mental health and substance abuse services for fiscal year 2009, \$26.5 million or 27 percent is for contracted services. The committee learned 25,289 clients received mental health and substance abuse services at human service centers in fiscal year 2009, an increase of 1.3 percent from fiscal year 2008. Native American clients totaled 2,803 or 11.1 percent of the total clients served.

The committee received information regarding cost-based rates for services provided by staff at selected human service centers and the contract rate for similar services when the department contracts for the service in the same human service region. The committee learned the statewide rate and the contract rates are submitted to Medicaid for reimbursement. Contracted rates include all of the costs to operate the facility and provide the service while the human service center rate is computed statewide and is determined by dividing all of the costs the state incurs to provide that service, including designated staff and supervision, by the total units provided by the state. The committee learned Medicaid requires the state to charge a consistent rate based on cost. As a result, the department calculates a statewide rate rather than different regional rates. The committee learned the use of a statewide rate for human service centers service costs makes it difficult to compare to private providers rates for similar services.

The committee received a summary by region of mental health and substance abuse residential bed capacity, including the number of available crisis beds. There are 445 residential mental health and substance abuse beds available statewide, including 78 flex beds, which are available for use as mental health crisis or substance abuse residential beds. In addition to the mental health and substance abuse residential bed capacity provided through the regional human service centers, the Division of Mental Health and Substance Abuse Services contracts for 40 residential treatment substance abuse beds at the Robinson Recovery Center.

The committee received information regarding the challenges facing hospitals that provide inpatient psychiatric services and a summary of the specialty and acute hospitals that provide inpatient psychiatric services.

The Department of Human Services' stakeholder report identified shortages of mental health professionals, inpatient bed capacity, and residential options and funding for peer support as major mental health and substance abuse services issues to be addressed by the department. The Department of Human Services' staff, legislators, representatives of private hospitals with behavioral health care services, and others identified the following recommendations:

- Develop a standard purchase of service agreement between the Department of Human Services and private hospitals;
- Establish one contracted rate for services (the Medicaid daily rate);
- Enhance available crisis and residential beds in the state to assure treatment at the appropriate level of care;
- Explore alternative models of crisis intervention and case management, particularly for afterhours services;
- Expand the use of telemedicine to increase client access; and

- Increase the role of higher education.

Implementation of a Voucher System

The committee received information regarding lessons learned from Round 1 of a 2004 federal Substance Abuse and Mental Health Services Administration Access to Recovery grant for which North Dakota applied but was not successful. Each state receiving the grant was asked to provide information regarding its experiences in operating a voucher model for providing substance abuse treatment services. Key lessons identified include:

1. Service provider base:
 - a. Treat outreach as marketing via communications. Outreach and communication is required to persuade providers to become part of the voucher network.
 - b. Adopt a systems perspective. There is no guarantee of business and reporting, documentation, reimbursement requirements, hands-on targeted training, and support are necessary.
 - c. Deliver targeted training.
2. Client base:
 - a. Implement client outreach.
 - b. Ensure informed client choice.
 - c. Define an appropriate client base.
 - d. Take advantage of existing structures.
3. Administrative systems and procedures:
 - a. Plan ahead. Voucher management is required to issue vouchers, manage claims, integrate procedures, reconcile outstanding vouchers, and monitor voucher activity.
 - b. Develop logical procedures.
 - c. Understand contextual issues.
 - d. Provide oversight.
4. Outcomes of treatment and recovery support systems:
 - a. Assess the outcomes of treatment and recovery support services.
 - b. Outreach and training are necessary to assure reporting requirements and data collection procedures are in place.

2011-12 Interim

Substance Abuse Services Pilot Voucher Payment Program Report

The 2011-12 interim Human Services Committee received a report from the Department of Human Services of preliminary findings and recommendations regarding the department's comprehensive review of the substance abuse services pilot voucher payment program pursuant to Section 2 of 2011 Senate Bill No. 2326.

Senate Bill No. 2326 (2011) provided the Department of Human Services establish and administer a pilot voucher payment program to provide substance abuse services for the 2011-13 biennium. The program was to consist of voucher use and private choice as a method of providing substance abuse services to beneficiaries, and allow a voucher to be submitted to the beneficiary's provider of choice for payment of substance abuse services. The department was to develop service agreements with substance abuse service providers licensed and accredited by the state to offer services in exchange for vouchers to be presented to the department for payment as provided for in the agreement. The payment amount could not exceed the cost of the same service provided by the state. The program was to improve access to substance abuse services. The department was to apply for funding available through a federal Access to Recovery grant program available from the federal Substance Abuse and Mental Health Services Administration Center for Substance Abuse Treatment. All money received by the department through the federal Access to Recovery grant for the pilot program was appropriated to the department for costs associated with the program. If the federal Access to Recovery grant funding was not available to the department, the department was not required to implement the pilot voucher payment program.

The committee received testimony from representatives of the Department of Human Services regarding the substance abuse services pilot voucher payment program. The committee learned the federal Substance Abuse and Mental Health Services Administration Center for Substance Abuse Treatment did not anticipate an Access to

Recovery grant announcement for three years. As a result, the department did not implement the program but continues to monitor the grant's potential announcement.

The Department of Human Services does not anticipate receiving funding from the Access to Recovery grant for the 2013-15 biennium.

PROPOSED STUDY PLAN

The following is a proposed study plan for the committee's consideration:

1. Receive information from the Department of Human Services regarding behavioral health programs and services, staffing, number of clients served, cost of providing services, and sources of funding, including third-party reimbursements.
2. Receive information from the Department of Corrections and Rehabilitation regarding behavioral health programs and services, staffing, number of clients served, cost of providing services, and sources of funding, including third-party reimbursements.
3. Receive testimony from stakeholders, including representatives of law enforcement, social and clinical service providers, education, medical providers, mental health advocacy organizations, emergency medical service providers, juvenile court, tribal government, and state and local agencies and institutions.
4. Consider the use of a consultant to assist with the study.
5. Receive comments by interested persons regarding the study of behavioral health needs.
6. Develop recommendations and any bill drafts necessary to implement the recommendations.
7. Prepare a final report for submission to the Legislative Management.

ATTACH:1

**Sixty-third Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 8, 2013**

SENATE BILL NO. 2243
(Senators J. Lee, Unruh, Mathern)
(Representatives Hofstad, J. Nelson, Weisz)

AN ACT to provide for a legislative management study of behavioral health needs.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - BEHAVIORAL HEALTH. During the 2013-14 interim, the legislative management shall consider studying behavioral health needs. The study must include consideration of behavioral health needs of youth and adults and the scope of the study must include consideration of access, availability, and delivery of services. The study must include input from stakeholders, including representatives of law enforcement, social and clinical service providers, education, medical providers, mental health advocacy organizations, emergency medical service providers, juvenile court, tribal government, and state and local agencies and institutions. The legislative council may contract for consulting and coordination of study services to assist the legislative management in conducting the behavioral health study. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.