HUMAN SERVICES COMMITTEE

The Human Services Committee was assigned the following studies:

- Section 25 of Senate Bill No. 2086 (2021) directed a study of issues related to the Department of Human Services (DHS) and human service zones employee compensation and benefits.
- Section 1 of Senate Bill No. 2256 (2021) directed a study of state and federal laws and regulations and services relating to the care and treatment of individuals with developmental disabilities and individuals with autism spectrum disorder (ASD).
- House Concurrent Resolution 3013 (2021) directed a study of issues relating to employment restrictions in public assistance programs.

The Legislative Management delegated to the committee the responsibility to:

- Receive annual reports from the ASD Task Force (North Dakota Century Code Section 50-06-32).
- Receive a report from the Department of Health and Human Services (DHHS) regarding the ASD program pilot project (Section 50-06-32.1).
- Receive a report from DHHS and the steering committee for the developmental disabilities system reimbursement project on development activities and status information for the project (Section 50-06-37).
- Receive a report from DHHS before August 1 of each even-numbered year regarding provider reimbursement rates under the medical assistance expansion program (Section 50-24.1-37).
- Receive a biennial report before August of each even-numbered year from DHHS on the tribal health care coordination fund and tribal government use of money distributed from the fund (Section 50-24.1-40(4)).
- Receive annual reports from DHHS describing enrollment statistics and costs associated with the children's health insurance program state plan (Section 50-29-02).
- Receive reports from DHHS regarding human service zone employment and indirect costs (Section 50-35-02).
- Receive a report from DHHS regarding refugee resettlement services (Section 20 of House Bill No. 1012 (2021)).
- Receive a report from DHHS before October 1, 2022, regarding the early and periodic screening, diagnostic, and treatment program study conducted by the department (Section 59 of House Bill No. 1012).
- Receive a report from DHHS before October 1, 2022, regarding a revised payment methodology for basic care facilities (Section 60 of House Bill No. 1012).
- Receive a report from DHHS regarding the status of 4-year old program approvals, the Early Childhood Education Council, and the early childhood grant for best in class 4-year old experiences (Section 61 of House Bill No. 1012).
- Receive reports from the State Health Officer, the Executive Director of DHS, and then the Executive Director of DHHS regarding the merger of the State Department of Health and DHS (Section 511 of House Bill No. 1247 (2021)).
- Receive a report from DHHS regarding the department's Medicaid program quality strategy (Section 1 of Senate Bill No. 2135 (2021)).

Committee members were Senators Judy Lee (Chairman), Howard C. Anderson, Jr., JoNell A. Bakke, Jason G. Heitkamp, Kathy Hogan, and David Hogue and Representatives Gretchen Dobervich, Clayton Fegley, Dwight Kiefert, Alisa Mitskog, Karen M. Rohr, Matthew Ruby, Mark Sanford, Mary Schneider, Randy A. Schobinger, Kathy Skroch, Michelle Strinden, and Greg Westlind.

STUDY OF DEPARTMENT OF HUMAN SERVICES AND HUMAN SERVICE ZONE EMPLOYEE COMPENSATION

Section 25 of Senate Bill No. 2086 (2021) directed a study of issues related to DHS and human service zones employee compensation. The study was to include consideration of total state employee and human service zone team members compensation, including wages and salaries, annual leave, pay grades, classification, disaster or emergency services volunteers' leave, employee assistance program benefits, family and medical leave, funeral leave, holidays, hours of work, administrative leave, jury and witness leave, leave without pay, the merit system, military leave, overtime compensation, retirement benefits, health insurance benefits, severance pay, sick leave, benefits for temporary employees, and time off to vote; health insurance benefits, including the availability of health

savings accounts, self-insurance, healthy lifestyle incentives, and the appropriateness of the human service zones' current health insurance benefits; compensation equity between DHS, other state agencies, human service zones, and the market; within human service zones; within DHS; and between human service zones; and the feasibility and desirability of implementing compensation equity.

Previous Studies and Report

The Legislative Management assigned the 2019-20 interim Human Services Committee the duty to receive updates regarding the county social and human services project. Representatives from the North Dakota Association of Counties reported one major issue affecting human service zones is the employee benefit packages offered by various counties. Benefit packages vary by county and zone employee benefits are administered by the host county. This would affect an employee's benefit coverage level as well as how much counties pay for employee benefits.

Human Service Zones

In Senate Bill No. 2124 (2019), the Legislative Assembly approved a new social and human service delivery system. Key components of the system include:

- Up to 19 multicounty zones may be established for the delivery of human services. Counties with a population over 60,000 may be a single county zone.
- A human service zone board, comprised of county commissioners and other local officials, govern each zone.
- The board may not exceed 15 members appointed by county commissioners with at least one commissioner from each county serving on the board. This provision was amended by Senate Bill No. 2086 (2021) to provide only one commissioner from each county may serve on the board in multicounty zones and two commissioners must serve on the board in single county zones.
- Each human service zone board must hire a human service zone director to serve as presiding officer of the board and to oversee the operations of the human service zone.
- Funding formula payments for direct costs will be provided to each zone which are based on fiscal year 2018 data.
- Up to 33 full-time equivalent (FTE) positions may be transferred from counties to DHHS if one or more human service zones transfer duties to the department. Funding formula payments may be withheld from a zone for any duties transferred to the department.
- Up to 107 FTE positions may be transferred from counties to DHHS for specific positions that provide services to the zones.

Development of Zones

The counties collaborated to create 19 human service zones effective January 1, 2020. Zone directors were hired by March 31, 2020, and zones developed operations plans by June 1, 2020.

Transfer of FTE Positions to State Employment

Senate Bill No. 2124 (2019) authorized the transfer of 140 FTE positions from county employment to state employment. In addition, the 2021 Legislative Assembly authorized 3 additional FTE positions to provide for a total of 143 FTE state employee positions for the county social and human services project during the 2021-23 biennium. The positions relate to home- and community-based services case management (67), early childhood services (27), long-term care eligibility (16), foster care and adoption (16), child welfare quality control (10), and administration of zone activities (7). During the November 2021 special legislative session, an additional 16 FTE positions for foster care licensing were transferred from human service zones to state employment.

Senate Bill No. 2086 (2021) provides for DHHS, in conjunction with the North Dakota Association of Counties and human service zone directors, to develop a process for allowing a human service zone to opt for state employment. The process must identify under what conditions and factors a transition to state employment may or may not be desirable for a human service zone and the department; outline the governance process for choosing to opt in to state employment, including a description of the role of the human service zone board, county commissions, and the department; and include a template and potential timeline for any zone choosing to make the transition to state employment. The Legislative Assembly must authorize any transfer of positions from human service zones to state employment.

Budget and Employee Compensation Adjustments

The county social and human services project provides for state funding to be distributed to human service zones for the delivery of human services programs previously paid through county property tax levies. The schedule below provides a comparison of funding for the county social and human services project for the 2021-23 biennium compared to the 2019-21 biennium.

	2019-21 Biennium	2021-23 Biennium	Increase (Decrease)
General fund		$1,240,391	$1,240,391
Other funds	$173,700,000	188,676,995	14,976,995
Total	$173,700,000	$189,917,386	$16,217,386
FTE positions	140.00	143.00	3.00

For the 2019-21 biennium, funding of $2.9 million was appropriated to provide zone employees with salary increases consistent with state employees. Additionally, $2.9 million was provided for zone employee equity adjustments. For the 2021-23 biennium, funding of $3.8 million was appropriated to provide zone employees with salary increases consistent with state employees.

State Employee Benefits

State employees receive the following benefits:

- Paid family health insurance premium or contributions to a health savings account if participating in an optional high-deductible health plan. The state contributes $88.34 each month for an individual health plan and $213.76 per month for a family plan to a health savings account for an employee enrolled in the high-deductible plan.
- Life insurance - $1,300 coverage.
- Deferred compensation.
- Flexcomp plan.
- Retirement plan.
- Annual leave.
- Sick leave.
- Family and medical leave.
- 10 paid holidays per year.
- Leave sharing.
- Funeral leave.
- Military leave.
- Voluntary group insurance plans, including vision, dental, and long-term care paid for by the employee.

Testimony Received and Committee Considerations

The committee received the following information from a representative of the Human Resource Management Services division of the Office of Management and Budget (OMB) regarding the state employee compensation system:

- The state classification system is defined by job title, classification description, and grade level.
- Salary ranges are established for each grade level.
- There are 97 classifications in 16 job families distributed among 10 pay grade levels.

Representatives of DHHS reported the following regarding human service zone employee compensation:

- Employee positions at DHHS and human service zones were reviewed and placed into 7 grades under 10 job codes. An average salary and compensation ratio was developed within each human service zone and the department. Compensation ratios at human service zones ranged from 74 to 128 percent compared to the overall salary levels.
- DHHS is obtaining consulting services to provide for a comprehensive compensation and equity study for DHHS and human service zones. The results of the study will be available for consideration by the Legislative Assembly during the 2023 legislative session.

Committee Recommendations

The committee makes no recommendations regarding the study of DHS and human service zone employee compensation.

STUDY OF DEVELOPMENTAL DISABILITIES SERVICES AND AUTISM SPECTRUM DISORDER PROGRAMS

Section 1 of Senate Bill No. 2256 (2021) directed a Legislative Management study of state and federal laws and regulations relating to the care and treatment of individuals with developmental disabilities and individuals with ASD. The study was to include a review of the following:

- The state's existing programs to identify potential pathways for individuals who have a developmental disability and individuals who have an ASD but do not meet the eligibility criteria for existing programs;
- Gap identification with programmatic recommendations identifying potential strategies to address the gaps, and potential federal and state funding sources, including the federal Medicaid 1915(i) state plan amendment;
- Efforts and services offered by other states, including the planning and implementation process for any new or modified programs;
- The impact of implementation and expanding of programs to address service gaps, including the number of individuals impacted, cost, and timeline for implementation; and
- The elimination of the ASD Task Force, including contracting with a private, nonprofit entity that does not provide ASD services to facilitate and provide support services to the ASD Task Force.

As part of the study, the Legislative Management was to contract with a third party to assist in the study.

Overview of Key Statutes Regarding Developmental Disabilities

Section 25-01.2-01 defines "developmental disability" as a severe, chronic disability of an individual which:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments, including Down syndrome;
- Is manifested before the individual attains age 22;
- Is likely to continue indefinitely;
- Results in substantial functional limitations in three or more of the following areas of major life activity:

  Self-care;

  Receptive and expressive language;

  Learning;

  Mobility;

  Self-direction;

  Capacity for independent living; and

  Economic sufficiency; and
- Reflects the individual's needs for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.

Section 25-04-01 provides for DHHS to administer and control the Life Skills and Transition Center in Grafton for individuals with developmental disabilities. Section 25-04-02 provides the purpose of the center is to:

- Maintain the relief, instruction, care, and custody of individuals with developmental disabilities or other individuals who may benefit from the services offered at the center; and
- Provide onsite and offsite additional services and effectuate its powers and duties to best serve individuals with developmental disabilities and other individuals who may benefit from those activities.

Section 50-06-01.4 provides for the structure of DHHS to include the State Hospital, the regional human service centers, a vocational rehabilitation unit, and other units or offices and administrative and fiscal support services as the Executive Director determines necessary. Furthermore, DHHS must be structured to promote efficient and effective operations and, consistent with fulfilling its prescribed statutory duties, shall act as the official agency of the state in the discharge of functions not otherwise by law made the responsibility of another state agency, including among others, administration of programs for individuals with developmental disabilities, including licensure of facilities and services, and the design and implementation of a community-based service system for persons in need of habilitation.

Overview of Services Within the Department of Health and Human Services

Developmental Disabilities Division

- Administers the delivery of services for eligible individuals with an intellectual or developmental disability.
- Provides services including residential and day supports, employment, family support, self-directed, corporate guardianship, infant development, and personal care services.
- Collaborates with regional human service centers, the Life Skills and Transition Center, federal agency representatives, school system personnel, university representatives, consumer advocates, families, and public and private organizations within the delivery system and monitoring of services.

Regional Human Service Centers

- Provide developmental disabilities services, including case management, day supports, and extended services.

Life Skills and Transition Center

- Provides residential, vocational, and outreach services for individuals with developmental and intellectual disabilities. Residential services include 24-hour comprehensive medical and clinical programming services and supports, including services for individuals requiring skilled nursing and behavioral health services and youth transitioning from the facility to a community setting. Vocational services include the Work Activity Program, which provides services for individuals at vocational worksites on campus and in the community. Outreach services include independent supported living arrangements, clinical assistance resources and evaluation services (CARES), CARES clinical services, and developmental disabilities behavioral health services.

Overview of the United States Supreme Court *Olmstead v. L.C.* Case

Olmstead is a United States Supreme Court case regarding discrimination against people with mental disabilities. In *Olmstead*, the Court found mental illness is a form of disability and unjustified isolation of a person with a disability is a form of discrimination under Title II of the federal Americans with Disabilities Act (ADA). The Court held community placement is required and appropriate only if "[a] the State's treatment professionals have determined that community placement is appropriate, [b] the transfer from institutional care to a less restrictive setting is not opposed by the affected individual, and [c] the placement can be reasonably accommodated, taking into account the resources available to the State and the needs of others with mental disabilities." Since this 1999 decision, there has been litigation in each of the 12 United States Circuit Courts of Appeals. In addition to enforcement of the *Olmstead* decision through the court system or through agreements, the United States Attorney General published regulations for implementing the requirements of the ADA, including requirements from *Olmstead*, such as Title II, regarding state and local government services, and Title III, regarding public accommodations and commercial facilities.

In November 2015, the federal Department of Justice began an investigation to determine if North Dakota was in compliance with Title II of the ADA. In December 2020, the state entered a prelawsuit settlement agreement with the Department of Justice to address services provided to individuals with a disability. The agreement provides for the state to provide additional home- and community-based services to reduce the need for adults with disabilities to reside in a nursing facility.

Autism Spectrum Disorder Task Force

Senate Bill No. 2174 (2009), codified as Section 50-06-32, established an ASD Task Force consisting of the State Health Officer, the Executive Director of DHHS, the Superintendent of Public Instruction, the Executive Director of the Protection and Advocacy Project, and the following members appointed by the Governor:

- A pediatrician with expertise in the area of ASD;
- A psychologist with expertise in the area of ASD;
- A college of education faculty member with expertise in the area of ASD;
- A behavioral specialist;
- A licensed teacher with expertise in the area of ASD;
- An occupational therapist;
- A representative of a health insurance company doing business in the state;
- A representative of a licensed residential care facility for individuals with ASD;
- An enrolled member of a federally recognized Indian tribe;

- An adult advocate with ASD;
- A parent of a child with ASD;
- A family member of an adult with ASD; and
- A member of the Legislative Assembly.

The task force is to examine early intervention and family support services that would enable an individual with ASD to remain in the least restrictive home-based or community setting, programs transitioning an individual with ASD from a school-based setting to adult day programs and workforce development programs, the cost of providing services, and the nature and extent of federal resources that can be directed to the provision of services for individuals with ASD.

The task force is to develop a state ASD plan and continue to review and periodically update or amend the plan to serve the needs of individuals with ASD. The task force is to provide an annual report to the Governor and the Legislative Council regarding the status of the state ASD plan.

Autism Spectrum Disorder Voucher Program Pilot Project

House Bill No. 1038 (2013), codified as Section 50-06-32.1, required DHHS to establish a voucher program pilot project beginning July 1, 2014, to assist in funding equipment and general educational needs related to ASD for individuals below 200 percent of the federal poverty level from age 3 to under age 18 who have been diagnosed with ASD. In addition, the department is required to adopt rules addressing management of the voucher program pilot project and to establish eligibility requirements and exclusions for the voucher program pilot project. The section further provides the department is to report to the Legislative Management regarding the pilot project. When enacted, the section included a sunset clause for the section to expire on June 30, 2015. However, Section 13 of Senate Bill No. 2012 (2015) provided for the continuation of Section 50-06-32.1 without a sunset clause.

Section 3 of Senate Bill No. 2089 (2021) provides legislative intent that DHHS adopt rules to seek additional flexibility for the administration of the ASD voucher program to ensure families can be served within available appropriations for the program. The administrative rules changes should consider changes that include reducing the amount of approved voucher funds available to each household and the amount of time during which a household may use approved voucher funds.

Medicaid Autism Spectrum Disorder Waiver

The Medicaid ASD waiver is used to help families care for children with ASD at home instead of placing the child in a facility to receive care. To be eligible to receive the waiver, a child must be under the age of 14, be eligible to receive care in an intermediate care facility, be diagnosed with ASD, live in their parent's or legal guardian's home, and meet financial eligibility requirements. Services provided through the waiver program include service management, respite care, and assistive technology.

Funding

The Legislative Assembly appropriated $716,300,000, of which $331,300,00 is from the general fund, for the Developmental Disabilities Division of DHHS for the 2021-23 biennium. In addition, the Legislative Assembly appropriated $49,400,000, of which $22,300,000 is from the general fund, for the Life Skills and Transition Center, and appropriated $2,255,530, of which $1,050,204 is from the general fund, for ASD services for the 2021-23 biennium.

Consultant Recommendations

The committee, with the Legislative Management Chairman approval, entered a consulting agreement with Alvarez & Marsal Holdings, LLC, to assist in the study of the state's developmental disabilities services and ASD programs utilizing the following direction:

- Gather information from key individuals within DHHS, including staff responsible for the administration of developmental disabilities programs and staff responsible for key functions in the programs.
- Gather information from other key stakeholders, including legislators, representatives of organizations that advocate for developmental disabilities services, members of the ASD Task Force, members of other task forces and councils that relate to developmental disabilities, and self-advocates and families of individuals receiving developmental disability or ASD services.
- Gather and analyze data from DHHS regarding waiver applications, budget information, needs assessments, program and service access, assessment tools, eligibility determinations, and program utilization.
- Research other states to compare program services in peer states and to review planning and implementation approaches in other states.

The consultant's final report noted the state uses the following Medicaid waivers to provide home- and community-based services to individuals with a disability:

Waiver	Target Population	Eligible Ages
Intellectual/developmental disability	Individuals with an intellectual or developmental disability	All ages
ASD	Children with an ASD	0-15
Medically fragile	Children who require medications, treatments, and other specialized care due to illness or cognitive disorders	3-17
Children's hospice	Children in need of palliative care	0-21
1915(i)	People with listed behavioral health conditions	All ages

The report noted the following items regarding the current status of providing developmental disabilities services:

- The state is providing a wide array of services to children under age 3 in a cost-effective manner.
- The level of care provided to children decreases after age 3.
- There are waiting lists to receive services under the ASD waiver and medically fragile waiver.

The report recommended making the following adjustments to selected waiver programs:

Waiver	Proposed Changes
Intellectual/developmental disability	• Modernize the level of care to allow the state to better serve individuals; and • Target services for high-needs and complex children and adults with intellectual disabilities, development disabilities, and/or ASD.
ASD and medically fragile waivers	• Combine waivers to create a cross disability individual family support waiver; • Target population would include children ages 3-18 with mild to moderate support needs (children ages 0-3 and children ages 3-18 with higher support needs would be served under the intellectual/developmental disability waiver); • Create a new level of care for children ages 3-5; • Use family navigators to support person-centered planning; and • Service array would include cost-effective community interventions that support children with disabilities and their families.

The report noted the proposed changes will result in additional costs to the state. Options to reduce costs include limiting the number of individuals who may receive a waiver, limiting the amount of funding that can be utilized by an individual, and limiting the array of services provided.

The report provided the following recommendations regarding the ASD waiver program and the ASD voucher program:

- Add sufficient slots to the ASD waiver program to ensure there is no wait list to receive services through the program.
- Require all current and future ASD voucher program recipients and applicants to apply for services through the ASD waiver program. Allow an individual to apply for the ASD voucher program only if denied admission to the ASD waiver program.
- Align the services provided under the waiver and voucher programs.
- Create a cross-disability advisory committee with a majority of members having a disability or having a family member with a disability. Membership should be diverse to gather input from individuals, including those with an ASD, an intellectual disability, or developmental disabilities.

Department of Health and Human Services Response to Consultant Recommendations

A representative of DHHS provided the following response regarding the results of the study conducted by Alvarez & Marsal Holdings, LLC, of the state's developmental disabilities system and ASD programs:

Recommendation	DHHS Response Summary
Modernize the home- and community-based services Medicaid waiver.	The department supports the concept of modernizing the home- and community-based Medicaid waiver. However, making changes to the waiver would be a multibiennium project requiring funding and FTE positions.
Examine caseload ratios for home- and community-based services case managers to determine if staff levels are sufficient and utilize family navigators rather than case managers if available.	The department agrees in concept with using family navigators. However, there are factors to consider, such as federal approvals, when using nonstate employees for case management services.
Provide integrated support from all available waivers to serve individuals over their lifespan.	The department agrees integrated support should be provided but adequate resources will be needed to plan and implement necessary changes.
Build on the strengths of the current ASD voucher program to increase access to the program.	The department notes most children utilizing the voucher program qualify for the Medicaid ASD waiver. The department recommends serving children under the ASD waiver program and discontinuing the ASD voucher program.
Create a cross-disability advisory committee and have the ASD Task Force provide input to the committee.	The department supports creating a cross-disability advisory committee but recommends a neutral party provide services and support to the committee.
Develop a project management office for project reporting, guidance, and risk management.	The department agrees ongoing project management resources are necessary to support system transformation and the department is developing project management resources in the executive office.
Develop a referral folder to share with pediatricians, schools, and others to help individuals navigate available services and partner with parent-to-parent groups to make the information known.	The department agrees developing a referral folder and partnering with outside groups would bring more awareness to available services. However, resources and staff would need to be made available to make the changes.
Contract with providers and pay for intake and eligibility assessments.	The department agrees paying assessment costs would benefit families, but funding would be needed.
Centralize eligibility determination for developmental disability administration.	The department agrees having centralized eligibility determinations would be beneficial and the department plans to proceed with these changes.
Align eligibility and level of care by adopting a single eligibility tool for waiver eligibility and to determine level of care for adults.	The department notes if changes are made a plan will be needed to ensure individuals do not lose minimal supports provided through case management.
Use remote supports and assistive technology to assist individuals with a disability.	The department agrees utilizing technology is an essential component of North Dakota's workforce strategy for long-term services and supports for individuals with developmental disabilities, but adequate resources are needed for all areas of care.

Committee Recommendations

The committee recommends a bill draft to:

- Create a cross-disability advisory council and detail the structure of the council.
- Repeal statutory provisions relating to the ASD Task Force.
- Appropriate $1,453,626, of which 50 percent is from the general fund and 50 percent is from federal funds, to DHHS and authorize 4 FTE positions to allow the department to begin implementing the consultant recommendations.

STUDY OF EMPLOYMENT RESTRICTIONS IN PUBLIC ASSISTANCE PROGRAMS

House Concurrent Resolution No. 3013 (2021) directed the Legislative Management to study issues relating to employment restrictions in public assistance programs. Provisions of the resolution indicated because workforce shortage issues are a major challenge for business development in the state, the study should determine a means to allow employees to work additional hours without losing public assistance benefits.

Previous Studies

The 2015-16 interim Health Services Committee, pursuant to House Concurrent Resolution No. 3049 (2015), studied issues relating to employment restrictions in public assistance programs.

The committee received information regarding income eligibility limits for public assistance programs, such as the child care assistance program and low-income home energy assistance program. The committee also reviewed work requirements for programs, such as the temporary assistance for needy families (TANF) program which requires recipients to participate in the job opportunities and basic skills (JOBS) program.

The committee reviewed national research regarding the "cliff effect" that occurs when a program participant has a net pay and benefits decrease as a result of accepting additional work hours or a wage increase. The committee reviewed a National Conference of State Legislatures (NCSL) report regarding state policies to counteract the "cliff effect."

National Conference of State Legislatures Research

Assistance programs such as the supplemental nutrition assistance program (SNAP), TANF, child care assistance, and some tax credits do not necessarily restrict work, but when income increases beyond the eligibility threshold, participants are no longer eligible for assistance. In some cases, the additional income does not offset the loss of benefits. For example, if a TANF cash grant, lost due to increased hours or income, exceeds the additional earnings, the participant has a decrease in net pay and benefits for the month as a result of accepting additional work hours or a wage increase. This drop off in benefits that occurs when a person exceeds the income threshold is often referred to as the "cliff effect."

The National Conference of State Legislatures has conducted research on the "cliff effect" and outlined strategies states use to address this issue. The focus of the research was on the income eligibility thresholds for various programs, how to define or establish those thresholds based on cost of living and a state definition of "self-sufficiency," and tax credits and other work supports.

Mapping Benefit Cliffs

Research by NCSL suggested self-sufficiency should be defined and benefit calculators should be used. Financial self-sufficiency, the income level a family requires to meet their basic needs without public assistance, puts the "cliff effect" in context. Some states use 200 percent of the federal poverty guideline, while other states factor in the varying costs of living by geography, household size, and ages of children. Developing a benefits calculator assists caseworkers and families to identify cliffs on an individual or family level and how increases in income could affect benefits.

Aligning Eligibility Levels

Most states have asset limits for programs which cap the total value of assets an individual or family may have and still participate in the program. Forty-seven states have asset limits for TANF ranging from $1,000 to $10,000. Some states provide exemptions for assets such as vehicles, savings accounts, and other restricted asset accounts to allow for transportation to work and for saving for education and other purposes.

Income disregards also may be used to lessen the "cliff effect." Excluding earned income from benefit limits for a period of time can ease the transition into employment.

Regardless of program limits, aligning rules and eligibility criteria across programs can reduce complexity and mitigate benefit cliffs. Forty-one states have adopted broad-based categorical eligibility with TANF and 34 states have aligned asset limits with SNAP.

Making Work Pay

Work supports refer to those policies and programs that families can receive while working and serve as a supplement to their wage earnings. According to NCSL, the most common include child care assistance; SNAP; tax credits; and other housing, transportation, and health care programs. The programs are effective at helping families meet their basic needs; however, eligibility can be lost before a family is able to meet those needs on wages alone. Providing work supports and aligning eligibility with self-sufficiency goals can help bridge the gap between earnings and self-sufficiency.

Federal and state tax credits can be used to offset declines in public benefits. Twenty-nine states have state-earned income tax credits to provide an additional benefit to the federal credit.

States also can help workers move to higher-wage jobs by identifying high-growth occupations and opportunities for wage progression. Strategies also may be used to smooth wage transitions. Many states have mapped career pathways to allow students to see a step-by-step progression to higher-wage jobs.

Increasing Family Economic Security Through Asset Development

Many adults do not have adequate savings to cover unexpected expenses. As a result, some states are developing methods for families to build financial assets. Escrow accounts accumulate funds as a participant's income increases without affecting benefits or services. Individual development accounts allow low-income individuals to save money for education, to start a business, to buy a home, or other authorized uses. Deposits in individual development accounts are matched with grant funding from community-based or other organizations.

Fostering Culture and System Changes in the Public and Private Sectors

Employers are affected by benefit cliffs that may limit employment and career advancement for workers which can affect business growth. Engaging employers affected by the benefit cliff in policy discussions can build consensus for

solutions and allow employers to calibrate wage and benefit packages to accommodate benefit cliffs. The fiscal impact of benefit cliff reforms can be reviewed to determine if the cost of reform is offset by new workers entering the labor market and reduced reliance on assistance programs.

Changes in how case managers and other staff interact with families also can be used for better results. Using personal and professional goal setting and career counseling can be used to focus on maximizing opportunities rather than maximizing benefits.

Job Opportunities and Basic Skills Program

The job opportunities and basic skills program is the education and training component of the state's TANF program. Unless determined to be exempt, individuals who receive a TANF cash grant are required to participate in the JOBS program. Exceptions to this requirement include a caretaker age 65 or older, a caretaker or parent of a child younger than 2 months of age, an individual receiving supplemental security or Social Security disability income, and a parent providing care for a disabled family member.

The job opportunities and basic skills program participants are required to complete a minimum number of hours each week in one or more of the approved work activities, including job readiness, job search, paid employment, high school, GED, education directly related to employment, job skills directly related to employment, on-the-job training, vocational training, unpaid work experience, community service, or child care for another participant involved in community service. Involvement in education and training is limited and must be approved by a JOBS program coordinator.

Unless responsible for the care of a child younger than 6 years of age, participants must complete a minimum average of 30 hours per week in one or more approved work activities. If caring for a child under age 6, an individual must complete a minimum average of 20 hours per week in an approved work activity.

The job opportunities and basic skills program offers some supportive services to help participants become self-sufficient. Supportive services include transportation, child care, job readiness, relocation, and tuition assistance; money for license, certification, and examination fees; tools for employment; and care of incapacitated household members. Some of these supportive services can be provided to former TANF participants after their TANF case closes to help them succeed in the workforce.

Individuals who fail or refuse to participate in the JOBS program without a good reason can be sanctioned. A sanction takes the sanctioned individual's financial needs out of the TANF grant for 1 month. If the sanctioned individual fails to demonstrate cooperation with the JOBS program requirements in the penalty month, the entire case will be closed and the sanctioned individual and the individual's household will be ineligible for TANF for 1 additional month. After reapplying for TANF, no individual in the household will be eligible for a TANF benefit until the sanctioned individual cooperates with the JOBS program requirements.

North Dakota Labor Force

According to Job Service North Dakota:

- In 2019 the state's labor force included 394,024 employed and 9,575 unemployed individuals. North Dakota historically has had a higher labor force participation rate than the national average.
- In 2019 North Dakota ranked 4th in the nation for labor force participation with an adjusted rate of 69.3 percent, while West Virginia ranked 50th with a rate of 55.1 percent.
- North Dakota's unemployment rate was 2.4 percent in 2019.
- In October 2021 the state unemployment rate was 3.2 percent compared to a national unemployment rate of 4.8 percent and North Dakota has 17,564 open jobs, of which 52 percent require a high school diploma or less.
- The industries with the most job openings in North Dakota in October 2021 include health care, office and administration, and transportation.

Testimony Received and Committee Considerations

The committee received the following information from representatives of DHHS regarding public assistance programs:

- The child care assistance program assists in the payment of child care costs of working families with an income less than 60 percent of the state median income.
- The low-income home energy assistance program assists families with an income less than 60 percent of the state median income with home heating costs.

- SNAP provides food benefits for families with an income less than 60 percent of the state median income.
- The TANF program provides financial assistance to low-income families to achieve economic self-sufficiency.
- Options to address the "benefit cliff" include using state funds to replace federal benefit funds lost, adjusting eligibility guidelines to enable a worker to continue to receive benefits, and providing a slow phase-out of benefits received.
- The state is using flexibilities in federal program guidelines to reduce the effect of the benefit cliff.
- The loss of child care assistance is the most difficult cliff to bridge.
- Food and health care eligibility cliffs rank high in family impact.

Committee Recommendation

The committee recommends a bill draft to set the TANF program maximum basic standard of need benefit level to at least 50 percent of the federal poverty level based on household size. The estimated fiscal impact of this bill is an increase in federal funds of $13,703,272 for the 2023-25 biennium. The bill would increase the estimated number of program recipients from 900 families per month to approximately 1,800 families per month.

AUTISM SPECTRUM DISORDER TASK FORCE

Senate Bill No. 2174 (2009), codified as Section 50-06-32, established an ASD Task Force consisting of the State Health Officer, the Executive Director of DHHS, the Superintendent of Public Instruction, the Executive Director of the Protection and Advocacy Project, and the following members appointed by the Governor:

- A pediatrician with expertise in the area of ASD;
- A psychologist with expertise in the area of ASD;
- A college of education faculty member with expertise in the area of ASD;
- A behavioral specialist;
- A licensed teacher with expertise in the area of ASD;
- An occupational therapist;
- A representative of a health insurance company doing business in the state;
- A representative of a licensed residential care facility for individuals with ASD;
- An enrolled member of a federally recognized Indian tribe;
- An adult advocate with ASD;
- A parent of a child with ASD;
- A family member of an adult with ASD; and
- A member of the Legislative Assembly.

The task force is to examine early intervention and family support services that would enable an individual with ASD to remain in the least restrictive home-based or community setting, programs transitioning an individual with ASD from a school-based setting to adult day programs and workforce development programs, the cost of providing services, and the nature and extent of federal resources that can be directed to the provision of services for individuals with ASD.

The task force is to develop a state ASD plan and continue to review and periodically update or amend the plan to serve the needs of individuals with ASD. The task force is to provide an annual report to the Governor and the Legislative Council regarding the status of the state ASD plan.

Report

The committee received the following information regarding the ASD Task Force:

- The task force meets on a quarterly basis to examine various topics.
- In 2020, the task force reorganized its work groups into an education and training group and a communication and public awareness group.
- DHHS is recommending Section 50-06-32 be amended to remove the requirement of the DHHS Executive Director or designee to serve as Chairman of the task force.
- DHHS is recommending the facilitation and administration of the task force be contracted to a third party outside DHHS.

AUTISM SPECTRUM DISORDER VOUCHER PROGRAM PILOT PROJECT

House Bill No. 1038 (2013), codified as Section 50-06-32.1, required DHHS to establish a voucher program pilot project beginning July 1, 2014, to assist in funding equipment and general educational needs related to ASD for individuals below 200 percent of the federal poverty level from age 3 to under age 18 who have been diagnosed with ASD. In addition, the department is required to adopt rules addressing management of the voucher program pilot project and to establish eligibility requirements and exclusions for the voucher program pilot project. The section further provides the department is to report to the Legislative Management regarding the pilot project. When enacted, the section included a sunset clause for the section to expire on June 30, 2015. However, Section 13 of Senate Bill No. 2012 (2015) provided for the continuation of Section 50-06-32.1 without a sunset clause.

Section 3 of Senate Bill No. 2089 (2021) provides legislative intent that DHHS adopt rules to seek additional flexibility for the administration of the ASD voucher program to ensure families can be served within available appropriations for the program. The administrative rules changes should consider changes that include reducing the amount of approved voucher funds available to each household and the amount of time during which a household may use approved voucher funds.

Report

Representatives of DHHS reported the ASD voucher program began on July 1, 2014, to assist in funding equipment and general educational needs for individuals with incomes below 200 percent of the federal poverty level from age 3 to under age 18 who have been diagnosed with ASD. The voucher may not exceed $12,500 for a fiscal year and any unused funds are returned to the program. The following is a summary of the program:

Services provided	Assistive technology, training, and other approved support services
Eligible ages	Ages 3 through 17
Financial eligibility	Household income below 200 percent of federal poverty level
Maximum funding per child	$7,500
Average annual cost per child (state fiscal year 2022)	$2,424
Program funding source	State general fund
Program funding (state fiscal year 2022)	$150,000
Number of children enrolled (state fiscal year 2022)	52 children

DEVELOPMENTAL DISABILITIES SYSTEM REIMBURSEMENT PROJECT

Section 50-06-37, as enacted by Senate Bill No. 2043 (2011), required DHHS, in conjunction with developmental disabilities providers, to develop a prospective developmental disabilities payment system based on the support intensity scale. A steering committee was created to guide DHHS on the development of the new payment system. The new payment system was implemented on April 1, 2018. The new system is based on a needs assessment for each individual served and rates that are standardized across all providers.

Section 50-06-37 was amended by Senate Bill No. 2247 (2019) to provide DHHS maintain the payment system based on a state-approved assessment. A steering committee of no more than 18 individuals is to be used to provide guidance for the system. The steering committee must include no more than two clients, no more than one family member of a client, a representative of DHHS, and a representative of the Protection and Advocacy Project. The steering committee is to analyze appropriate data and recommend to DHHS any rate adjustments, resource allocation modifications, or process assumptions. The department and the steering committee are to report developmental activities and state information to the Legislative Management.

Report

A representative of DHHS reported the following regarding the developmental disabilities payment system:

- Before April 2018, a retrospective payment system was utilized for developmental disability provider payments.
- The current system provides a standard rate statewide and the level of staffing is based on the needs of individuals utilizing services.
- The developmental disabilities payment steering committee will continue to review the payment system.

MEDICAID EXPANSION PROVIDER REIMBURSEMENT RATES

Section 32 of House Bill No. 1012 (2021) continued the Medicaid Expansion program by removing the sunset clause on Section 50-24.1-37. The section provides for the contract between DHHS and the insurance carrier to include a provision for the carrier to provide DHHS with provider reimbursement rate information when selecting a carrier. The section also requires DHHS to provide the Legislative Management a report regarding provider reimbursement rates under the medical assistance expansion program.

Report

A representative of DHHS provided the following report detailing the actual percentage for each service for Medicaid Expansion rates compared to traditional Medicaid rates in 2018 and 2019:

Service	2018	2019
Inpatient	158.80%	151.72%
Outpatient	204.07%	204.20%
Professional	167.54%	165.39%
Overall	173.90%	170.27%

TRIBAL HEALTH CARE COORDINATION FUND

Section 50-24.1-40, as enacted in House Bill No. 1194 (2019), provides for DHHS to facilitate care coordination agreements between health care providers and tribal health care organizations which will result in 100 percent federal funding for eligible medical assistance provided to an American Indian. The section, as originally enacted, created a tribal health care coordination fund and provided any funding received in excess of the state's regular share of federal medical assistance funding due to a care coordination agreement was to be deposited 60 percent in the tribal health care coordination fund and 40 percent in the general fund. House Bill No. 1407 (2021) amended the section to provide any funding received in excess of the state's regular share of federal medical assistance funding due to a care coordination agreement is to be deposited 80 percent in the tribal health care coordination fund and 20 percent in the general fund. Money in the tribal health care coordination fund is appropriated on a continuing basis for distribution to tribal governments in accordance with agreements between DHHS and the tribal government. The agreements must require the tribal governments to use funding distributed from the tribal health care coordination fund for the 10 essential services of public health identified by the federal Centers for Disease Control and Prevention and the development or enhancement of community health representative programs or services. Through June 30, 2025, no more than 50 percent, and after that date 35 percent, may be used for capital construction. The agreements between DHHS and tribal governments also must require tribal governments to submit annual reports to DHHS regarding the use of money distributed from the tribal health care coordination fund. Tribal governments also must submit to DHHS every 2 years an audit report regarding the use of funding distributed from the tribal health care coordination fund.

The Department of Health and Human Services is to provide a report to the Legislative Management before August 1 of each even-numbered year regarding the tribal health care coordination fund including how participating tribal governments used funding distributed from the fund.

Report

Representatives of DHHS reported the following regarding the tribal health care coordination fund:

- DHHS can facilitate care coordination agreements between health care providers and tribal health care organizations which will result in 100 percent federal funding for eligible medical assistance provided to an American Indian.
- Any funding received in excess of the state's regular share of federal medical assistance funding due to a care coordination agreement is to be deposited 80 percent in the tribal health care coordination fund and 20 percent in the general fund.
- No additional federal funds have been received due to care coordination agreements.

CHILDREN'S HEALTH INSURANCE PROGRAM

Section 50-29-02 provides DHHS is to prepare, submit, and implement a children's health insurance program state plan and report annually to the Legislative Management. The report must include enrollment statistics and costs associated with the plan.

Healthy Steps, North Dakota's children's health insurance plan, provides premium-free health coverage to uninsured children in qualifying families. The program is intended to help meet the health care needs of children from working families that earn too much to qualify for full Medicaid coverage but not enough to afford private insurance. To be eligible for the program, the family's net income may not exceed 175 percent of the federal poverty level.

Report

A representative of DHHS reported the following:

- For the 2019-21 biennium, a total of $19.5 million, of which $4.8 million is from the general fund, was spent on the children's health insurance program through a fee-for-service arrangement.
- From July 1, 2021, through April 30, 2022, a total of $9.6 million, of which $2.7 million is from the general fund, was spent on the children's health insurance program through a fee-for-service arrangement.
- A total of 3,226 children were enrolled in the program in April 2022.

HUMAN SERVICE ZONE EMPLOYMENT AND INDIRECT COSTS

Indirect Costs

Section 50-35-02, as amended by Senate Bill No. 2086 (2021), provides for DHHS, with assistance from the North Dakota Association of Counties and human service zone directors, to study human service zone indirect costs. The study must identify a plan defining the process to calculate payment for indirect costs. Section 50-35-01 defines indirect costs as salaries, benefits, and operating costs incurred in providing those goods and services to support human services that generally are available for the common benefit of multiple county agencies which are not identified by the department as a direct cost. Indirect costs include legal representation; facilities and related costs, such as utilities and maintenance; administrative support, including payroll, accounting, banking, and coordination; information technology support and equipment; and miscellaneous goods and services, such as transportation, supplies, insurance coverage, phone, and mail services.

Zone Employment

Section 50-35-02, as amended by Senate Bill No. 2086 (2021), provides for DHHS, with assistance from the North Dakota Association of Counties and human service zone directors, to develop a process for allowing a human service zone to opt in to state employment. The process must identify under what conditions and factors a transition to state employment may or may not be desirable for a human service zone and the department; outline the governance process for choosing to opt in to state employment, including a description of the role of the human service zone board, county commissions, and the department; and include a template and potential timeline for any zone choosing to make the transition to state employment. The department is to report to the Legislative Management the process developed for allowing a human service zone to opt in to state employment. The transition to state employment is contingent on the approval from the Legislative Assembly.

Report

Representatives of DHHS reported the department collaborated with human service zones, county auditors, and others to review options to adjust the indirect cost reimbursement method for human service zones. The workgroup recommends:

- Updating definitions to provide costs entirely attributable to a human service zone will be reimbursed as a direct cost except for space and facility costs.
- Clarifying that counties cannot directly bill human service zones or the department and reimbursement will be provided only through the department's indirect cost plan.
- Establishing timelines for counties to respond to requests for information in the development of the indirect cost plan.
- Having the indirect cost plan become effective August 1, 2023, and be included in county budgets for 2024.

A representative of DHHS reported the department reviewed options for allowing human service zones to transfer zone employees to state employment and determined it was not feasible.

REFUGEE RESETTLEMENT SERVICES

Section 20 of House Bill No. 1012 (2021) provided for DHHS to provide a report to the Legislative Management regarding refugee resettlement services. The section also provides for DHHS to collaborate with federal and private placement entities to resettle refugees in at least five geographically diverse communities in the state with a goal of resettling 25 percent of new refugees outside of existing resettlement communities.

Section 50-06-01.4 assigns responsibility for refugee services to DHHS. Until 2010, the department employed a full-time refugee coordinator and administered the Refugee Resettlement program. The department acted as a fiscal passthrough agent for federal refugee services funding and played a larger role overall in the state's involvement in refugee resettlement. In July 2010, as the result of a memorandum of understanding between the department and Lutheran Social Services, the department transitioned most refugee-related services to Lutheran Social Services. The decision to transition refugee resettlement services was an executive branch decision by Governor John Hoeven. The transition shifted the responsibility for securing federal grant funding, providing services, and fulfilling required reporting requirements to Lutheran Social Services, the only federally recognized and approved refugee resettlement organization in the state. In early 2021, Lutheran Social Services discontinued operations. The 2021 Legislative Assembly added $4.3 million of federal funding and 4 FTE positions to the DHHS budget for the 2021-23 biennium for the department to administer refugee resettlement services.

Report

The committee received the following updates regarding refugee resettlement services:

- DHHS offers refugee support services such as employment and skills training, language learning, and youth mentorship.
- The goal of providing services is to allow for self-sufficiency and integration.
- The number of refugees resettled in state the past 25 years has varied from 35 to 623 per year.
- The United States Department of State authorized the settlement of 276 refugees and Afghanistan evacuees in the state during federal fiscal year 2022.
- Collaborations are being developed to enhance English language learning to maximize refugee participation in the workforce.

EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT PROGRAM STUDY

Section 59 of House Bill No. 1012 (2021) required DHHS to conduct a study of the early and periodic screening, diagnostic, and treatment program (EPSDT) and to prepare a report. The report is to include data on the number, ages, and geographic locations of children receiving screening, diagnostic, and treatment services; the capacity of the program to ensure all children who require screening, diagnostic, and treatment services are identified and receive services; data on the disposition of referrals of children who are screened and eligible for diagnostic and treatment services, including how many receive services and how many do not receive those services by county; an assessment of the program's efforts to provide comprehensive screening and treatment for children as required by federal law; an assessment of the deficits of the program's efforts to provide comprehensive screening and treatment as required by federal law; recommendations to ensure or expand services so that all eligible children are adequately served by the program; and additional data needed to assess the program's accountability and efficiency. The department was required to provide the report to the Legislative Management before October 1, 2022.

The early and periodic screening, diagnostic, and treatment program, also known as Health Tracks, is a preventative health care program for newborns and children through age 20 who are enrolled in Medicaid. The program provides preventative health screenings and well-child checkups to help prevent and identify health problems. Services that may be provided under the program include physical exams, hearing and vision checks, glasses and hearing aids, vaccines, dental care, health education, behavioral health screenings, growth and development checks, nutrition counseling, and other health services.

Report

A representative of DHHS reported the department contracted with a consultant to review the EPSDT program. The following recommendations were provided by the consultant:

- EPSDT-related services should be referred to as a "benefit" rather than a "program" to help patients and families best understand the benefits to which they are entitled.
- The state needs to understand the limits of the amount and types of information reported in the Centers for Medicare and Medicaid Services Form 416. The state should engage stakeholders to develop specific program measurement tools that are not reported federally.

BASIC CARE FACILITY PAYMENT METHODOLOGY

Section 60 of House Bill No. 1012 (2021) required DHHS to develop a revised payment methodology for basic care facilities. The department, in collaboration with basic care providers and other representatives of the basic care industry, is to develop a report for payment methodology revisions for basic care facilities which must include recommendations for:

1. Methods of reimbursement for basic care facility cost categories, including direct care, indirect care, room and board, and property; and
2. The feasibility of standardizing payments for basic care facilities in the same peer group.

The department was to present the report to the Legislative Management before October 1, 2022. The estimated costs related to the implementation of the payment methodology revisions must be included in the department's 2023-25 biennium budget request submitted to the 68th Legislative Assembly.

Report

A representative of DHHS reported meetings were held with representatives of DHHS, basic care providers, and the North Dakota Long Term Care Association. A consultant was utilized to assist in the development of the revised payment methodology. Discussions focused on how basic care fits into the continuum of care, provider demographics, and the need for public education.

The following is a summary of the recommendations provided by DHHS regarding a new funding methodology for basic care facilities:

Parameter	Recommendation
Payment limits	Median of facilities per diem rates plus 18 percent for direct cost and 12 percent for indirect costs
Rebasing frequency	Rebase rates every 4 years
Rebasing data utilized	Utilize current cost reports
Date to file cost reports	June 30th of each year

The estimated cost to implement the recommendations is $6 million, of which $3.9 million is from the general fund for the 2023-25 biennium.

EARLY CHILDHOOD PROGRAMS

Section 61 of House Bill No. 1012 (2021) required DHHS to provide a report to the Legislative Management regarding the status of 4-year old program approvals, the North Dakota Early Childhood Council, and the early childhood grant for best in class 4-year old experiences.

House Bill No. 1416 (2021) transferred early childhood education duties from the Department of Public Instruction to DHHS. The bill allows local school districts to establish 4-year old programs and provides for DHHS to approve the programs. The Legislative Assembly transferred 3 FTE positions and $700,000, of which $300,000 is from the general fund, from the Department of Public Instruction to DHHS.

House Bill No. 1466 (2021) created the best in class 4-year old program grant. Four-year old programs are approved child care programs operated by a public or private educational entity or an early childhood program designed to serve 4-year olds. A 4-year old program may apply for a grant of up to $120,000 per group size and must provide $20,000 of matching funds. Grant recipients must follow guidelines regarding the admission of children into the program and educational content provided. The grant program is effective through June 30, 2025. The Legislative Assembly authorized 3.7 FTE positions and appropriated $5,458,910 of which $1,500,000 is from the general fund for the program for the 2021-23 biennium. In June 2021, the Emergency Commission and Budget Section authorized DHHS to receive and expend an additional $1,700,000 of federal COVID-19 relief funding received by the Department of Public Instruction for the grant program.

Report

A representative of DHHS reported the best-in-class 4-year old program:

- Provides quality early childhood experiences for children in the year before kindergarten.
- Provided funding to 23 programs during the 2021-22 school year, and 38 programs had been approved through June 2022 to receive 2022-23 school year grants.

MERGER OF THE DEPARTMENT OF HUMAN SERVICES AND STATE DEPARTMENT OF HEALTH

The Legislative Assembly, in House Bill No. 1247 (2021), provided for the merger of the State Department of Health and DHS to create DHHS. In House Bill No. 1247, the Legislative Assembly provided legislative intent that, effective September 1, 2022, the State Department of Health merge into DHS and both agencies be called the Department of Health and Human Services and that, effective September 1, 2022, the State Department of Health, including the State Health Officer, be under the authority of the Executive Director of DHS who will be the Executive Director of the DHHS. Legislative intent also requires during the 2021-23 biennium, the Executive Director of the former DHS review and reorganize the structure of the former DHS to incorporate the former State Department of Health and to find efficiencies in the newly formed DHHS. Section 511 of House Bill No. 1247 provides for the State Health Officer, the Executive Director of DHS, and then the Executive Director of DHHS to provide reports to the Legislative Management regarding the status of the merger.

Report

The committee received the following updates regarding the merger:

- Various strategies were used to engage employees in the merger process.
- Ongoing weekly integration workstream sessions and leadership team update sessions were held.
- Podcasts were used to allow employees to learn about services that will be provided by the integrated department.
- A town hall meeting was held to allow employees to receive additional information and ask questions.

- The newly formed DHHS became effective September 1, 2022, and work continues to further integrate programs and unify paths to service entry.
- The new organizational structure includes divisions for public health, medical services, behavioral health, human services, and administrative functions.

DEPARTMENT OF HEALTH AND HUMAN SERVICES MEDICAID PROGRAM QUALITY STRATEGY

Senate Bill No. 2135 (2021) required DHHS to provide a report to the Legislative Management by July 1, 2022, regarding the department's Medicaid program quality strategy. The report was to include quality data, verification the department shared the report with stakeholders such as the State Department of Health and North Dakota Health Information Network, and recommendations for improvement.

Report

A representative of DHHS reported the following regarding the department's Medicaid program quality strategy:

- The department's quality strategy is data-driven and utilizes various goals and aims to optimize performance.
- The department's strategy utilizes the following aims and goals:

Aim	Goals
Healthier populations	• Improve behavioral health for members • Improve outcomes for members with substance use disorders • Improve health for members with chronic conditions
Better outcomes	• Enhance provider support • Ensure access to care
Better experience	• Enhance member experience
Smarter spending	• Focus on paying for value

CHILDREN'S CABINET

Senate Bill No. 2313 (2019) created a Children's Cabinet to assess, guide, and coordinate the care for children across the state's branches of government and the tribal nations. The cabinet consists of 12 members including the Speaker of the House of Representatives or a designee, the President Pro Tempore of the Senate or a designee, and the Chairman of the Legislative Management or a designee who serves as the presiding officer.

Testimony Received

The committee received a report from a representative of the Children's Cabinet that noted the following:

- The cabinet has been reviewing the foster care system, mental health services, and the overrepresentation of Native American children in the welfare system.
- The membership of the cabinet and reporting requirements of the cabinet may need to be adjusted to allow for proper representation of the Legislative Assembly.

Committee Recommendation

The committee recommends a bill draft to adjust the membership and duties of the Children's Cabinet to:

- Remove the Speaker of the House of Representatives and the President Pro Tempore of the Senate from the membership of the cabinet.
- Provide for the House and Senate Majority Leaders to each appoint two members from their respective chambers to serve on the cabinet and provide for one member from each chamber to be from an even-numbered legislative district and one member from each chamber to be from an odd-numbered legislative district.
- Add the Executive Director of DHHS to the membership of the cabinet.
- Provide for the cabinet to report annually to the Governor and the Legislative Management regarding the activities of the cabinet.

GUARDIANSHIP SERVICES

A guardianship is a court-appointed relationship between a competent adult and an adult deemed incapacitated by a court. A person may be deemed incapacitated by reason of mental illness, physical illness, disability, or chemical dependency. Guardians oversee the incapacitated person's financial, legal, health, and other matters.

Guardianship services are provided by:

- Office of Management and Budget - Grants to private agencies and individuals who provide guardianship services to indigent individuals.
- Judicial branch - Guardians ad litem for child abuse and neglect cases.
- DHHS - Corporate guardianships for developmental disabilities and aging services program recipients.

Committee Recommendation

The committee recommends a bill draft to provide appropriations to DHHS and the Office of Management and Budget to increase funding for guardianship services. The bill draft includes a $500,000 general fund appropriation to DHHS to increase funding for developmental disability guardianships and includes a $500,000 general fund appropriation for the Office of Management and Budget to increase funding for indigent guardianship grants.

OTHER INFORMATION RECEIVED

The committee also received reports and updates regarding the following items:

- The federal COVID-19 public health emergency.
- The status of the Medicaid Expansion program.
- Medicaid pharmacy services.
- The Medicaid 1915(i) state plan amendment.
- Youth shelter and residential facilities.
- Domestic violence services.
- Permanent supportive housing services.
- Home- and community-based services.
- Behavioral health services.
- The State Department of Health laboratory facility.
- Background checks conducted by DHHS.
- The program of all-inclusive care for the elderly.
- FirstLink 988 and 211 services.
- A new organizational structure for human service centers.

BEHAVIORAL HEALTH BED MANAGEMENT SYSTEM

The committee submitted this portion of the report to the Legislative Management on November 1, 2021. The Legislative Management accepted the report for submission to the 67th Legislative Assembly, which met in special session November 8-12, 2021.

Background

Section 50-06-41.3, as created in House Bill No. 1012 (2021), requires DHS to establish and maintain a behavioral health bed management system to improve utilization of behavioral health bed capacity. The section requires public and private providers of residential or inpatient behavioral health services to participate in and report daily to DHS the information and documentation necessary to maintain the system. The database can then be used by providers to identify available behavioral health beds in the state.

Testimony and Committee Discussion

The committee received testimony indicating many behavioral health programs managed by the Department of Corrections and Rehabilitation (DOCR) are licensed by DHS and would be included in the behavioral health bed management system. However, because behavioral health beds managed by DOCR are not available to the public, it may not be appropriate to include those beds in the database.

Committee Recommendation

The committee recommended Senate Bill No. 2348 to amend Section 50-06-41.3 to exclude DOCR from participating in the behavioral health bed management system. The bill was approved during the special legislative session.