

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1012

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
 2 human services; to authorize the department of human services to convey land in Walsh
 3 County; to amend and reenact ~~section 50-24.1-37~~ subsection 1 of section 23-09.3-01.1 and
 4 subsection 1 of section 23-16-01.1 of the North Dakota Century Code, relating to ~~Medicaid-~~
 5 ~~expansion; to repeal section 50-24.1-37 of the North Dakota Century Code, relating to the-~~
 6 ~~Medicaid expansion program~~ the moratorium on basic care and nursing facility bed capacity; to
 7 provide for exemptions; to provide statements of legislative intent; to provide ~~a report~~ for reports
 8 to the legislative management; to provide for a legislative management study; to provide
 9 appropriations; to provide an expiration date; ~~to provide a contingent effective date~~; and to
 10 declare an emergency.

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

12 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
 13 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
 14 treasury, not otherwise appropriated, and from special funds derived from federal funds and
 15 other income, to the department of human services for the purpose of defraying the expenses
 16 of its various divisions, for the biennium beginning July 1, 2017, and ending June 30, 2019, as
 17 follows:

18 Subdivision 1.

19 MANAGEMENT

	Base Level	Adjustments or Enhancements	Appropriation
20			
21			
22	Salaries and wages <u>28,049,386</u>	(\$4,612,071) <u>(\$4,612,071)</u>	\$23,437,315 <u>\$23,437,315</u>
23	Operating expenses <u>87,542,966</u>	71,922,860 <u>71,922,860</u>	159,465,826 <u>159,465,826</u>
24	Capital assets <u>26,000</u>	(26,000) <u>(26,000)</u>	0 <u>0</u>

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1	Grants	0	204,000	204,000
2	Total all funds	\$115,618,352	\$67,488,789	\$183,107,141
3	Less estimated income	71,324,758	56,767,760	128,092,518
4	Total general fund	\$44,293,594	\$10,721,029	\$55,014,623
5	Salaries and wages	\$28,049,386	\$144,142	\$28,193,528
6	Operating expenses	87,542,966	73,025,478	160,568,444
7	Capital assets	26,000	(26,000)	0
8	Grants	0	204,000	204,000
9	Total all funds	\$115,618,352	\$73,347,620	\$188,965,972
10	Less estimated income	71,324,758	59,038,552	130,363,310
11	Total general fund	\$44,293,594	\$14,309,068	\$58,602,662

Subdivision 2.

PROGRAM AND POLICY

		Adjustments or		
	Base Level	Enhancements	Appropriation	
15	Salaries and wages	\$58,102,898	\$2,884,535	\$60,987,433
16	Operating expenses	107,383,843	17,207,206	124,591,049
17	Capital assets	0	10,000	10,000
18	Grants	457,953,280	5,921,488	463,874,768
19	Grants - medical assistance	2,384,560,568	(30,582,216)	2,353,978,352
20	Total all funds	\$3,008,000,589	(\$4,558,987)	\$3,003,441,602
21	Less estimated income	1,995,024,801	(90,849,740)	1,904,175,061
22	Total general fund	\$1,012,975,788	\$86,290,753	\$1,099,266,541
23	Salaries and wages	\$58,102,898	\$3,618,130	\$61,721,028
24	Operating expenses	107,383,843	17,540,098	124,923,941
25	Capital assets	0	10,000	10,000
26	Grants	457,953,280	7,106,488	465,059,768
27	Grants - medical assistance	2,384,560,568	(426,491,266)	1,958,069,302
28	Total all funds	\$3,008,000,589	(\$398,216,550)	\$2,609,784,039
29	Less estimated income	1,995,024,801	(445,431,810)	1,549,592,991
30	Total general fund	\$1,012,975,788	\$47,215,260	\$1,060,191,048

1 Subdivision 3.

2 FIELD SERVICES

3		Adjustments or		
4	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
5	Human service centers	\$198,888,443	(\$3,083,589)	\$195,804,854
6	Institutions	139,587,498	258,930	139,846,428
7	Total all funds	\$338,475,941	(\$2,824,659)	\$335,651,282
8	Less estimated income	132,820,302	5,301,710	138,122,012
9	Total general fund	\$205,655,639	(\$8,126,369)	\$197,529,270
10	Human service centers	\$198,888,443	(\$1,791,587)	\$197,096,856
11	Institutions	139,587,498	1,167,951	140,755,449
12	Total all funds	\$338,475,941	(\$623,636)	\$337,852,305
13	Less estimated income	132,820,302	6,293,949	139,114,251
14	Total general fund	\$205,655,639	(\$6,917,585)	\$198,738,054

15 Subdivision 4.

16 BILL TOTAL

17		Adjustments or		
18	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
19	Grand total general fund	\$1,262,925,021	\$88,885,413	\$1,351,810,434
20	Grand total special funds	2,199,169,861	(28,780,270)	2,170,389,591
21	Grand total all funds	\$3,462,094,882	\$60,105,143	\$3,522,200,025
22	Full-time equivalent positions	2,211.08	(74.85)	2,136.23
23	Grand total general fund	\$1,262,925,021	\$54,606,743	\$1,317,531,764
24	Grand total special funds	2,199,169,861	(380,099,309)	1,819,070,552
25	Grand total all funds	\$3,462,094,882	(\$325,492,566)	\$3,136,602,316
26	Full-time equivalent positions	2,211.08	(45.85)	2,165.23

27 **SECTION 2. HEALTH INSURANCE INCREASE.** The appropriation in section 1 of this Act
 28 includes the sum of ~~\$6,376,445~~\$5,914,453, of which ~~\$5,350,004~~\$4,962,381 is from the general
 29 fund, for increases in employee health insurance premiums from \$1,130 to ~~\$1,249~~\$1,241 per
 30 month.

1 **SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

2 **SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
3 items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium
4 and the 2017-19 biennium one-time funding items included in the appropriations in section 1 of
5 this Act:

6 <u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
7 Developmental disabilities equipment	\$10,000	\$0
8 Heating plant repairs and upgrades - state hospital	1,156,000	0
9 Heating plant repairs and upgrades - life skills and	75,000	0
10 transition center		
11 Window replacement - life skills and transition center	44,000	0
12 Equipment over \$5,000 - state hospital	275,000	0
13 Equipment over \$5,000 - life skills and transition center	200,000	0
14 Extraordinary repairs - state hospital	1,000,000	0
15 Extraordinary repairs - life skills and transition center	1,250,000	0
16 Assistive technology services	80,000	0
17 Modification of eligibility systems	60,872,269	0
18 Child care licensing and data system	0	3,000,000
19 Health information network/care coordination	0	40,800,000
20 Total all funds	\$64,962,269	\$43,800,000
21 Less estimated income	<u>46,870,102</u>	<u>43,800,000</u>
22 Total general fund	\$18,092,167	\$0

23 The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for
24 the 2019-21 biennium. The department of human services shall report to the appropriations
25 committees of the sixty-sixth legislative assembly on the use of this one-time funding for the
26 biennium beginning July 1, 2017, and ending June 30, 2019.

27 **SECTION 4. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.** Notwithstanding
28 section 54-16-04, the department of human services may transfer appropriation authority
29 between line items within subdivisions 1, 2, and 3 of section 1 of this Act for the biennium
30 beginning July 1, 2017, and ending June 30, 2019. The department of human services shall
31 notify the office of management and budget and the legislative council of any transfer made

1 pursuant to this section. The department shall report to the budget section after June 30, 2018,
2 any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-sixth
3 legislative assembly regarding any transfers made pursuant to this section.

4 **SECTION 5. EXEMPTION.** The amount appropriated for the replacement of the Medicaid
5 management information system and related projects in chapter 50 of the 2007 Session Laws
6 and chapter 38 of the 2011 Session Laws is not subject to the provisions of section 54-44.1-11.
7 Any unexpended funds from these appropriations approved under section 54-44.1-11 for
8 continuation into the 2009-11 biennium and then the 2011-13 biennium and then the 2013-15
9 biennium and then the 2015-17 biennium are available for the completion of the Medicaid
10 management information system and related projects during the biennium beginning July 1,
11 2017, and ending June 30, 2019.

12 **SECTION 6. EXEMPTION.** The amount appropriated for the modification of the department
13 of human services' eligibility systems in chapter 578 of the 2011 Special Session Session Laws
14 is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
15 appropriation approved under section 54-44.1-11 for continuation into the 2013-15 biennium
16 and then the 2015-17 biennium are available for the completion of the modification of the
17 eligibility systems project during the biennium beginning July 1, 2017, and ending June 30,
18 2019.

19 **SECTION 7. EXEMPTION.** The amount appropriated for the development of the electronic
20 health records system in chapter 12 of the 2013 Session Laws is not subject to the provisions of
21 section 54-44.1-11. Any unexpended funds from this appropriation approved under section
22 54-44.1-11 for continuation into the 2015-17 biennium are available for the completion of the
23 electronic health records system during the biennium beginning July 1, 2017, and ending
24 June 30, 2019.

25 **SECTION 8. ESTIMATED INCOME.** Of funds appropriated in section 1 of this Act,
26 ~~\$16,000,000~~\$37,779,159 is from the tobacco prevention and control trust fund for the purpose
27 of defraying expenses in the medical services division, for the biennium beginning July 1, 2017,
28 and ending June 30, 2019.

29 **SECTION 9. ESTIMATED INCOME.** Of funds appropriated in section 1 of this Act,
30 \$686,191 is from the health care trust fund for the purpose of defraying expenses of long-term
31 care services programs, for the biennium beginning July 1, 2017, and ending June 30, 2019.

1 **SECTION 10. APPROPRIATION - 2015-17 BIENNIUM.** There is appropriated out of special
2 funds derived from federal funds, not otherwise appropriated, the sum of \$9,000,000, or so
3 much of the sum as may be necessary, to the department of human services for the purpose of
4 defraying medical assistance grant costs, for the period beginning with the effective date of this
5 Act and ending June 30, 2017.

6 **SECTION 11. APPROPRIATION - 2015-17 BIENNIUM - REBASING ~~AND~~ OPERATING**
7 **MARGINS, AND INCENTIVES.** There is appropriated out of any moneys in the general fund in
8 the state treasury, not otherwise appropriated, the sum of ~~\$329,636~~\$417,010, or so much of the
9 sum as may be necessary, and from special funds derived from federal funds and other income,
10 the sum of ~~\$329,636~~\$417,010, or so much of the sum as may be necessary, to the department
11 of human services for the purpose of adjusting long-term care facility rates relating to rebasing
12 ~~and~~ operating margins, and incentives, for the period beginning June 1, 2017, and ending
13 June 30, 2017.

14 **SECTION 12. APPROPRIATION - 2015-17 BIENNIUM - SUBSTANCE USE DISORDER**
15 **VOUCHER PROGRAM.** There is appropriated out of any moneys in the general fund in the
16 state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may
17 be necessary, to the department of human services for the purpose of defraying the expenses
18 of the substance use disorder voucher program, for the period beginning with the effective date
19 of this Act, and ending June 30, 2017.

20 **SECTION 13. LEGISLATIVE INTENT - RESTORATION FUNDING FOR BASIC CARE.** It
21 is the intent of the sixty-fifth legislative assembly that the funding appropriated to the
22 department of human services for the restoration of basic care provider rates be prioritized in
23 the following order:

- 24 1. Operating margin;
- 25 2. Medical leave days; and then
- 26 3. Increase to limits.

27 **SECTION 14. LEGISLATIVE INTENT - POLICY CHANGES AND CLARIFICATION**
28 **RELATED TO HOME HEALTH.** It is the intent of the sixty-fifth legislative assembly that the
29 department of human services adopt rules in accordance with the Medicaid program, face-
30 to-face requirements for home health services; policy changes and clarifications related to
31 home health final rule published by the centers for Medicare and Medicaid services on

1 February 2, 2016; title 42, Code of Federal Regulations, part 440. It is further the intent of the
2 legislative assembly that the department require certified home health agencies to ensure a
3 face-to-face visit occurred between a physician and Medicaid beneficiary before initiating home
4 health services, and to ensure a face-to-face visit between a physician or nonphysician provider
5 occurred before providing medical equipment, supplies, and appliances. It is further the intent of
6 the legislative assembly that the department adopt rules to define medical equipment, supplies,
7 and appliances and specify allowable time frames for the face-to-face visits.

8 **SECTION 15. LEGISLATIVE INTENT - CARE COORDINATION AGREEMENTS.** It is the
9 intent of the sixty-fifth legislative assembly that the department of human services establish
10 requisite agreements with tribal health care organizations that will result in one hundred percent
11 federal funding for eligible medical assistance provided to American Indians through care
12 coordination agreements for the biennium beginning July 1, 2017, and ending July 30, 2019.

13 **SECTION 16. LEGISLATIVE INTENT - ~~TRAUMATIC~~ BRAIN INJURY - 1915(i) STATE**
14 **PLAN AMENDMENT.** It is the intent of the sixty-fifth legislative assembly that the department of
15 human services ~~apply for a~~ include services for individuals with a brain injury as part of the
16 comprehensive assessment for a Medicaid 1915(i) state plan amendment ~~for traumatic brain~~
17 ~~injury services.~~ The department may utilize ~~an existing 0.5 full-time equivalent position and~~
18 funding available in the department's budget for ~~this purpose~~ enhancing services through a
19 Medicaid 1915(i) state plan amendment for individuals with a brain injury for the biennium
20 beginning July 1, 2017, and ending June 30, 2019.

21 **SECTION 17. LEGISLATIVE INTENT - GRAFTON JOB SERVICE NORTH DAKOTA**
22 **BUILDING PURCHASE.** It is the intent of the sixty-fifth legislative assembly that the department
23 of human services purchase the Grafton job service North Dakota building using donated funds
24 for the use of the life skills and transition center, but only if anticipated revenues generated from
25 use of the building will be sufficient to provide for the operating and maintenance costs of the
26 building.

27 **SECTION 18. STAFF OVERTIME FUNDING - UNSPENT APPROPRIATION AUTHORITY.**
28 The appropriations in section 1 of this Act, include \$1,832,267, of which \$1,082,857 is from the
29 general fund, for compliance with state and federal laws and regulations relating to staff
30 overtime. Any funding not needed specifically for complying with state or federal overtime

1 regulations may not be spent and must be included in the department's unspent appropriation
2 authority canceled pursuant to section 54-44.1-11, at the end of the 2017-19 biennium.

3 **SECTION 19. CONVEYANCE OF LAND AUTHORIZED - LIFE SKILLS AND TRANSITION**

4 **CENTER.** The state of North Dakota by and through the department of human services may
5 convey real property containing 3.46 acres, more or less, associated with the life skills and
6 transition center in Grafton. The department may convey a parcel of land described as follows:
7 the north fifty-eight feet of said north half of the southeast quarter of section twenty-five less the
8 railroad right-of-way and the south forty feet of the north ninety-eight feet of the west one
9 hundred twenty-three feet of said north half of the southeast quarter of section twenty-five less
10 the railroad right-of-way on the terms and conditions determined appropriate by the department
11 and the attorney general. Section 54-01-05.2 and 54-01-05.5 do not apply to this conveyance.

12 **SECTION 20. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES CASE**

13 **MANAGEMENT.** It is the intent of the sixty-fifth legislative assembly that the department of
14 human services provide case management services for individuals with a developmental
15 disability within the ratio provided pursuant to North Dakota Administrative Code for the
16 biennium beginning July 1, 2017, and ending June 30, 2019. If case management services for
17 individuals with a developmental disability exceed the ratio requirement provided in the North
18 Dakota Administrative Code, the department may hire temporary staff or the department may
19 propose a change to North Dakota Administrative Code to meet the ratio requirement.

20 **SECTION 21. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES -**

21 **PROGRAMMATIC AND ADMINISTRATIVE REQUIREMENTS.** It is the intent of the sixty-fifth
22 legislative assembly that the department of human services report all new programmatic and
23 administrative requirements to the centers for Medicare and Medicaid services and seek
24 waivers of the same unless the director finds immediate full compliance necessary for
25 individuals with disabilities.

26 **SECTION 22. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES - CONFLICT-**
27 **FREE CASE MANAGEMENT.** It is the intent of the sixty-fifth legislative assembly that the
28 department of human services request waivers or delays of implementation of conflict-free case
29 management rules and requirements for individuals with a developmental disability.

30 **SECTION 23. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES - VARIANCE.** It
31 is the intent of the sixty-fifth legislative assembly that during the 2017-19 biennium, the

1 department of human services may authorize a treatment or care center's variance request
2 relating to the treatment or care center's bedrooms or bathrooms, if the department determines
3 the variance does not pose a health or safety risk. It is also the intent that the department of
4 human services adopt rules to establish a variance process that allows the department to grant
5 a variance if the variance will not pose a danger to the health or safety of an individual served
6 by the treatment or care center.

7 **SECTION 24. LEGISLATIVE INTENT - PROCESS AND OUTCOME MEASURES.** It is the
8 intent of the sixty-fifth legislative assembly that behavioral health service providers that receive
9 funding from the department of human services submit process and outcome measures to the
10 department for programs and services supported by state funding.

11 **SECTION 25. LEGISLATIVE INTENT - TELEPHONE SUPPORT AND DIRECTORY**
12 **SERVICES.** It is the intent of the sixty-fifth legislative assembly that the vendor of telephone and
13 directory services, under contract with the department of human services, include private
14 behavioral health service providers in the vendor's directory at no cost to the private behavioral
15 health service providers.

16 **SECTION 26. REPORTING REQUIREMENTS - YOUTH ACCESS TO TOBACCO.** The
17 operating expenses line item in subdivision 2 of section 1 of this Act includes \$75,000 from the
18 tobacco prevention and control trust fund for costs of complying with youth access to tobacco
19 reporting requirements under title 45, Code of Federal Regulations, part 96, section 130, for the
20 biennium beginning July 1, 2017, and ending June 30, 2019. The state department of health
21 and local public health units shall collect and disclose all required data reporting elements to the
22 department of human services.

23 **SECTION 27. LEGISLATIVE INTENT - FULL-TIME EQUIVALENT POSITIONS.** It is the
24 intent of the sixty-fifth legislative assembly that, based on staffing needs, the department of
25 human services transfer full-time equivalent positions as necessary among the department's
26 programs.

27 **SECTION 28. ROBINSON RECOVERY CENTER FUNDING.** Notwithstanding the
28 designation of funding for the Robinson recovery center in the appropriation for the department
29 of human services in section 1 of this Act, the department of human services may utilize other
30 providers for substance use disorder treatment services if the current contractor is unable to

1 provide the full capacity of services anticipated under the current contract for the biennium
2 beginning July 1, 2017, and ending June 30, 2019.

3 **SECTION 29. LEGISLATIVE INTENT - OPERATING EXPENSES.** It is the intent of the
4 sixty-fifth legislative assembly that the department of human services analyze its budgetary
5 needs and allocate up to \$1,102,618 from the general fund included in the operating expenses
6 line item in subdivision 1 of section 1 of this Act to other subdivisions within section 1 of this Act
7 based on the department's priorities resulting from its analysis.

8 **SECTION 30. ~~LEGISLATIVE MANAGEMENT~~ DEPARTMENT OF HUMAN SERVICES**
9 **STUDY - STATE MEDICAL ASSISTANCE PROGRAMS - REPORTS TO LEGISLATIVE**
10 **MANAGEMENT.**

- 11 1. During the 2017-18 interim, the ~~legislative management~~ department of human services
12 shall ~~consider studying~~ study options to operate the state medical assistance program
13 and other related programs, as managed care. The study must:
- 14 a. Identify and review populations to consider for managed care, including
15 individuals eligible under traditional medical assistance, Medicaid expansion, the
16 children's health insurance program, and individuals receiving services through
17 the long-term care and developmental disabilities programs.
 - 18 b. Consider the needs of individuals receiving services from managed care
19 programs in similar-sized states, and the alignment of benefit packages.
 - 20 c. Review populations covered by the program of all-inclusive care for the elderly in
21 other states.
 - 22 d. Consider options for including services under a managed care arrangement.
 - 23 ~~e. Consider developing a proposed plan, cost estimates, and potential timeline for~~
24 ~~implementing the managed care options identified.~~
 - 25 ~~f. Consider preparing and distributing a request for information from managed care~~
26 ~~organizations regarding the managed care options identified.~~
- 27 2. The ~~legislative management~~ department of human services shall provide periodic
28 updates and report its findings and recommendations, together with any legislation
29 necessary to implement the recommendations, to the ~~sixty-sixth legislative~~
30 ~~assembly~~ legislative management.

1 **SECTION 31. LEGISLATIVE MANAGEMENT STUDY - HOME- AND COMMUNITY-**
2 **BASED SERVICES.** During the 2017-18 interim, the legislative management shall consider
3 studying the quality and availability of home- and community-based services for individuals
4 across the state who have developmental disabilities. The study must identify whether there are
5 gaps in service and make recommendations to address identified gaps. The study also must
6 include an evaluation of the funding, mission, and caseload at the life skills and transition
7 center, including the center's transition plan and the number of clients determined eligible for
8 community placement. The legislative management shall report its findings and
9 recommendations, together with any legislation required to implement the recommendations, to
10 the sixty-sixth legislative assembly.

11 **SECTION 32. LEGISLATIVE MANAGEMENT STUDY OF STATE HOSPITAL LAND.**
12 During the 2017-18 interim, the legislative management shall consider studying the use of land
13 at the state hospital to determine the most effective and efficient use of the land. The study
14 must include the feasibility and desirability of selling land owned by the state hospital. The
15 legislative management shall report its findings and recommendations, together with any
16 legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

17 **SECTION 33. LEGISLATIVE MANAGEMENT STUDY - BEHAVIORAL HEALTH AND**
18 **DEVELOPMENTAL DISABILITIES SERVICES.** During the 2017-18 interim, the legislative
19 management shall consider studying state and federal laws and regulations relating to the care
20 and treatment of individuals with developmental disabilities or behavioral health needs. The
21 study must include a review of the following:

- 22 1. The state's services and delivery systems, including whether changes are necessary
23 to maintain compliance with state and federal laws and regulations;
- 24 2. Efforts by other states to comply with the 1999 Olmstead v. L.C. case, including the
25 planning and implementation process for any new programs;
- 26 3. Community- and non-community-based services, including the costs and effectiveness
27 of services;
- 28 4. Noncompliance with state and federal laws and regulations, including a review of the
29 fees and penalties for noncompliance;
- 30 5. A comparison of voluntary and involuntary compliance with state and federal laws and
31 regulations, including a review of long-term costs and effectiveness;

- 1 6. The impact of implementation and expansion of selected programs that were added to
- 2 address unmet needs, including the impact on costs and effectiveness of new
- 3 programs;
- 4 7. Needed changes to address noncompliance and a timeline for completing changes;
- 5 and
- 6 8. Data on the number of individuals that would be impacted by voluntary compliance
- 7 efforts, and data on the type of services that may need changing, including housing,
- 8 peer counseling, outpatient treatment, crisis line access, and transportation services.

9 The legislative management shall report its findings and recommendations, together with
10 any legislation necessary to implement those recommendations, to the sixty-sixth legislative
11 assembly.

12 **SECTION 34. AMENDMENT.** Subsection 1 of section 23-09.3-01.1 of the North Dakota
13 Century Code is amended and reenacted as follows:

- 14 1. Basic care beds may not be added to the state's licensed bed capacity during the
- 15 period between August 1, ~~2015~~2017, and July 31, ~~2017~~2019, except when:
 - 16 a. A nursing facility converts nursing facility beds to basic care;
 - 17 b. An entity licenses bed capacity transferred as basic care bed capacity under
 - 18 section 23-16-01.1;
 - 19 c. An entity demonstrates to the state department of health and the department of
 - 20 human services that basic care services are not readily available within a
 - 21 designated area of the state or that existing basic care beds within a fifty-mile
 - 22 [80.47-kilometer] radius have been occupied at ninety percent or more for the
 - 23 previous twelve months. In determining whether basic care services will be
 - 24 readily available if an additional license is issued, preference may be given to an
 - 25 entity that agrees to any participation program established by the department of
 - 26 human services for individuals eligible for services under the medical assistance
 - 27 program under title XIX of the Social Security Act [42 U.S.C. 1396 et seq.]; or
 - 28 d. The state department of health and the department of human services grant
 - 29 approval of new basic care beds to an entity. The approved entity shall license
 - 30 the beds within forty-eight months from the date of approval.

1 **SECTION 35. AMENDMENT.** Subsection 1 of section 23-16-01.1 of the North Dakota
2 Century Code is amended and reenacted as follows:

- 3 1. Notwithstanding sections 23-16-06 and 23-16-10, except when a facility reverts basic
4 care beds to nursing facility beds or relicenses nursing facility beds delicensed after
5 July 31, 2011, nursing facility beds may not be added to the state's licensed bed
6 capacity during the period between August 1, ~~2015~~2017, and July 31, ~~2017~~2019. A
7 nursing facility may not delicense nursing facility bed capacity, relicense nursing facility
8 bed capacity, convert licensed nursing bed capacity to basic care bed capacity, revert
9 licensed basic care bed capacity back to nursing facility bed capacity, or otherwise
10 reconfigure licensed nursing facility bed capacity more than one time in a
11 twelve-month period.

12 ~~**SECTION 36. AMENDMENT.** Section 50-24.1-37 of the North Dakota Century Code is
13 amended and reenacted as follows:~~

14 ~~**50-24.1-37. (Effective January 1, 2014, through July 31, 20172019) Medicaid-**
15 **expansion -- Legislative management report.**~~

- 16 ~~1. The department of human services shall expand medical assistance coverage as
17 authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148],
18 as amended by the Health Care and Education Reconciliation Act of 2010 [Pub.
19 L. 111-152] to individuals under sixty-five years of age with income below one hundred
20 thirty-eight percent of the federal poverty level, based on modified adjusted gross
21 income.~~
- 22 ~~2. The department of human services shall inform new enrollees in the medical
23 assistance program that benefits may be reduced or eliminated if federal participation
24 decreases or is eliminated.~~
- 25 ~~3. Effective January 1, 2018, medical assistance expansion program applicants and
26 recipients who are at least nineteen but less than twenty-one years of age must
27 receive coverage through traditional medical assistance.~~
- 28 ~~4. The department shall implement the expansion by bidding through private carriers or
29 utilizing the health insurance exchange.~~
- 30 ~~5. The contract between the department and the private carrier must:~~

- 1 ~~_____ a. Provide a reimbursement methodology for all medications and dispensing fees~~
2 ~~which identifies the minimum amount paid to pharmacy providers for each~~
3 ~~medication. The reimbursement methodology, at a minimum, must:~~
4 ~~_____ (1) Be available on the department's website; and~~
5 ~~_____ (2) Encompass all types of pharmacy providers regardless of whether the~~
6 ~~pharmacy benefits are being paid through the private carrier or contractor or~~
7 ~~subcontractor of the private carrier under this section.~~
8 ~~_____ b. Provide full transparency of all costs and all rebates in aggregate.~~
9 ~~_____ c. Allow an individual to obtain medication from a pharmacy that provides mail order~~
10 ~~service; however, the contract may not require mail order to be the sole method~~
11 ~~of service.~~
12 ~~_____ d. Ensure that pharmacy services obtained in jurisdictions other than this state and~~
13 ~~its three contiguous states are subject to prior authorization and reporting to the~~
14 ~~department for eligibility verification.~~
15 ~~_____ e. Ensure the payments to pharmacy providers do not include a required payback~~
16 ~~amount to the private carrier or one of the private carrier's contractors or~~
17 ~~subcontractors which is not representative of the amounts allowed under the~~
18 ~~reimbursement methodology provided in subdivision a.~~
19 ~~_____ f. Any~~
20 ~~_____ 6. The contract between the department and the private carrier must provide the~~
21 ~~department with full access to provider reimbursement rates. The department shall~~
22 ~~consider provider reimbursement rate information in selecting a private carrier under~~
23 ~~this section. Before August first of each even-numbered year, the department shall~~
24 ~~submit a report to the legislative management regarding provider reimbursement rates~~
25 ~~under the medical assistance expansion program. This report may provide cumulative~~
26 ~~data and trend data but may not disclose identifiable provider reimbursement rates.~~
27 ~~_____ 7. Provider reimbursement rate information received by the department under this~~
28 ~~section and any information provided to the department of human services or any~~
29 ~~audit firm by a pharmacy benefit manager under this section is confidential under~~
30 ~~section 44-04-17.1, except the department may use the reimbursement rate~~

1 ~~information to prepare the report to the legislative management as required under this~~
2 ~~section.~~

3 ~~—SECTION 37. REPEAL. Section 50-24.1-37 of the North Dakota Century Code is repealed.~~

4 ~~—SECTION 38. CONTINGENT EFFECTIVE DATE. Section 21 of this Act becomes effective~~
5 ~~if the executive director of the department of human services certifies to the secretary of state~~
6 ~~and the legislative council the federal government ended the medical assistance expansion~~
7 ~~program.~~

8 **SECTION 36. EMERGENCY.** Sections 10, 11, 12, and ~~45~~19 of this Act are declared to be
9 an emergency measure.