Representative Kathy Hogan, Chairman, called the meeting to order at 8:30 a.m.

**Members present:** Representatives Kathy Hogan, Bert Anderson, Pamela Anderson, Chuck Damschen, Daniel Johnston, Dwight Kiefert, Mary Schneider, Greg Westlind; Senators Howard C. Anderson, Jr., David A. Clemens, Robert Erbele, Oley Larsen, Judy Lee, Tim Mathern

**Members absent:** Representatives Christopher D. Olson and Wayne A. Trottier; Senator David Hogue

**Others present:** See Appendix A for additional persons present.

It was moved by Senator Erbele, seconded by Representative Schneider, and carried on a voice vote to approve the minutes of the October 25, 2017, meeting as distributed.

**STUDY OF PUBLIC HUMAN SERVICES**

**Social Services Redesign Project**

Mr. Christopher D. Jones, Executive Director, Department of Human Services, presented information (Appendix B) regarding the social services redesign project. He said the project is the result of 2017 Senate Bill No. 2206 which requires the Department of Human Services (DHS) to develop a plan to implement a state-paid economic assistance and social service program. He said the project will use four teams to review service needs and provide recommendations—children and family services, economic assistance eligibility, adults (aging and developmental disabilities), and administrative. He said the teams include representation from various stakeholder groups, including counties.

Mr. Jones said several issues have been identified during team meetings. He said there are a number of services being provided that are based on structures that existed prior to the creation of DHS. He said there are also instances where there is a disconnect between the law relating to a program and best practices for serving individuals with needs. He said there may be times when there is more concern with the law due to risk avoidance, than to the mission of human services.

Mr. Jones said the committees will continue to meet and DHS will develop recommendations for the redesign of the social services system. He said the recommendations will be provided to the Legislative Assembly for its consideration. He said if approved, any changes to the design of the social services system will take several bienniums to implement.

In response to a question from Chairman Hogan, Mr. Jones said the project is client-based and is focusing on designing a social services system that best serves the individuals needing human services.

Senator Lee said a number of decisions will need to be made as part of the project. She said portions of the redesign project may not be as successful as hoped but lessons can be learned and changes can be made. She said legislators need to be a partner in the redesign project and not a critic.

Chairman Hogan said there are very complex situations encountered in the delivery of human services and suggested Mr. Jones provide updates at future committee meetings regarding some of the difficult decisions that are being made.

Senator Mathern expressed concern that it may take several bienniums to implement the social services redesign project. He said any changes that will benefit the users of social services should be implemented as soon as possible.
Mr. Jones said the redesign project is going to change DHS from a regulatory agency to an agency that is focused on providing services to individuals. As a result, he said, there is not a structure in place to quickly implement changes.

In response to a question from Representative P. Anderson, Mr. Jones said there will need to be investments in technology infrastructure as part of the redesign project. He said current systems, such as eligibility determination software, are based on current processes and procedures and are not client-focused.

In response to a question from Representative Schneider, Mr. Jones said each of the project teams includes representatives of DHS, representatives of counties, and project consultants.

Chairman Hogan said the redesign project needs to also consider the impact of the project or other human services providers, including tribal entities and the court system.

In response to a question from Senator Larsen, Mr. Jones said there is not currently any tribal representation on the project committees. However, he said, the department has been working with tribal entities on other issues such as foster care.

**Behavioral Health**

Ms. Pamela Sagness, Director, Behavioral Health Division, Department of Human Services, presented information (Appendix C) regarding behavioral health. She said behavioral health is a state of mental and emotional well being and includes choices that affect wellness. She said an individual may be affected by a mental health disease, by a substance use disorder, or a combination of the two. She said the state's behavioral health system is being reformed and the need for community-based services has been identified as a priority.

Ms. Sagness said DHS has contracted with the Human Services Research Institute to conduct an in-depth review of the state's behavioral health system. She said the review will include an analysis of current utilization and expenditure patterns by payer source. She said the review will also result in recommendations for enhancing the state's behavioral health system.

In response to a question from Chairman Hogan, Ms. Sagness said the review of utilization and expenditure patterns will only include public payer funding sources such as Medicaid.

Ms. Sagness said DHS has contracted with the University of North Dakota Center for Rural Health to develop a behavioral health workforce development plan. She said one goal is to create a comprehensive plan for increasing behavioral health providers. She said a second goal is to facilitate the development of a peer support specialist certification. She said a peer support specialist is an individual who has experienced either mental illness or a substance abuse disorder and is trained to support others in a nonclinical setting.

Ms. Sagness provided an update on the free through recovery program which will provide behavioral health services to individuals in the criminal justice system. She said the mission of the program is to reduce recidivism by delivering high-quality community behavioral health services with effective supervision. She said the program will focus on addressing gaps in recovery services that are not currently being provided by public or private providers. She said participating providers will be paid a base rate per participant, per month, for providing care coordination and recovery services. She said the program includes funding that will focus on addressing local community needs such as housing and transportation.

In response to a question from Chairman Hogan, Ms. Sagness said the recovery program will be client-focused and the length of time an individual participates in the program will be based on the individual's need. She said the program will also determine the best way to transition an individual to more cost-effective existing services when appropriate.

Senator Mathern said the recovery program is focused on providing services to individuals in the criminal justice system. He asked if similar services will be provided to individuals who are not in the criminal justice system. Ms. Sagness said the program is one step in developing a peer support services workforce. She said when the workforce is developed, it can be expanded and used to provide services to individuals outside of the criminal justice system. However, she said, there will be a cost to participants. She said Medicaid programs and third-party payers in some states reimburse peer support services costs.

Representative P. Anderson said communities also need to invest in behavioral health services and other resources, such as public transportation and housing to assist low-income and other individuals. She suggested communities develop methods to allow residents to provide optional contributions for investments in these resources.
In response to a question from Senator Larsen, Ms. Sagness said there has been discussion regarding how to transition an individual from the recovery program to existing services provided by a community. She said some key community services include health care, housing, childcare, and transportation. She said the program will work to address gaps in current services.

In response to a question from Representative Kiefert, Ms. Sagness said one goal of the program is to decriminalize behavioral health issues. She said providing services to an individual sooner may prevent individuals from being incarcerated. As an example, she said, most communities do not have detoxification facilities which results in an intoxicated individual being placed in jail. She said the individual would be better served at a facility that specializes in behavioral health issues.

Representative Kiefert expressed concern that additional responsibilities are being placed on cities to address behavioral health issues.

In response to a question from Senator Mathern, Ms. Sagness said the department does not currently have the resources available to provide planning services or reimbursement to communities for local services addressing treatment and recovery issues. She said the department has been able to utilize federal funding to coordinate with local public health units and other entities for substance abuse prevention efforts.

In response to a question from Senator Larsen, Ms. Sagness said the availability of Naloxone has increased in the past 6 months. However, she said, there is a lack of availability of Naloxone in certain areas of the state. She said in addition to treating substance abuse overdoses, Naloxone is used to treat other overdoses such as an elderly person ingesting too much medication or a child accidentally taking medications.

Ms. Sagness provided an update on the state’s Olmstead Commission. She said the United States Supreme Court’s “Olmstead Decision” determined people with disabilities must be integrated into the community as much as possible. She said the state’s Olmstead Commission monitors services and conducts planning in order to comply with the federal decision. She said the commission is reviewing options to restructure the membership and organization of the commission.

In response to a question from Chairman Hogan, Ms. Sagness said the commission is planning to vote on proposed restructuring changes at the next commission meeting.

**Comments by Interested Persons**

Ms. Kim Jacobson, Director, Traill County Social Services, Hillsboro, provided comments (Appendix D) regarding the social services redesign project. She said the project is difficult as the current system is a combination of various programs administered separately with various barriers and rules. She said the goal of the project is develop a human services delivery system focused on the individuals served while addressing social determinants of health. She asked for the continued support of the committee as the project progresses.

In response to a question from Senator Lee, Ms. Jacobson said there is some apprehension from county social services staff about potential changes to the social services delivery system. She said much of the concern relates to ensuring individuals will continue to receive the same level of services. She said the job duties of local employees may change but she is confident employees will be able to adapt to any changes.

**STUDY OF THE TOMPKINS REHABILITATION AND CORRECTIONS CENTER**

Mr. Dave Krabbenhoft, Director of Administration, Department of Corrections and Rehabilitation, presented information (Appendix E) regarding operating agreements and contracts with DHS for the operation of the Tompkins Rehabilitation and Corrections Center (TRCC). He said the current contract provides for the Department of Corrections and Rehabilitation (DOCR) to provide payments to DHS for the operation of the center. He presented the following schedule detailing contract payments and the number of beds provided through the TRCC program since the 2009-11 biennium:

<table>
<thead>
<tr>
<th>Biennium</th>
<th>Contract Payments</th>
<th>Number of Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-11</td>
<td>$4,764,035</td>
<td>90</td>
</tr>
<tr>
<td>2011-13</td>
<td>$5,127,300</td>
<td>90</td>
</tr>
<tr>
<td>2013-15</td>
<td>$5,651,247</td>
<td>90</td>
</tr>
<tr>
<td>2015-17</td>
<td>$7,985,926</td>
<td>106¹</td>
</tr>
<tr>
<td>2017-19</td>
<td>$8,607,462</td>
<td>106</td>
</tr>
</tbody>
</table>

¹Sixteen beds were added in December 2015.
Mr. Krabbenhoft said the contract payments do not include services provided directly to the program by DOCR. He said DOCR provides laundry service, meal service, education services, nonroutine medical services, and four full-time equivalent case and program management staff.

Mr. Krabbenhoft said DOCR and DHS are reviewing the management and operations of the center to determine if any changes should be made. He said the agencies will provide reports at future committee meetings regarding any recommended changes relating to the management and operation of the center.

In response to a question from Chairman Hogan, Mr. Krabbenhoft said DOCR also provides food service to the State Hospital. He said there are other shared services on the State Hospital campus including security and snow removal.

In response to a question from Senator Mathern, Mr. Krabbenhoft said some employees of DOCR at the State Hospital campus have the same job classification as employees of DHS. However, he said, the salary levels of the employees may vary depending on the employing agency. He said it is difficult to retain an employee if the employee can transfer to another agency at the same location and receive a higher salary.

In response to a question from Representative Westlind, Ms. Leann K. Bertsch, Director, Department of Corrections and Rehabilitation, said inmates entering the custody of DOCR are assessed for chemical dependency issues. She said inmates receive treatment at the facility where they are placed. She said inmates may be placed in the TRCC program based on treatment needs and security levels. She said inmates are generally placed in the TRCC program near the end of their sentence and do not return to a regular prison setting after treatment.

In response to a question from Representative P. Anderson, Ms. Bertsch said the average inmate count at the James River Correctional Center is 433. She said inmates participating in the TRCC program are included in State Hospital population counts.

In response to a question from Representative P. Anderson, Mr. Krabbenhoft said the average daily cost for an individual participating in the TRCC program is $130. He said the average daily cost of an inmate in a traditional correctional setting is $117.

In response to a question from Senator Lee, Ms. Bertsch said treatment services are provided at all correctional facilities, including the Dakota Women's Correctional and Rehabilitation Center. She said higher level substance abuse treatment services for women are normally provided through the TRCC program.

Senator Mathern said the length of the TRCC program appears to be longer than what is provided for individuals who are outside of the correctional system. He questioned the proper length of treatment for an individual.

Dr. Lisa Peterson, Clinical Director, Department of Corrections and Rehabilitation, said the TRCC program is approximately 14 weeks in length. She said efficiencies could be realized if individuals who no longer need residential treatment are moved out of the program before the end of 14 weeks. However, she said, additional housing and outpatient care services would be needed for inmates transitioning out of the program.

Dr. Peterson said recent studies have found that inmates at a high risk of recidivism need approximately 300 hours of behavioral therapy to reduce the likelihood of recidivism. She said inmates with a low risk of recidivism need approximately 100 hours of behavioral therapy. She said one reason for the longer length of program in the correctional setting is due to the lack of ongoing recovery support services in communities.

Representative P. Anderson said it may be beneficial to provide flexibility in the use of funding to allow more community-based services to be available to individuals.

In response to a question from Chairman Hogan, Mr. Krabbenhoft said DOCR and DHS are developing recommendations for changes to the operation and management of TRCC. He said the recommendations will be incorporated into the agency budget requests for the 2019-21 biennium.

Mr. Tom Eide, Director of Field Services, Department of Human Services, presented information (Appendix F) regarding TRCC. He said the TRCC program has been used to prepare individuals transitioning from the correctional system to communities. He presented the following schedule detailing the estimated biennial costs of the program:
Estimated Biennial Budget - TRCC Program

<table>
<thead>
<tr>
<th>Type of Expense</th>
<th>Estimated Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$7,431,464</td>
</tr>
<tr>
<td>Operating</td>
<td>36,993</td>
</tr>
<tr>
<td>Medical, pharmacy, dental</td>
<td>304,000</td>
</tr>
<tr>
<td>Physical Plant</td>
<td>55,000</td>
</tr>
<tr>
<td>Custodial</td>
<td>120,000</td>
</tr>
<tr>
<td>Chaplaincy</td>
<td>44,000</td>
</tr>
<tr>
<td>Other capital and maintenance</td>
<td>610,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,601,457</strong></td>
</tr>
</tbody>
</table>

Mr. Eide said the following items should be considered when reviewing options to transition the operation and management of the TRCC program:

1. What are the best practices for the program in the long term?
2. How would the use of space and physical buildings of the program be affected?
3. What are the operational efficiencies that may be gained by making changes?
4. Are the changes in the best interest of the state?

In response to a question from Representative P. Anderson, Mr. Eide said in addition to the TRCC program, DHS also manages 75 to 100 beds in the State Hospital and 40 beds in the sex offender treatment program.

In response to a question from Senator Mathern, Mr. Eide said the TRCC contract includes funding for other capital needs and overhead costs. He said most capital expenses on the State Hospital campus are paid through the DHS budget.

Chairman Hogan said future committee meetings will include time for reports regarding recommendations for changes to the operation and management of TRCC.

**OTHER COMMITTEE RESPONSIBILITIES**

**Medical Assistance Expansion Program Provider Reimbursement Rates**

Ms. Maggie D. Anderson, Director, Medical Services Division, Department of Human Services, provided a report pursuant to Section 38 of 2017 House Bill No. 1012 regarding provider payment rates under the medical assistance expansion program. She presented the following schedule detailing the estimated payment rates under the Medicaid Expansion program compared to Medicare and traditional Medicaid rates as of July 1, 2017:

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Estimated Percentage of Medicare</th>
<th>Estimated Percentage of Traditional Medicaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional</td>
<td>179%</td>
<td>179%</td>
</tr>
<tr>
<td>Inpatient</td>
<td>184%</td>
<td>173%</td>
</tr>
<tr>
<td>Outpatient</td>
<td>190%</td>
<td>264%</td>
</tr>
<tr>
<td>Overall</td>
<td>183%</td>
<td>202%</td>
</tr>
</tbody>
</table>

Ms. M. Anderson presented the following schedule detailing the minimum reimbursement rates available to North Dakota pharmacy providers under the Medicaid Expansion program:

<table>
<thead>
<tr>
<th>Ingredient cost - Brand</th>
<th>Floor Rate</th>
<th>Pricing Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average wholesale price minus 14%</td>
<td>Lower of submitted ingredient cost, contracted average wholesale price discount or maximum allowable cost, or usual and customary</td>
</tr>
<tr>
<td>Ingredient cost - Generic</td>
<td>Maximum allowable cost</td>
<td>Lower of submitted ingredient cost, maximum allowable cost, or usual and customary</td>
</tr>
<tr>
<td>Dispensing fee</td>
<td>$1.50</td>
<td>Fee does not apply to usual and customary claims</td>
</tr>
</tbody>
</table>

In response to a question from Chairman Hogan, Ms. M. Anderson said she will provide information to the committee regarding changes in capitation rates for the last three rate periods under the Medicaid Expansion program.
Ms. M. Anderson said an individual enrolled in the Medicaid Expansion program is required to report to the department any changes that may affect the individual's eligibility to remain enrolled in the program. She said if an individual fails to report an eligibility change, the individual may be retroactively billed for premium costs the date of the change in eligibility.

In response to a question from Chairman Hogan, Ms. M. Anderson said there are generally one or two instances per month when an individual is retroactively billed for premiums due to an unreported change in program eligibility.

In response to a question from Senator Larsen, Ms. M. Anderson said the application materials for the Medicaid Expansion program notify individuals of their responsibility to report to the department any changes that may affect the individual's eligibility to remain enrolled in the program. She said individuals are notified of the reporting requirement again if they are approved for the program.

In response to questions from Senator Larsen, Ms. M. Anderson said approximately 20,000 individuals are enrolled in the Medicaid Expansion program. She said she will provide information to the committee regarding the estimated costs of the Medicaid Expansion program for the 2017-19 biennium. She said there has been discussion at the federal level regarding changes to essential health benefits which would affect program premium rates.

Chairman Hogan asked Ms. M. Anderson to provide information to the committee comparing commercial provider rates to Medicaid rates.

In response to a question from Senator Mathern, Ms. M. Anderson said if projected funding for the Medicaid Expansion program is not sufficient for anticipated expenses, the premium rates paid to Sanford Health may be reduced. She said providers have the option to withdraw from being an in-network provider under the Medicaid Expansion program.

In response to a question from Chairman Hogan, Ms. M. Anderson said different premium rates are paid for men and women under the Medicaid Expansion program. She said program rules may require certain individuals who qualify for the Medicaid Expansion program, such as pregnant women, to instead be enrolled under the traditional Medicaid program.

Following the meeting, Ms. M. Anderson provided information (Appendix H) in response to questions regarding the Medicaid Expansion program.

**Children's Health Insurance Program Update**

Mr. Erik Elkins, Assistant Director, Medical Services Division, Department of Human Services, presented information (Appendix I) regarding the children's health insurance program (CHIP). He said the program provides health insurance to qualifying uninsured children who are not eligible to enroll in the Medicaid program. He said the federal government has not reauthorized the program and funding for the program is estimated to be depleted by the end of April 2018.

Mr. Elkins said the Centers for Medicare and Medicaid Services also provides CHIP matching funds for "Medicaid-CHIP" individuals. He said Medicaid-CHIP individuals are 6 to 18 years of age who were eligible for CHIP prior to the federal Affordable Care Act but are now eligible for Medicaid, or were not eligible for Medicaid due to the asset test, but were added as CHIP Medicaid Expansion in 2002. He said funding for Medicaid-CHIP individuals is anticipated to be depleted in February 2018.

In response to a question from Chairman Hogan, Mr. Elkins said if the CHIP program is not reauthorized, Medicaid-CHIP individuals will be transitioned into the traditional Medicaid program. He said "stand-alone" CHIP individuals would be retested to determine if they are eligible to enroll in the Medicaid program. He said if they are not eligible for Medicaid, they would lose CHIP insurance coverage at the end of April 2018. He said as of December 2017 there were approximately 2,096 "stand-alone" CHIP recipients.

In response to a question from Senator Larsen, Mr. Elkins the federal matching funds percentage for the CHIP program is 88 percent for both the "stand-alone" CHIP recipients and the Medicaid-CHIP recipients. He said the federal matching funds percentage for the traditional Medicaid program is 50 percent.

Senator Lee said prior to health care reform, the state used various deductions and disregards when determining eligibility to enroll in the CHIP program. However, she said, the federal government now requires states to use a modified adjusted gross income method to determine eligibility. She said this change affected the coverage of several individuals. She said the North Dakota Caring Foundation previously provided health insurance coverage
to eligible children which acted as a safety net. However, she said, due to health care reform, the foundation no longer offers this insurance coverage.

Senator Larsen questioned whether enough funding would be available to continue the CHIP program if the Medicaid Expansion program was discontinued and the state funding for the Medicaid Expansion program was used for the CHIP program. Mr. Elkins said there would be sufficient funding to continue the CHIP program under that scenario.

**STUDY OF REFUGEE RESETTLEMENT**

**Workforce Data**

Ms. Michelle Kommer, Executive Director, Job Service North Dakota, presented information (Appendix J) regarding state workforce needs and the ability of new Americans to address those needs. She said during the month of December 2017 there were 12,797 job openings reported in the state. She said industries with the most openings included health care practitioners and technical (1,313), office and administrative support (1,049), transportation and material moving (983), sales (824), and food preparation and serving (797). She said the state currently has more job openings than available workers in the state.

Ms. Kommer said the Bureau of Labor Statistics American Community Survey estimates 24,364 foreign-born individuals are living in North Dakota. She said the labor participation rate of foreign-born individuals living in the state is 72.1 percent while the overall labor participation rate for the state is 70.5 percent. She said the survey detailed the labor market participation of foreign-born individuals into the following industries:

<table>
<thead>
<tr>
<th>Labor Market Participation of Foreign-Born Workers By Industry</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Management, business, science, and arts</td>
<td>33.8%</td>
</tr>
<tr>
<td>Service occupations</td>
<td>25.4%</td>
</tr>
<tr>
<td>Sales and office</td>
<td>14.3%</td>
</tr>
<tr>
<td>Natural resources, construction, and maintenance</td>
<td>8.9%</td>
</tr>
<tr>
<td>Production, transportation, and materials</td>
<td>17.6%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Ms. Kommer said only a small percentage of foreign-born persons are resettled refugees. She said data reported by Lutheran Social Services to the Office of Refugee Resettlement indicated the workforce participation rate of resettled refugees in the state was 85 percent in federal fiscal year 2016.

In response to a question from Representative P. Anderson, Ms. Kommer said foreign-born individuals in the state have a higher labor participation rate than the state as a whole.

Senator Mathern said the data suggests that more new Americans are needed in the state to help meet workforce needs.

Ms. Kommer said there currently are not enough individuals in the state to fill available job openings. She said the Workforce Development Council is reviewing options to increase the availability of labor in the state.

Senator Lee said many new Americans come to the country specifically to work. She said refugees generally do not have large amounts of money or other resources when being resettled and need to work.

In response to a question from Senator Clemens, Ms. Kommer said Job Service North Dakota is reviewing the level of unemployment benefits provided to seasonal workers.

In response to a question from Representative Schneider, Ms. Kommer said the agency does not collect data regarding new Americans that own businesses that employ others or otherwise create jobs.

Senator Mathern said federal changes to foreign-worker visas may affect the number of available workers in the state.

Chairman Hogan suggested the Workforce Development Council monitor potential changes to federal visas and how the changes may affect the workforce in the state.

**Comments From Employers**

Mr. Mike Arston, Plant Manager, Cardinal Glass Industries, Fargo, provided comments to the committee regarding the use of new Americans to meet workforce needs. He said when Cardinal Glass Industries first opened
in Fargo in 1998, approximately 56 percent of the plant's employees were refugees. He said currently 69 percent of the plant's 268 employees are new Americans, many of which are resettled refugees. He said 71 percent of team leaders at the plant are new Americans and 85 percent of new hires in 2017 were new Americans.

Mr. Arnston said 8.1 percent of new Americans are employed in manufacturing in the state compared to the overall state rate of 7.7 percent. He said individuals from 30 different countries are working at the plant. He said the plant does not currently employ any individuals from Canada or Mexico.

Mr. Arnston said prospective employees complete necessary testing for cognitive skills, communications, and emotional intelligence. He said the new Americans employed at his plant are very motivated and are looking for opportunities that were not available in the countries they left.

Mr. Adam Broers, Senior Executive of Human Resources, Bethany Retirement Living, Fargo, provided comments regarding employees who are new Americans. He said Bethany Retirement Living provides assisted living, nursing, and other housing care for senior citizens. He said Bethany Retirement Living employs a large number of new Americans in various departments. He said many of Bethany Retirement Living's certified nurse assistants are originally from Liberia while many housekeeping positions are filled by individuals originally from Nepal. He said new Americans have been an important part of filling ancillary positions.

In response to a question from Chairman Hogan, Mr. Broers said other care providers in the Fargo area have also been experiencing difficulties in hiring direct care providers.

In response to a question from Chairman Hogan, Mr. Broers said Bethany Retirement Living offers a free certified nurse assistant training course to attract new employees. He said each course provides training for up to 12 students and 11 or 12 courses are generally offered each year. He said during the past few years most of the students enrolling in the courses have been new Americans.

In response to a question from Representative P. Anderson, Mr. Broers said there have been very few instances of personnel issues involving employees who are new Americans. He said prospective employees undergo various assessment tests that determine competencies of the employee.

Mr. Arnston said English language proficiency is not a factor when hiring personnel at his plant. He said his company employs multilingual trainers that are able to train employees who do not speak English.

In response to a question from Senator Clemens, Mr. Arnston most new Americans employed at his plant obtain United States citizenship as soon as possible. He said most new American employees at his plant were resettled refugees.

In response to a question from Senator Mathern, Mr. Arnston said a study conducted by the New American Economy organization estimates that in 2014, new Americans in the Fargo-Moorhead area paid $13.8 million in state and local taxes and contributed $542.8 million to the area's gross domestic product. He said new Americans are a good investment for the community.

Representative Johnston said many new Americans are filling entry level jobs and may be receiving assistance through government programs. He questioned if the referenced economic benefits of new Americans are being adjusted to account for costs to government programs.

Mr. Arnston said most refugees employed at his plant have been in the country for more than a year and are no longer eligible to receive benefits through the refugee resettlement program. He said it is possible that employees may receive benefits through traditional government assistance programs. However, he said, information on the number of employees receiving assistance is not available.

Representative P. Anderson said employees who are not new Americans may also be receiving assistance through government programs.

In response to a question from Representative Westlind, Mr. Broers said there have not been any major issues at Bethany Retirement Living due to employees with limited English language proficiency. He said some new employees may not be proficient in utilizing technology for their position but training is provided to address any issues.

Mr. Broers provided a picture (Appendix K) of a map indicating the home countries of Bethany Retirement Living employees.
Comments by Interested Persons

Mr. Christopher T. Dodson, Executive Director, North Dakota Catholic Conference, provided comments (Appendix L) regarding refugee resettlement. He said the Catholic Church is not involved in refugee resettlement in the state but does provide refugee resettlement services in other states. He said the goal of communities involved in refugee resettlement is to receive, integrate, and assist refugees. He said communities should also consider ways to improve services for refugees.

In response to a question from Representative Johnston, Mr. Dodson said the United States Conference of Catholic Bishops Migration and Refugee Services is the lead agency that works with the federal government for refugee resettlement. He said Catholic charities' agencies administer refugee resettlement programs in various states.

In response to a question from Representative Johnston, Mr. Dodson said the refugee resettlement agencies are nonprofit agencies. He said the agencies may receive a small portion of funding from the refugee resettlement program for administrative costs associated with the resettlement program.

Ms. Marnie Walth, Strategic Planning and Public Policy Director, Sanford Health, provided comments to the committee regarding new Americans employed by Sanford Health. She said 205 individuals hired by Sanford Health in the Fargo area during 2017 were new Americans.

Senator Lee said it is difficult to obtain accurate data regarding new Americans participating in the workforce because many entities do not collect data regarding employee ethnicity.

Senator Erbele said many refugees have advanced postsecondary education degrees. However, he said, a refugee may be working in an entry level job because credentialing may not transfer.

OTHER COMMITTEE RESPONSIBILITIES

Developmental Disability Waiver Study

Ms. Tina Bay, Director, Developmental Disabilities Division, Department of Human Services, presented a report (Appendix M) pursuant to Section 2 of 2017 Senate Bill No. 2041, regarding the department's study of eligibility requirements of the developmental disability Medicaid waiver. She said as part of the study the department requested technical assistance from the Centers for Medicare and Medicaid Services home- and community-based services technical assistance project. She said the goals of receiving the assistance were to conduct a comprehensive review of the state's existing Medicaid waiver programs to identify potential paths for eligibility for individuals without an intellectual or developmental disability, to provide the department with strategies to improve and maintain consistency in the application of criteria, to assist the department in identifying strategies to address gaps in service, to provide technical assistance relating to mitigating conflict of interest in case management structures, and to provide information and strategies related to person-centered practices and planning.

Ms. Bay said the department received several recommendations through the home- and community-based services technical assistance project. The following are selected recommendations from Ms. Bay's presentation:

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Selected Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility</td>
<td>North Dakota could establish a clearer category perhaps stating as many states do, the individual for purposes of eligibility must have an intellectual disability (ID), and or a developmental disability (DD).</td>
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<td></td>
<td>In terms of assessing related conditions, the question may not be the severity of an intellectual disability, but the person's functional status and the age of onset of the limitations. North Dakota may consider that individuals with borderline ID could meet related conditions if they have functional limitations and require treatment or supports similar to those provided to individuals with ID.</td>
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<td></td>
<td>If North Dakota seeks to serve only individuals with ID/DD, there are some states that indicate individuals with related conditions but no intellectual disability and the capacity to oversee and manage their own services are not included in their eligibility for HCBS waivers serving individuals with ID/DD.</td>
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<td></td>
<td>Specify the assessments to assure they are valid and reliable tools that are properly normed on the population intended to serve.</td>
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<td></td>
<td>The state could analyze eligibility determination data to ascertain if a significant number of &quot;system&quot; eligible individuals do not meet level of care (LOC). If so, this would suggest that screening for LOC remain separate from system eligibility screening. Conversely, if there is a high correspondence between LOC and system eligibility, the state may opt for one eligibility assessment tool/process.</td>
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Review tools and process to ensure equal application across all target groups served or potentially served in the waiver. Review historical documents and processes to ascertain whether certain elements could be reintroduced to ameliorate this concern.

### Service Array and Availability

Review full array of waiver processes and practices to streamline service access and system operations wherever possible (remove redundancies in eligibility and service authorizations and any other area of operational practice).

Engage in a systemic communication effort to ensure easy-to-understand information for internal and external stakeholders. Ensure full understanding of available services (promoting those that are likely to increase community integration, autonomy and choice).

Build strong pathways, partnerships and information to ensure smooth transitions (at age 3, transition from school, etc.).

Continue ongoing efforts with State Medicaid officials to ensure seamless access and information sharing between waiver and state plan benefit. Provide technical assistance to Medicaid staff to enhance flexibility and service usability for individuals with disabilities and their families.

### Person-Centered Planning

North Dakota would benefit from a review of the required planning assessment tools in order to identify opportunities to streamline the process and lessen the number of tools required to be updated on an annual basis.

North Dakota DD Division should examine their current Overall Service Plan (OSP) template to look for opportunities to streamline information around health and welfare based on the person’s individual needs and preferences so that individualized information regarding service and supports needed for each person to accomplish personal goals can be included in the plan to ensure true person-centered planning.

North Dakota should consider investing in some type of person-centered planning training for all the people responsible for the development of the OSP.

In response to a question from Chairman Hogan, Mr. Jones said the use of Medicaid waivers will be discussed as part of the social services redesign project. He said a strategy needs to be developed to ensure the Medicaid program is being used to enhance the state. He said the waivers will be incorporated into the social services redesign project once it is determined what individuals need to be served, what services are needed, what resources are available, and what resources can be repurposed.

Chairman Hogan said waivers are one piece of the overall human services delivery system. She said waivers have been used to fill gaps in service but there has not been an overall strategy developed for human services delivery.

In response to a question from Senator Mathern, Mr. Jones said there has been limited discussion regarding the federal government providing block grants to states for human services programs. He said block grants may not be the most efficient and strategic method to distribute program funding to states.

Senator H. Anderson said it may not be reasonable to expect the federal government to provide block grants for programs. He said members of Congress and other stakeholders generally want to know how funding is being distributed and spent for specific programs and purposes.

Senator Lee suggested the committee continue to receive reports regarding the Medicaid waiver study. She said it is important for the Legislative Assembly to understand the changes being proposed but not micromanage decisions being made.

Ms. Roxane Romanick, Executive Director, Designer Genes of North Dakota, provided comments to the committee. She said investments in early intervention and other services provided to young children have a direct impact on developmental disability and behavioral health issues. She expressed concern regarding the lack of ongoing care when a child is being transitioned from early intervention services. She said some waivers, such as the medically fragile children waiver, have limited slots available.

Ms. Romanick said the federal Olmstead Decision is also about services provided to children. She said the use of waivers to fill gaps in services is one way to comply with the federal decision.
In response to a question from Chairman Hogan, Ms. Romanick said the waiver study recommendations provide some clarity regarding who is eligible to receive services under the waiver programs.

In response to a question from Senator Mathern, Ms. Romanick said during the past three legislative sessions there has been significant interest from affected families regarding continued care for children that no longer qualify for the developmental disability waiver. However, she said, interest in the issue has decreased due to a lack of progress made in addressing the identified needs.

**Medicaid Fraud Control Unit**

Ms. M. Anderson provided an update on the Medicaid fraud control unit feasibility and desirability study required by 2017 House Bill No. 1226. She said the state previously received a waiver from federal requirements for the state to establish a fraud control unit. However, she said, the waiver was not continued, and House Bill No. 1226 requires the DHS and the Attorney General's office to review options to establish a fraud control unit. She said the agencies have been reviewing the structure of fraud control units in other states including the return on investment of units in states with similar populations as North Dakota. She said input has been gathered from the Medicaid Medical Advisory Committee and tribal representatives. She said the federal government has requested a state implementation plan be developed by September 2018.

Representative P. Anderson suggested the department review options to jointly operate a fraud control unit with another state. Ms. M. Anderson said a jointly operated fraud control unit may not result in a significant reduction of the staff needed to operate a fraud control unit in both states.

Chairman Hogan said there may be differences in laws between states which could complicate the operation of a joint fraud control unit.

In response to a question from Representative P. Anderson, Ms. M. Anderson said the state first received a federal waiver from the requirement to establish a fraud control unit in 1994. She said the waiver was renewed in 2016 but the state was notified in January 2017 that the waiver would not be continued. As a result, she said, the Legislative Assembly needs to authorize the establishment of a fraud control unit and under federal regulations the unit may not be located in DHS.

Chairman Hogan said the committee will receive an update on the fraud control unit study at the next committee meeting.

**COMMITTEE DISCUSSION AND OTHER BUSINESS**

**Study of Public Human Services**

Senator Mathern suggested reviewing longer-term responses to behavioral health and how to measure progress. He said the 2017 Legislative Assembly approved funding for a community behavioral health program and to continue the program there needs to be data available to measure program goals.

Chairman Hogan said the next meeting will include information regarding how outcomes will be measured for the free through recovery program.

Chairman Hogan said the next meeting will include information regarding the state behavioral health assessment being conducted by the Human Services Research Institute.

**Study of the Tompkins Rehabilitation and Corrections Center**

Chairman Hogan said the committee will receive updates from DOCR and DHS regarding their review of potential changes to the operations and management of TRCC.

Senator Mathern said efforts are being made to decriminalize behavioral health issues. However, he said, many behavioral health services are being provided in an institutional setting, including the State Hospital which is located next to a correctional facility. He suggested the committee receive testimony from advocacy groups and others regarding perceptions of behavioral health services.

**Study of Refugee Resettlement**

Chairman Hogan said the next committee meeting will include presentations relating to educational services provided as part of refugee resettlement. She said representatives from the Department of Public Instruction and local school district programs will be invited to provide information regarding English Language Learner programs.

Senator H. Anderson suggested the Legislative Council staff prepare a document compiling the information received by the committee regarding the costs and benefits of the refugee resettlement program.
Senator Larsen suggested the committee receive information regarding costs of training refugees through the Job Corps program.

Representative Damschen suggested the committee receive information regarding the need for medical interpreters due to refugee resettlement.

**Other Business**

Senator H. Anderson said at previous meetings the committee requested information from various presenters but the information has not yet been received. Chairman Hogan asked the Legislative Council staff to follow up on the requests.

Chairman Hogan announced the next committee meeting is tentatively scheduled for Wednesday, April 11, 2018.

No further business appearing, Chairman Hogan adjourned the meeting at 2:35 p.m.

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Brady A. Larson
Assistant Legislative Budget Analyst and Auditor

ATTACH:14