

FISCAL NOTE
Requested by Legislative Council
01/23/2019

Amendment to: SB 2175

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$175,091		\$350,182	
Appropriations			\$175,091		\$350,182	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2175 decreases the age for the Substance Use Disorder Voucher from 18 years old to 14 years old therefore increases the number of individuals who can access this service.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

SB 2175 increases access to the Substance Use Disorder Voucher by decreasing the age requirement from 18 years to 14 years old. We anticipate a delayed implementation in the 2019-2021 biennium and will therefore have one year of services for those individuals, ages 14-17 years old, who will access services. For one year of the biennium we anticipate the following: 40 new individuals, ages 14-17 years old, will access daily methadone services at a rate of \$8.92/day, \$130,232, all of which is general fund. We anticipate that at any given point in time, two individuals, ages 14-17 years old, will be accessing room and board services at a rate of \$61.45/day, \$44,859, all of which is general fund.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

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- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

SB 2175 would require an appropriation increase of \$175,091, all of which is general fund, for the 2019-2021 biennium. SB 2175 would require an appropriation increase of \$350,182, all of which is general fund, for the 2021-2023 biennium.

Name: Heide Delorme

Agency: Human Services

Telephone: 701-328-4608

Date Prepared: 01/23/2019

FISCAL NOTE
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01/23/2019

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2019 SENATE HUMAN SERVICES COMMITTEE

SB 2175

2019 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2175
1/16/2019
Job Number 30872

- Subcommittee
 Conference Committee

Committee Clerk: Justin Velez/ Marne Johnson
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Explanation or reason for introduction of bill/resolution:

A bill relating to the substance use disorder treatment voucher system.

Minutes:

4 attachments

Madam Chair Lee: Opens the hearing on SB 2175.

(0:05-2:55) **Senator Clemens, District 16:** Right now in the current system the eligibility age is 18. This bill would change the eligibility. To be eligible to receive a voucher under the voucher program, an applicant must be a resident of this state, must be at least 14 years of age and meet eligibility requirements established by this department. The reasoning behind going to 14 years of age is because there are a lot of situations where children at 14, and probably younger than that, are in homes that are not receiving care and guidance that they need. We have parents who are drug abusers themselves, now we have the younger children that are going to have to go out on their own to get treatment. As the current law stands, they could not get help until they were 18. We have testifiers here who will be able to give a much better picture than I.

Senator Anderson: Why was the age 18 prior to this?

Senator Clemens: I don't know. When this was brought to my attention, I thought that this was missing a core group of our problem. By 18, a lot of these people are full fledge drug users. I believe this will be very useful to us for fighting the substance abuse problem.

(4:00-19:56) **Emily Monson, Licensed Addiction Counselor in Fargo.** Testifying in favor of SB 2175. Please see Attachment #1 for testimony. Also please see Attachments 2-3 for absent testimony for Shauna Eberhardt, Mental Health and Addiction Counselor, and Tatum Trautman, Addiction Counselor and Independent Clinical Social Worker.

The Substance Use Disorder (SUD) Voucher program was passed in 2016 and we saw an immediate difference. Finances among those who are using substances is a huge barrier to services. Sometimes your window of opportunity is very small, when finances are a barrier, our window will close by the time we get them connected with health insurance, things like that. It is a very helpful tool to get people into services quicker, and has opened up options, and several levels of care. I'm uncertain why 18 was chosen previously, but a 14-year-old in

the state of North Dakota is legally able to consent to their own treatment. The goals for the voucher are to improve access to services and to increase options. We recognize that substance use treatment isn't a one-size-fits-all service, sometimes it takes several shots at treatment, and every agency, program, and counselor is different. Even the clients change on a day to day basis. The voucher has really helped with this aspect. I am here to request that we allow our youth the same opportunity. These populations tend to start using at a younger and younger age as time goes on, and by age 18 we are missing an important time in a person's life where we can intervene and hopefully deter the need for services in the future.

Deferring to the behavioral health survey posted in 2018, they identified youth services as double bottle neck effect, we have this population of youth that is extremely overserved at high levels of care, and we have youth on the other end of the spectrum, they're not 'bad enough' for treatment, therefore we're going to wait. What happens is we wait too long, and it results in them being removed from their homes and sent to these high intense levels of care, such as psychiatric treatment facilities, hospitals, or detention centers; which is really unfortunate.

What I've found is once these kiddos complete these high levels of care, they are returned back to their community, but the skills that they learned don't really transfer. Parents also have their own barriers, it's unrealistic to expect our parents to mimic the amount of structure and the accountability they have in these facilities, in the home. The youth go back, the skills don't transfer, and they may be placed back in the level of care, or higher.

Obviously we all recognize that nobody dreams of becoming addicted to drugs and alcohol. It's caused by a combination of nature and nurture, there's a genetic predisposition, frequently these kids grow up with parents who are also using substances, conflict in the home, it can be chaotic, the longer we wait the more difficult it becomes. We've invested a lot of funds in intervention and adult services, but we're missing the mark. We have an opportunity to invest more cost effectively. In the behavioral health study, they report that early intervention shows evidence of building resilience. Teaching these kids how to make lemonade when life throws them lemons really helped them bounce back from any difficulties they may have experienced. It prevents behavioral health problems, and prevents existing ones from worsening. The younger we intervene the easier it is to get them back on track. The behavioral study also states that payment source is a huge barrier to providing early intervention services. We are not naïve to the fact that there is a shortage of services and we're in a very rural state, we have that barrier, but funding is also a significant barrier. Having this voucher would open up private agencies and open up options and allow funding so we can intervene as early as possible. It is also less destructive in a youth's life. Think of everything we have going on in our lives, and then one day, just remove from that, and you're put in a facility that is very regimented. It's disruptive and considered a traumatic experience.

I worked with a child who is a junior in high school. She currently has 4 of the 24 credits needed to graduate. This is simply due to the fact that she spent the last 3 years in placements, and went from treatment center to treatment center, and these credits didn't transfer. This kid went to school, because she was bounced around so many times, she didn't earn the credits that she deserved. Now she is back in the community, and is doing great in school, but again, the reality is she isn't going to graduate on time. It's a disservice that has happened to this kid. Early intervention provides opportunities to stay in their homes and schools.

(14:02) **Senator Hogan:** Have you worked with the adult SUD voucher program before?

Emily Monson: I personally have not worked with adults that have used the voucher, but I have provided referrals for adults that have used the voucher to get into treatment.

Senator Hogan: Do you have any sense of the number of people that might be needing this kind of service would be?

Emily Monson: I don't have an exact number.

Senator Hogan: I think we all agree this is a seriously underserved population. I'm thrilled we're wanting to expand the voucher system, when it started four years ago, it was just a model. As we built the system on the adult side, because there are differences in adult and children treatment, that's why the 18 was established. There's some legal issues, some payment issues. It's a good bill, but I think there are some differences.

Emily Monson: That is a good point, a 14-year-old can consent to their own treatment, it's not common, I have never seen it. One of the reason for that is payment, typically a kid is on their parent's insurance. So then we need parent information and parent consent to access insurance.

Madam Chair Lee: It's important to mention that Pam Sagness is the person responsible for the voucher, and we're all grateful for the work that she's done. Growing it is only better. In your last paragraph, "the idea behind providing the voucher is not for our youth to access it forever but to provide services sooner."

Emily Monson: Thank you for pointing that out, that what we're finding with our adults. They're accessing this voucher, getting into treatment sooner, and then we can build the recovery capital, we can connect them with insurance, we can assist them with finding jobs so they can get receive insurance through their employment. Building the recovery capital so we can get them off the voucher, intervene a little less, and ideally reduce the number of adults on the voucher in the future.

Senator Clemens: I see you handed out some other testimonies. These are testimonies of people working in this too?

Emily Monson: Yes, these are colleagues and friends of mine who work with youth. One of them works in some of the more rural regions and recognizes how this could benefit that. Our kids who are uninsured are having to go to the human service centers, transportation is a barrier.

(19:20) Continues testimony: We know that there are cost savings with early intervention, I've been looking at research, and it's very mixed, we could save anywhere between \$2 and \$64 for every dollar we put into intervention. We don't know exactly what we're going to save, but it is consistent that there are savings. I think it is a responsible use of taxpaying dollars.

(20:20-22:11) **Kurt Snyder**, Chair of the North Dakota Behavioral Health Planning Council and the Executive Director of the Heartview Foundation. Testifying in favor of SB 2175. Please see Attachment #4 for testimony.

(22:32-24:10) **Anna Frael**, Executive Director, Red River Children's Advocacy Center. Testifying in favor of SB 2175.

We have a wide variety of services that we offer to children that are the victims of child abuse, neglect and exploitation. We serve the Red River Valley from the Canadian Border to the South Dakota border. I consider this bill a remarkable opportunity to provide much needed intervention. The kids we serve have a high rate of risk with substance abuse, addiction issues, as well as mental health issues and behavioral issues. This particular voucher allows children to access services that we don't see them able to access now.

Senator Larsen: I think about the idea of this and a 14-year-old doesn't need a parents' request to seek this out. At some point in the process, does it shed a light and the parents are notified? If I'm a 14-year-old seeking help, and it goes on until I'm 16, will the parents ever find out that I'm trying to seek this help?

Anna Frael: I'm going to speak to the population of the kids that we serve. The kids that have had sexual or child abuse, the statistic that over 70% of them are victimized by a trusted adult. It's a very high rate of kids that are in a situation that the trusted adults may have questionable motives to help the child through the process. If you are trying to get kids with treatment, not only with the substance abuse disorder, but also with the other trauma issues, it opens doors to be able to begin that process without relying on the parent or caregiver who may be a problem for that child. We are in support of families being involved in the treatment. A lot of the time in the beginning we don't even know if the parents are the problem at that time. There isn't anyone who would disagree that a non-offending family member should be involved at some point.

Madam Chair Lee: This is a big deal. There are facilities all over the state. Spoke a little about additional funding for forensic interviews.

Anna Frael: A gateway into our services is the forensic interview. We take referrals from law enforcement and social services; and children come to us given that opportunity to disclose in a friendly neutral setting. We have trained interviewers who assist the child in making that disclosure in a way that causes the least trauma to the child, and preserves that record for any professional who needs access to it. That's the gateway, through there we can address the usage issues, before we can address the mental health issues, you have to get clean.

Senator Clemens: Thinking about the parents' involvement; we understand that sometimes, unfortunately, the parents or family members are to blame. Is it something we could be thinking about down the road that the treatment the child is getting at age 14 how can we relate that back to the parents and get them involved to make it work.

Anna Frael: One of the great things about treatment, is the people who are doing it, know what they are doing, and will involve that family at the right time and place. As far as I know they make pretty good decisions on who they involve and when they involve the parent or family member.

(35:00-37:22) Ty Hagland, President and CEO ShareHouse and Chair of ND Addiction Treatment Providers Coalition. Testified in Favor.

ShareHouse is a licensed behavioral health organization specializing in the treatment of patients with a co-occurrence of substance abuse and behavioral health disorders. We are the largest independent treatment center in the state. The SUD voucher is on the frontlines of patient care and the addiction crisis in North Dakota. By serving a population of patients with little means, the voucher represents help for individuals who seek treatment for their addiction. Furthermore, it represents a cost effective approach to managing the patient population while keeping them out of emergency rooms and jails. Since the inception of the SUD Voucher, ShareHouse has served over 330 patients via the voucher. Particularly worth noting, we saw a 76% increase in people accessing this voucher between 2017 and 2018. Given the problems of the opioid crisis and methamphetamine resurgence in the state, I expect for this trend to go up in 2019. (35:15-36:40) Told an anecdotal story about 14 and 15 year olds in health class, polling 25% on whether they know a peer with a substance usage problem.

Senator Anderson: Tell me about your success of processing the vouchers and if there seems there is enough money for the vouchers.

Ty Hagland: The actual enrollment process is a hand to hand combat situation, our clinicians roll up their sleeves. It's often the clinicians who are enrolling the patients. The process is a lot quicker than working with a lot of the other private payors. I do echo Kurt Snyder's statement that we would like to see a faster process as far as getting paid, but the enrollment is very timely. As with a lot of these high demand programs, staffing is important.

Senator Anderson: Am I hearing you are able to get voucher payments for everyone you've needed at this point?

Ty Hagland: Pretty close, a lot higher than typical.

Senator Hogan: On of the subjects we've been talking about is prescreening for Medicaid and Medicaid Expansion. Prior to submitting a voucher, do you prescreen for Medicaid or Medicaid Expansion?

Ty Hagland: Being an Institute for Mental Disease (IMD), we aren't allowed to accept Medicaid or Medicaid Expansion.

(40:45-45:32) Pam Sagness, Director of Behavioral Health Division of the Department of Human Services. Agency testimony of SB 2175.

The SUD voucher has been vital for us as a Division and really making changes to the system of accessing services for individuals with substance use disorders. When the voucher was initiated two sessions ago, there were no FTEs or resources for our Division. We went from being a policy division to being a payor, in nine months; not only developing the administrative rules, but taking on the program. We do prioritize at all times getting people service if they need it, so when you here Ty talk about the quick turnaround, we take all resource we have into making sure we get approvals done so there's nobody waiting or not knowing if they will have coverage, that also means we have a slow process of payment, we just don't have the resource or capacity. One of the things in our Executive Budget is the two staff that are

required in order to manage this program. We currently have more than 1,800 individuals on the voucher, from July 1st of last year until now. We are seeing a continued demand.

To address the question why the voucher started at age 18, when the voucher started two sessions ago, it is specifically in century code to (American Society of Addiction Medicine) ASAM, which are clinical services, those clinical services are covered by all other payors and methadone was not in the voucher until last session. So some of the barriers we see now are not the same barriers we saw when the program was initiated. I think it makes sense to make adjustments to that, one of the things we would like to offer is to work with the committee on an amendment to ensure delayed implementation, to make sure we have time to adjust the administrative rule changes needed to serve children. One of those things would be clearly identifying that there are children that have insurance, if their parents aren't notified, you can't access that insurance without their knowledge. So there has to be some conversation about how that is implemented. If that child is 16 and they are covered by their parents' insurance, if they seek services on their own, they are they're own financial situation. It's important to talk about the finances, the voucher is a flat amount, we are coming in currently, we will be over-expending more than \$3 million this biennium, before we're even closing session, we have requested that additional money not only for this biennium but for the next biennium. If we expand the population, it only makes sense to ensure we have done a fiscal note that would appropriately give an idea of what it would look like. We support services, but these are details we need to address. Because Medicaid doesn't cover methadone and the voucher is the only reimbursement for those methadone services, it is incredible inappropriate to start somebody on a medication that you're going to tell them there's no money and you're done? It's really important because this is the sole source provider. We need to make decisions up front, do we cap services at a certain time? To continue to accept people, and then not have the continuation for their services is really inappropriate. Those are the types of things we'd look for in an amendment.

Madam Chair Lee: Can we look at the potential expansion of methadone coverage into Medicaid?

Ms. Sagness: This was something that was debated in the last session. The benefit of having methadone in the Medicaid program is you have the additional Federal funds, however you also have Federal requirements that require transportation to those opioid treatment programs, and so the decision was made to expand the voucher to cover that service, because it was more cost effective than expanding Medicaid.

Senator Anderson: The reason there is no fiscal note with this bill now is there is a finite amount of money and you're not going to spend more, you're just going to divide it up amongst more people if we add it in?

Ms. Sagness: There's two reasons we don't have the fiscal note right now. Our program accountant has been out ill. We were requested to provide one, we don't have it done. It also is really helpful to understand the context of the conversation today, to know what the ask is, so that we can do an adequate job of providing a true fiscal note, one of the biggest questions was; if there would be the age of 14, can we bypass the insurance and Medicaid requirements for the child to continue to have that. The age of consent is 14 in the North Dakota Century Code, it's for two things, substance use disorder, and sexually transmitted diseases.

Senator Anderson: Paying for the methadone tablet is a small matter, but this is an observed therapy. When you start on the program you have to go there every day, somebody has to mix your dose and watch you take it. So when Pam talks about having to provide transportation, that means if they live 60 miles away, that's mileage every day. That's a challenge for the budget, I know the Department is working through that to try and figure out how much bite that would take out of the budget for paying for this. It's not just a simple matter of paying for a methadone pill, the Federal government say if you buy their pills you have to buy their transportation.

Pam Sagness: The services currently funded through the voucher, the majority of those services, if the child has insurance, it's going to be the same thing. There is very little that the voucher would be picking up that isn't already covered in their insurance. The questions are going to come down to the children between the ages of 14 and 17 that are consenting for themselves, and the methadone and room and board because room and board is not covered with Medicaid, for residential programs, so for Heartview and also for the IMD exclusion for ShareHouse, this is where the voucher fills in the gaps because of the IMD problems and the Medicaid Federal rules. It's important we keep that flexibility in order to keep the integrity of the program and what's working, but we do have some things that an amendment would clarify.

Senator Anderson: I understand that last year there were some reauthorizations and changes and they looked at increasing that number from 16. What happened to that?

Ms. Sagness: We have a group at DHS that monitors that. The Federal government has to give us guidance several months before enactment. We don't have the guidance yet so once we receive the guidance, again those exemptions were specific to substance use, they're not going to be helpful when we look at the IMD issues relating to mental health, they were specific to addressing the opioid crisis and so we are continuing to monitor that and figure out how we move ahead as a state. We're meeting on that.

We heard a bill on prevention and early intervention which is vital, the Human Services Research Institute (HSRI) report obviously supports that there are no prevention or early intervention services covered in the voucher, I want to make sure there is no misconception, that this voucher is duplicating the bill we heard yesterday. This is treatment services only.

Madam Chair Lee: Closes the hearing on SB 2175.

2019 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2175
1/22/2019
Job #31238 (07:46)

- Subcommittee
 Conference Committee

Committee Clerk: Justin Velez/Meghan Pegel

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 50-06-42 of the North Dakota Century Code, relating to the substance use disorder treatment voucher system.

Minutes:

No Attachments

Pam Sagness, Director of the Behavioral Health Division

Pam Sagness: We have reviewed and developed a fiscal note that's being processed right now through our fiscal division. When we move the age down to age 14, we only considered two services because we believe the majority of services will be covered by the primary insurance or Medicaid. One thing we considered was methadone. Methadone is not covered by Medicaid. We needed to come up with an estimate, so looking at our total numbers, we put together an estimate of approximately 40 youth that could potentially be on methadone as a daily medication. That came to a total of \$260,000. Also we could see youth that are in those residential facilities where we just pay the room and board. We proposed that there could be two youth state-wide and that total for two years would be \$89,000. So the fiscal note will be approximately \$350,181. Then we would also request the one year delayed implementation. Just to be clear that \$350,181 is for two years so you could cut that in half because with the one-year delay, we would not need all of it.

Chair J. Lee: How about if we round it to \$175,000. Are you okay with that?

Pam Sagness: Sure. I'll add that if that number isn't accurate, the voucher services are just provided so it's not like it's a pool. If there were less kids, we'd end up serving adults. It's not identified specifically, but we're just saying that there could be this additional need to what we already have in the voucher. We wouldn't earmark it specifically for children.

Senator Hogan: If you were going to be providing methadone or room and board for a treatment provider, you'd really need parental consent wouldn't you?

Pam Sagness: Correct. The reason we did not include any of the other services is that even if the child came to receive services without their parents knowing, it would be a minimal outpatient service because we would not have a child that goes into a residential facility without parental consent. We would not be prescribing medications to children without parental consent as well. That's the two exceptions, and that's why we believe there could be a cost there. The rest of the circumstances are fairly low and would have minimal impact. These would be the two areas that because they are gaps in the current system, they would have an impact and there's no other payer source.

(4:05) Chair J. Lee: What this statute does is it enables those who are age 14 to make it possible for them to plan their own care which sounds a little loose.

Pam Sagness: If I were communicating about this, I would mention the take-home points. Currently methadone is not a covered service in Medicaid so if you are under the age of 18 and you have an opioid use disorder, you do not have access to that service. Also providers are not incentivized to provide services to youth because they can't be compensated through the voucher for the room and board. If you're a provider and you can get your room and board for serving adults, you're going to do that instead of taking on all the additional responsibility that goes with serving children and losing the cost of room and board.

Senator Hogan: This is not yet a comprehensive service to meet all of their needs, but it's some key pieces. Do we need an amendment to clarify the focus of the voucher?

Pam Sagness: I would like to review it one more time and make sure we don't have any other changes. Most of the changes can happen in rule so we didn't see any initially, but I would like to take a second look at it if I could.

Chair J. Lee: I would like to leave some latitude for rule development because this is an evolving thing. We'd put the skeleton in the statute and then allow the rules to adapt.

Pam Sagness: One of the reasons to target that age group is that the 1915i for adults could potentially provide a lot of the services that we would even be considering for a voucher, so the voucher needs to be nimble so we don't pay for things that are available by other payer sources.

Chair J. Lee: We'll wait to see the fiscal note and if you have any changes you'd like to make. I hope to take action on this tomorrow.

Chair J. Lee ends the discussion on SB 2175.

2019 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2175
1/23/2019
Job #31311(11:58)

- Subcommittee
 Conference Committee

Committee Clerk: Justin Velez/Meghan Pegel

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 50-06-42 of the North Dakota Century Code, relating to the substance use disorder treatment voucher system.

Minutes:

2 Attachments

Pam Sagness, Director of the Behavioral Health Division

Pam Sagness: This is the follow-up on SB 2175. There were two items I was requested to do. One was to complete the fiscal note (**see attachment #1**). This is the substance use disorder voucher going down to age 14. This is a draft from our side so I'm sure that when it gets published, you will get the final draft. This is what was provided to me this morning from our fiscal team. I also provided an amendment (**see attachment #2**) that moved the implementation date back a year so that we can make the administrative role changes that were required. I reviewed the language and feel like it's adequate.

Madam Chair Lee: The fiscal note applies just to one year of this actually being active?

Pam Sagness: Correct.

Senator Hogan: I think the issue is by the fiscal note we're setting the medication assisted treatment and the room and board that you talked about. However, it's not really clear in the bill. If you were just reading this on the table, you wouldn't know what we were doing for this age group. Do you think we need to reference extend the voucher to cover these two things or should we leave it vague?

Pam Sagness: This is the substance use disorder voucher. I want to make sure when we're talking that we keep the mental health one over here and the substance abuse one over here. This one already has administrative rules and service lines. We only anticipate a meaningful fiscal impact in those two service areas because the rest of the services that already exist, the majority of kids are going to have coverage through Medicaid or other programs. This is an estimate that we put together just to give some kind of reference, but we would not change the administrative rules to only give kids these two services. We just

had to basically say no kid will go residential without parents knowing and no child down to age 14 is going to get medication without parents knowing. We see those as the two areas where there would be an impact.

Madam Chair Lee: I'm just briefly reading the fiscal impact section. It talks about increasing access to the SUD (Substance Use Disorder) voucher by decreasing the age from 18 to 14. We anticipate a delayed implementation in the 2019-21 biennium and will therefore have one year of services for those individuals, ages 14-17, will access services. For one year of the biennium we anticipate the following: 40 new individuals, ages 14-17 years old, will access daily methadone services at a rate of \$8.92/day, \$130,232, all of which is general fund. We anticipate that at any given point in time, two individuals, ages 14-17, will be accessing room and board services at a rate of \$61.45/day, \$44,859, all of which is general fund. That is helpful to hear.

(5:30) Pam Sagness: The two services are not covered in Medicaid. That's why they would be provided through the voucher. There is no other payment source for those that would qualify. Again the voucher is only for individuals who meet that poverty level and have a need that isn't met by already existing insurance or Medicaid or expansion. We're already going from this population to this population to this, and now here are the two services that don't have another funding source.

Senator O. Larsen: You said that's kind of a blanket voucher, so if someone comes in at 14 and they use it, we're going to do it. However, if someone is at 20 and then need it, we're still going to use it. It's not solely for ages 0-14.

Pam Sagness: Correct.

Senator Anderson: The poverty level we're talking about for the voucher is what again?

Pam Sagness: 200. For clarification, it does not cost \$8/day for methadone. They took all of the services for people who get methadone as a maintenance and did an average. We're talking about a dollar day in general for medication; it's not \$8. That includes any therapy or other services that would be part of that bundle. They just average based off what adults currently bill. Adults wouldn't have all of that other coverage, so I do believe that that might be a bit high.

Senator Hogan: Motions to Adopt Proposed Amendment.

Senator O. Larsen: Seconds.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Amendment is adopted.

Senator K. Roers: Motions a Do Pass as Amended and Rerefer to Appropriations.

Senator O. Larsen: Seconds.

Senator O. Larsen: I'm glad we were able to massage this a little bit instead of sending it through without really looking at it. It made it easier for me to support the bill.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent. Motion carries.

Senator Clemens will carry the bill.

19.0685.01001
Title.02000

Adopted by the Human Services Committee

CA
1201

January 23, 2019

PROPOSED AMENDMENTS TO SENATE BILL NO. 2175

Page 1, line 2, after "system" insert "; and to provide an effective date"

Page 1, after line 24, insert:

"SECTION 2. EFFECTIVE DATE. This Act becomes effective on July 1, 2020."

Renumber accordingly

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2175**

Senate Human Services Committee

Subcommittee

Amendment LC# or Description: See below

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Sen. Hogan Seconded By Sen. O. Larsen

Senators	Yes	No	Senators	Yes	No
Chair Lee	X		Senator Hogan	X	
Vice Chair Larsen	X				
Senator Anderson	X				
Senator Clemens	X				
Senator Roers	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Page 1, line 2, after "system" add "; and to provide an effective date"
Page 1, after line 24, insert "Section 2. Effective date. This act becomes effective on July 1, 2020."

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2175**

Senate Human Services Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Refer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Sen. K. Roers Seconded By Sen. O. Larsen

Senators	Yes	No	Senators	Yes	No
Chair Lee	X		Senator Hogan	X	
Vice Chair Larsen	X				
Senator Anderson	X				
Senator Clemens	X				
Senator Roers	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Sen. Clemens

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2175: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2175 was placed on the Sixth order on the calendar.

Page 1, line 2, after "system" insert "; and to provide an effective date"

Page 1, after line 24, insert:

"**SECTION 2. EFFECTIVE DATE.** This Act becomes effective on July 1, 2020."

Renumber accordingly

2019 SENATE APPROPRIATIONS

SB 2175

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2175
1/30/2019
JOB # 31802

- Subcommittee
 Conference Committee

Committee Clerk Signature Alice Delzer

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact NDCC relating to the substance use disorder treatment voucher system; and to provide an effective date.

Minutes:

1. Testimony of Dan Hannaher

V. Chairman Krebsbach: called the Committee to order on SB 2175. All committee members were present except Senator Holmberg, who was out of town. Chris Kadrmas, Legislative Council and Stephanie Gullickson, OMB were also present.

Senator Judy Lee, District 13, West Fargo: testified in favor of SB 2175 a bill that deals with Substance Use Disorder (SUD) Voucher. The sooner we can intervene in some of these services the more important it's going to be in order to get individuals on the right track. I would certainly encourage you to consider melding this in, probably into the Human Services (DHS) budget, but it's a part of the executive request to be looking at continuation of the voucher but this reduces that age limit. It's important to understand about the fiscal note but the cost of methadone for medically assisted treatment is about \$1.00 a day but the fiscal note is looking at \$8.00 a day because it includes all the services for the number of users that are projected or anticipated and then averaged out. So it's a hard number to wrap your fingers around. It makes it possible for medically assisted treatment to be available through the voucher and not just through human service centers, for example. **(1.21)**

V. Chairman Krebsbach: I noticed the effective date of this bill is July 1, of 2020.

Senator Judy Lee: Yes. that was because it takes some time to get all of this set in place. It would be for the 2nd year of the biennium.

Dan Hannaher, Director of Community Engagement for Lutheran Social Services of ND. testified in favor of SB 2178 and provided Attachment # 1, a request to expand eligibility for the SUD Voucher program to include teens age 14-18. We believe the experience of Imagine Thriving is relevant to this bill. Imagine Thriving is a nonprofit that has been working in the Fargo, West Fargo, Moorhead area community for the last six years to help address mental health related stigma and to improve access to mental health care for kids. The expanded SUD voucher eligibility contemplated in SB 2175 could make a big difference for

kids with SUD, allowing for earlier intervention that will ultimately prevent crises from occurring. He is requesting passage of this bill. **(5.05)**

Pam Sagness, Director of Behavioral Health Services of DHS: One of the key things to note about the voucher is that the voucher is currently serving a population that is the same as the Medicaid requirements. So this is a program that's filling gaps where there is not coverage, for example for Medicaid. To recall what happened last session, the voucher was initiated two sessions ago and last session there was a decision made for the SUD voucher to cover Medicaid assisted treatments. That's the opioid treatment like methadone and the opioid treatments in the state. Medicaid does not currently reimburse for methadone. So that is not an option for individuals. There is three FDA approved medications. They cover two of the three. That third medication, there is only three locations in the state where you can get that medication. It's very highly regulated through what's called opioid treatment programs that we license and oversee. Those three programs are in Minot, Bismarck and Fargo. So there was a decision made that if that service is added to the Medicaid program it would also require transportation to get the service. When we met last session only one of those three opioid treatments was even open. Which meant the fiscal note to add opioid reimbursement for methadone to the Medicaid program was a higher cost to add it through the Medicaid program than it was through the voucher. How does that relate to this bill? it means that youth between the ages of 14 and 17, prior to 18, that are on Medicaid, do not have access to that medication unless paid out of pocket by parents or their care giver. The fiscal note that says that its \$8.00 a day, that includes all addiction services, that's therapy, that's everything. That is a high estimate because the majority of individuals between the ages of 14 and 18 have medical coverage. Most of those services will be reimbursed. There is no way for us to tease out what parts are clinical therapy versus what parts are the medication, but the methadone itself is closer to \$1.00 a day than \$8.00 a day. So when you think about outpatient costs, that's \$30.00 a month. So it's a very low cost option, but I just wanted to clarify that there is no coverage. It is in the governor's budget request, funding for the SUD voucher so this would align to it, the difference would be the policy part of this bill that changes the age from 18 down to 14 and we would need to update administrative rules in order to do that so that's why there is the one year delayed implementation which we did request. **(8.40)**

V. Chairman Krebsbach: This will go to the subcommittee; Senator Dever, Senator Erbele and Senator Mathern. we will conclude the hearing on SB 2175. We will meet tomorrow morning at 8:00 am and hear bills at 8:30 am. I am going to suggest to Senator Holmberg that we have a subcommittee for SB 2271, the Housing Incentive Finance bill. It seems to me there is about three bills that we have to merge together. We are adjourned for the day.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2175
2/15/2019
JOB # 32827

- Subcommittee
 Conference Committee

Committee Clerk: Alice Delzer

Explanation or reason for introduction of bill/resolution:

A BILL for DHS re: Substance use disorder treatment voucher system (Do Not Pass.)

Minutes:

No testimony Submitted

Chairman Holmberg: Called the Committee to order on SB 2026. All committee members were present. Adam Mathiak, Legislative Council and Becky Deichert, OMB were also present.

Chairman Holmberg: We're following the model we did two years ago, when we had that duplicative series of bills, they were all Appropriation bills and the rules do not allow for that, but the rules are suspendable. So last time, what happened is we brought 25 bills up to the floor, the motion was Senator Klein moved to suspend Joint Rule 206 through the 17th legislative day, which motion prevailed, and then the second reading of Senate bills on the consent calendar for all 24 votes went as one vote and we were done. My understanding according to talking to John Bjornson this morning is we can in committee have a motion that we would list the bills that we are putting on the consent calendar for a Do Not Pass and then we would vote on that, one vote, and then they would go up on the consent calendar. If you recall, we also have two bills in there that had been signed and they had to do with the Attorney General's budget that the items were folded into the budget. So, before we do it we need to have someone from the committee move that we do a Do Not Pass and place these bills on the consent calendar, as these bills are now duplicative to SB 2012.

The list is as follows:

- SB 2026 - Do Not Pass – Improving Mental Health Services
- SB 2028 - Do Not Pass - Behavioral Health Prevention & Early Intervention Services
- SB 2029 - Do Not Pass – Implementation of Community Behavioral Health Program
- SB 2030 - Do Not Pass - Relating to State's Behavioral Health System
- SB 2031 - Do Not Pass - Targeted Case Management Services
- SB 2032 - Do Not Pass - Peer Support Specialist Certification
- SB 2168 - Do Not Pass - Adjustments to QSP Rates
- SB 2175 - Do Not Pass - Substance Use Disorder Treatment Voucher System
- SB 2298 - Do Not Pass - 1915(i) Medicaid State Plan Amendment for Children
- SB 2242 - Do Not Pass – Grants to children's advocacy centers.

Chairman Holmberg: Committee members you may think when the budget comes it is rich, but the bottom line is they are putting the entire issues regarding these bills on the same table. If someone would make the following motion that the Appropriations Committee put a Do Not Pass and place on the consent calendar.

V. Chairman Wanzek: Moved a Do Not Pass and place on the consent calendar on the afore-mentioned bills. 2nd by V. Chairman Krebsbach.

Chairman Holmberg: Call the roll on a Do Not Pass and place them on the consent calendar on the afore-mentioned bills.

A Roll Call vote was taken. Yea: 14; Nay: 0; Absent: 0.

Chairman Holmberg: I did talk to John in Legislative Council and if the front desk has a problem have them call up to Legislative Council and they will say it is fine. **I Will carry the consent calendar.**

Senator Dever: This will be on Monday but SB 2012 will be on Tuesday.

Chairman Holmberg: The only other thing with this is, keep in mind that any senator has the right to pull a bill off the consent calendar and have a debate on this. the two from the Attorney General are already on the consent calendar. This will just join them. I believe there are two more bills that you passed, SB 2106 and SB 2191, Let's hear about them. (These bills were assigned to new jobs.)

The hearing was closed.

Date: 2-15-2019

Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2175

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 2026, 2028, 2029, 2030, 2031, 2032
2168, 2175, 2298, 2242

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Wanzek Seconded By Krebsbach

Senators	Yes	No	Senators	Yes	No
Senator Holmberg	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator Grabinger	✓	
Senator Wanzek	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Poolman	✓				
Senator Bekkedahl	✓				
Senator G. Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Holmberg

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2175, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO NOT PASS** and **BE PLACED ON THE CONSENT CALENDAR** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2175 was placed on the Tenth order on the calendar.

2019 TESTIMONY

SB 2175

SB 2175
1/16/19
#1 Pg.1

To whom it may concern,

My name is Emily Monson, I am a Licensed Addiction Counselor in Fargo and have spent the last six years working with youth in a variety of treatment settings. I have worked with youth in residential settings, outpatient settings, youth who are involved in the criminal justice system, and in their homes. I not only come to you as a professional but also as the daughter of a person who recently died from their chronic disease of addiction. I have seen first-hand the damage that addiction inflicts on families and communities. I am requesting that our legislature please consider accepting Bill 2175 and decrease age of access to the Substance Use Disorder Voucher from 18 years old to 14 years old.

Research has shown time and time again that prevention and early intervention save our tax payers money. Research has also shown that prevention and early intervention and community-based treatments show greater rates of success. The problem is that payment options is a barrier for North Dakota residents to access prevention and early intervention services. This lack of payment options also prevents our youth from being able to access private agencies who might offer additional levels of care. When youth only have one agency to turn to for treatment they are limited to the services that that one agency offers. Offering an alternative payment source such as the SUD voucher could open up access to other agencies and additional levels of care.

Reducing age of access to the SUD voucher could address two recommendations made by the Behavioral Health Study, published in 2018 by the Human Services Research Institute. Recommendation 4.3 (page 116 in the Behavioral Health Study publication) states regarding substance use treatment, "further work is needed to remove barriers to access, particularly related to financing these services." Allowing our youth who are uninsured or lack a payment source access to this voucher reduces the financial barrier to services so that we can help them make meaningful changes in their lives. Recommendation 12.4 (page 141 in the Behavioral Health Study publication) also states, "we recommend that the state sustain (and perhaps expand) the SUD voucher program to continue to support access to recovery support services and fill other gaps in the SUD service continuum."

The idea behind providing the SUD voucher is not for our youth to access it forever but to provide services sooner, build their recovery capital, connect them with other community supports, and prevent the need for more intense services in the future. Not only would approving Bill 2175 have financial benefit to our taxpayers but keep our youth at home and thriving in their communities.

I thank you for your time and consideration.

Sincerely,

Emily Monson

SB 2775
1/16/19
#2 pg. 1

To Whom It May Concern,

My name is Shauna Eberhardt and I am a licensed mental health and licensed addiction counselor in the Fargo, ND area. I hold a PhD in Counselor Education and Supervision and am an active participant in many community and state committees on behavioral health. I wanted to take this opportunity to provide you with information regarding the SUD voucher. I have experience in the private, non-profit and public realms of behavioral health. Historically, there has been a significant disparity in access to behavioral healthcare across our state due in part, to our state's rural nature, as well as gaps in our income-based systems of care including insurance regulations and Medicaid access. Historically, those who have fit within these gaps have had to receive services at the human service centers, driving up numbers and stretching resources. The creation of the SUD voucher has been a mechanism designed to fill this gap, while also creating choice for the residents of our state. SUD voucher is currently available to ND citizens aged 18 and over who meet the income guidelines. While our system is not perfect, the SUD voucher has significantly expanded access, providing transportation coverage and access to medication-assisted treatment. With the enactment of this option, we have provided a larger range of services available to a larger number of our citizens.

Despite this significant progress, one large gap the SUD voucher was unable to fill was the service disparities for adolescents with substance use disorders. According to the behavioral health study, the rates of adolescent substance use disorders continue to increase, calling for expansion of adolescent behavioral health services. Private providers are financially unable to compensate for gaps in insurance coverage for low-income families. Our state's focus on prevention has hit the mark in terms of long-term pay-off. Currently, a residential placement for an adolescent may cost upwards of \$700 per day. Research also indicates that each time a child is removed from the home for a placement, this child experiences an additional traumatic experience. Long-term exposure to traumatic experiences increases the likelihood up to 80% of additional mental health and substance use disorders, causing long-term, significant costs to families and communities. Increasing access to services for younger citizens would be one significant area of growth we could provide as a state, decreasing the long-term, negative outcomes for our youth. Amending the SUD voucher to include citizens 14 years of age and up allows for our youth and families to receive access to necessary services sooner, thus resulting in more positive long-term outcomes, aligning with our state's current focus on prevention and early intervention.

In summary, please consider this small change as one area where we can have a large impact. Our youth deserve parity in access to behavioral health services as well as the power of choice. Thank you for your time.

Sincerely,

Shauna Eberhardt, PhD, LAC, LPC

SB 2175
1/16/19
#3 pg.1

Greetings,

Thank you for taking the time to read this. My name is Tatum Trautman and I am a dually licensed clinician (Licensed Addiction Counselor and Licensed Independent Clinical Social Worker) providing substance use and mental health services in both urban and rural areas of Eastern North Dakota. Youth with substance use and mental health concerns in rural areas have an increased likelihood of being placed out of the home under Division of Juvenile Service custody. This is primarily due to lack of services available in the rural communities for these youth to access a higher level of care, insurance barriers, and/or an inability of the youth's parents to provide transportation due to travel costs and time off from employment to access services offered in urban areas.

Placement of youth out of the home is a high impact cost for the state. Currently youth ages 14 to 17 are not eligible to utilize the SUD Voucher Program. There is an inequality between the needs of vulnerable youth and the availability of services in rural areas. This is a prevention service gap for high risk youth who are moving toward ongoing chronic substance use and mental health difficulties as adults. If the SUD Voucher Program is broadened to include this age range many families and youth with limited means in rural areas will benefit with the ability to access competent treatment providers treating substance use disorders and the additional cost incurred due to out of home placement could be avoided. Evidence suggests that successful early intervention and treatment carries significant benefits for families and society all together.

SAMSHA, the Institute of Medicine and National Research Council's Preventing Mental, Emotional, and Behavioral Disorders Among Young People report – 2009 notes that cost-benefit ratios for early treatment and prevention programs for addictions and mental illness programs range from 1:2 to 1:10. This means a \$1 investment yields \$2 to \$10 savings in health costs, criminal and juvenile justice costs, educational costs, and lost productivity." (<https://www.samhsa.gov/prevention>)

Prevention and early treatment services for youth are key to improved long term outcomes. Financial limitations should be circumvented when possible with the SUD Voucher Program to support the development and growth of rural youth to be successful in their home communities. I ask you to support this bill to improve access to early treatment services for youth. Please contact me with any additional questions you may have.

Thank you,

Tatum Trautman LAC, LICSW

SB 2175
1/16/19
#4 Pg. 1

Senate Human Services

Wednesday January 16, 2019

Chair Lee and members of the Senate Human Services. My name is Kurt Snyder and I am the Chair of the North Dakota Behavioral Health Planning Council and I am the Executive Director of the Heartview Foundation. I am here today to testify in support of Senate Bill 2175. On behalf of the Planning Council this bill continues the funding for a vital and necessary mechanism to fund the gaps in our system. The voucher is important to meet the strategic goals that are being developed by the Human Research Services Institute or HSRI.

On behalf of the Heartview Foundation, I need to speak to the essential role the SUD voucher played in supporting our Opioid Treatment Program as the medication methadone continues to be unfunded by most payer groups. The SUD voucher has also played a critical role in ability to initiate services for those that were uninsured or under insured. This funding has benefited the citizens of North Dakota by opening doors in the private sector at a time when our behavioral health care services has been in crisis in terms of access to care. It has no doubt provided better access to care for many individuals.

One concern that I would raise is that the Division does not seem to have the workforce necessary to manage the voucher program effectively. We are currently 4 months behind in terms of receiving reimbursement. Turnaround of reimbursement is critical for providers who need reliable cash flow and do not have deep pockets.

I thank you for the opportunity to testify and would welcome any questions.

SB 2175 1/23/19
#1 Pg. 2

SB 2175 would require an appropriation increase of \$175,091, all of which is general fund, for the 2019-2021 biennium. SB 2175 would require an appropriation increase of \$350,182, all of which is general fund, for the 2021-2023 biennium.

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SB 2175
1/23/19
#2 pg. 1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2175

Page 1, line 2, after "system" add "; and to provide an effective date"

Page 1, after line 24, insert:

"SECTION 2. EFFECTIVE DATE. This Act becomes effective on July 1,
2020."

Re-number accordingly

SB2175
1-30-19
#1
P1

SENATE APPROPRIATIONS COMMITTEE

TESTIMONY IN SUPPORT OF SB2175
“Expanding SUD Voucher Eligibility to Age 14”
January 30, 2019

Chairman Holmberg and Committee Members. My name is Dan Hannaher, and I am the Director of Community Engagement for Lutheran Social Services of North Dakota. I am here to support the request outlined in SB2175 to expand eligibility for the SUD Voucher program to include teens age 14-18.

We believe the experience of Imagine Thriving, which is now a part of Lutheran Social Services, is relevant to the bill being considered by your Committee today. Imagine Thriving is a nonprofit that has been working in the Fargo West Fargo Moorhead community for the last six years to help address mental health-related stigma and to improve access to mental health care for kids. Much of Imagine Thriving’s work has been done in conjunction with area schools. As part of its work, Imagine Thriving established an “Access to Care Fund”, which it makes available to students who would otherwise go without needed mental health care. To date, the fund has been supported by donated dollars.

Last year the School Wellness Facilitators in these three districts reached out to ask that Imagine Thriving expand its support to include addiction and substance abuse treatment gaps, in addition to the gap funding it already had in place for mental health services. As requests started to come in we saw demand for transportation to/from school for outpatient addiction treatment, and requests for funds to pay for diagnostic assessments and evaluations, usually after some incident/crisis has occurred at school related to the student’s substance abuse. While the dollars needed to help any individual student are not large, the inability to pay is a very real barrier for

SB 2175
1-30-19
#1
P2

each of these families. The Imagine Thriving dollars are used as a last resort but they have been an important resource for these students and their families.

While we do not profess to know exactly how the Department would implement the expansion described in SB2175, we can imagine that the availability of SUD vouchers for teens could help families in school districts across the state of North Dakota, just as the Imagine Thriving Access to Care Fund has done in the Fargo West Fargo districts.

The expanded SUD voucher eligibility contemplated in SB2175 could make a big difference for kids with substance abuse disorders, allowing for earlier intervention that will ultimately prevent crises from occurring. We believe this is another important piece in the puzzle that is a transformed behavioral health system in North Dakota. Thank you for the opportunity to speak to you today. I would be happy to answer any questions you have for me.

Dan Hannaher
Director, Community Engagement
Lutheran Social Services of North Dakota
ND Lobbyist #230
Email: danh@lssnd.org
Phone: 701-271-1604