ACUTE PSYCHIATRIC AND RESIDENTIAL CARE - BACKGROUND MEMORANDUM

Section 5 of House Bill No. 1012 (2021) provides for a study during the 2021-22 interim regarding the acute psychiatric hospitalization and related step-down residential treatment and support needs of individuals with mental illness. The Legislative Management is required to create an Acute Psychiatric Treatment Committee consisting of eight members to conduct the study. The Legislative Management Chairman is required to designate the committee Chairman and Vice Chairman. The committee must complete the study by October 1, 2022.

As part of the study, the committee is required to gather input from stakeholders and other groups, including private hospitals, the Department of Human Services (DHS), and mental health advocates. The study must review options for a long-term plan for acute psychiatric hospitalization and related step-down residential treatment and support needs in the state and short-term options during the next 2 bienniums to contract with private provider acute psychiatric care facilities to provide treatment services in four or more cities in the state, workforce needs of such specific locations, and options to replace the existing State Hospital facility with one or more treatment facilities focused on forensic psychiatric evaluation and treatment.

The committee, with the approval of the Legislative Management, may obtain consulting services to determine the total number of acute care beds needed in the state and to develop recommendations for private provider contracts, treatment requirements and outcome measures, locations in the state, including private and public facilities, and the future use of facilities at the State Hospital campus, including the LaHaug Building. The consulting services may also include the development of conceptual drawings for recommendations for a new State Hospital. The 2021 Legislative Assembly appropriated one-time funding of $500,000 from the general fund to the Legislative Council for consulting services of the study.

The Department of Human Services is required to provide to the consultants and the committee a complete description of other outpatient and inpatient private and public behavioral health services, including substance use disorder facilities existing in the state to prevent acute behavioral health hospitalization and to support patients following discharge from psychiatric hospitalization and related residential care. The department is required to seek Medicaid plan amendments or Medicaid waivers to allow federal funding reimbursement for services provided in institutions for mental diseases to Medicaid beneficiaries between the ages of 21 and 64.

STATE HOSPITAL
Background

The State Hospital was first authorized in 1883, opened in May 1885, and is located on the south side of Jamestown. The State Hospital is referenced in Section 12 of Article IX of the Constitution of North Dakota. It provides psychiatric and chemical dependency treatment to residents of the state. North Dakota Century Code Chapter 25-02 contains various provisions related to the hospital, including Section 25-02-01, which provides an institution for the care of the mentally ill must be maintained in Jamestown, the institution must be known as the State Hospital, and is to be administered and controlled by DHS.

Section 25-02-01.1 provides the State Hospital Governing Body includes the executive director of DHS, the director of the DHS Behavioral Health Division, the State Hospital Superintendent, a representative of the DHS Fiscal Administration Division, a behavioral health consumer selected by the Mental Health Association; and a legislator selected by the Legislative Management. The current legislative member is Representative Karen M. Rohr. The governing body may appoint additional members.

Section 25-02-03 provides the State Hospital is an institution for mental diseases serving specialized populations of the mentally ill, including persons suffering from drug addiction or alcoholism. The State Hospital is one component of the North Dakota mental health delivery system and serves as a resource to community-based treatment programs. The State Hospital, pursuant to rules adopted by DHS, receives and cares for all persons with
mental illness, including persons suffering from drug addiction or alcoholism, residing within the state, and is required to furnish to those persons all needed food, shelter, treatment, and support necessary to restore their mental health or to alleviate their illness or suffering.

Services
The State Hospital provides short-term acute inpatient psychiatric and substance abuse treatment, intermediate psychosocial rehabilitation services, forensic services, and safety net services for adults. Clinical services include psychiatry, psychology, nursing, social work, addiction counseling, chaplaincy, education, occupational therapy, therapeutic reaction, and vocational rehabilitation services. Treatment is provided for individuals with serious mental illness or chemical dependency diagnoses. Inpatient evaluation and treatment services are provided for sexually dangerous individuals.

Treatment modalities utilized includes medication therapy, individual and/or group psychotherapy, addiction counseling, education, skills training, spiritual counseling, and rehabilitative services. Involvement of families in the education and treatment process is encouraged.

The Adult Psychiatrics Services Unit provides services for patients age 18 and older who have a primary diagnosis of serious mental illness. Inpatient services include short-term stabilization, trauma program, geropsychiatric services, and psychosocial rehabilitation services.

Facilities
The following is a summary of buildings located at the State Hospital, including usage and square feet:

<table>
<thead>
<tr>
<th>Building</th>
<th>Uses</th>
<th>Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning Resource Center</td>
<td>Administrative offices, education services, library</td>
<td>40,800</td>
</tr>
<tr>
<td>Administration</td>
<td>Vacant - Used for emergency sleeping rooms for staff</td>
<td>24,675</td>
</tr>
<tr>
<td>Central receiving</td>
<td>Receive and store supplies</td>
<td>27,100</td>
</tr>
<tr>
<td>16 West</td>
<td>Plumbing and electrical shops; portion of building is vacant</td>
<td>39,990</td>
</tr>
<tr>
<td>Superintendent's residence</td>
<td>Former residence of superintendent; rented for special occasions</td>
<td>5,552</td>
</tr>
<tr>
<td>Powerhouse</td>
<td>Heating plant to supply steam to facility</td>
<td>39,285</td>
</tr>
<tr>
<td>Engineering warehouse</td>
<td>Storage for plumbing, electrical, and carpentry supplies</td>
<td>23,414</td>
</tr>
<tr>
<td>Warehouse</td>
<td>General storage</td>
<td>6,020</td>
</tr>
<tr>
<td>Grounds warehouse</td>
<td>Storage for grounds department</td>
<td>2,755</td>
</tr>
<tr>
<td>Implement shed</td>
<td>Storage for large equipment</td>
<td>5,370</td>
</tr>
<tr>
<td>Vehicle maintenance shop</td>
<td>Vehicle maintenance operations</td>
<td>4,650</td>
</tr>
<tr>
<td>Employees building</td>
<td>Apartment building for rentals to staff of the hospital and James River Correctional Center</td>
<td>34,345</td>
</tr>
<tr>
<td>Cottage 77-1</td>
<td>Housing for medical students and emergency overnight housing for staff</td>
<td>2,857</td>
</tr>
<tr>
<td>Cottage 77-2</td>
<td>Housing for medical students and emergency overnight housing for staff</td>
<td>2,857</td>
</tr>
<tr>
<td>Cottage 77-3</td>
<td>Rented to Head Start program</td>
<td>2,857</td>
</tr>
<tr>
<td>Cottage 77-4</td>
<td>Rented to staff</td>
<td>3,020</td>
</tr>
<tr>
<td>Cottage 77-4 garage</td>
<td>Double garage</td>
<td>680</td>
</tr>
<tr>
<td>Cottage 77-5</td>
<td>Housing for transitional living patients</td>
<td>3,020</td>
</tr>
<tr>
<td>Cottage 77-5 garage</td>
<td>Double garage</td>
<td>676</td>
</tr>
<tr>
<td>Cottage 78</td>
<td>Housing for transitional living patients</td>
<td>3,900</td>
</tr>
<tr>
<td>Grounds maintenance</td>
<td>Shop and storage for small vehicles and equipment</td>
<td>3,200</td>
</tr>
<tr>
<td>Tompkins Building</td>
<td>Tompkins program for chemical dependency treatment for male patients</td>
<td>34,660</td>
</tr>
<tr>
<td>GM Building</td>
<td>Sexual offender program</td>
<td>82,670</td>
</tr>
<tr>
<td>Water plant (mason)</td>
<td>Shop used for temporary or contracted masons</td>
<td>4,802</td>
</tr>
<tr>
<td>Sewage lift station</td>
<td>Connection to Jamestown city sewer system</td>
<td>800</td>
</tr>
<tr>
<td>Metal quonset</td>
<td>Storage for plant services department</td>
<td>3,130</td>
</tr>
<tr>
<td>Chapel</td>
<td>Vacant - Used for special occasions</td>
<td>13,140</td>
</tr>
<tr>
<td>Cottage 88</td>
<td>Staff rental</td>
<td>2,254</td>
</tr>
<tr>
<td>Cottage 88 garage</td>
<td>Single garage</td>
<td>308</td>
</tr>
<tr>
<td>Cottage 89</td>
<td>Transitional living for sexual offenders close to discharge</td>
<td>3,028</td>
</tr>
<tr>
<td>Swimming pool</td>
<td>Indoor pool for patient treatment</td>
<td>6,800</td>
</tr>
<tr>
<td>New Horizons Building</td>
<td>Tompkins program for chemical dependency treatment for women and treatment for psychiatric patients</td>
<td>75,485</td>
</tr>
<tr>
<td>LaHaug Building</td>
<td>Inpatient hospital for psychiatric patients and patients who have psychiatric and chemical dependency problems</td>
<td>135,495</td>
</tr>
<tr>
<td>Electrical distribution</td>
<td>Emergency generator</td>
<td>1,800</td>
</tr>
<tr>
<td>Pedestrian tunnels</td>
<td>Connects various campus buildings</td>
<td>24,832</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>666,227</td>
</tr>
</tbody>
</table>
Tompkins Rehabilitation Center
The Department of Corrections and Rehabilitation administers the Tompkins Rehabilitation Center, which is a clinically managed, high-intensity, 90-bed residential care facility on the hospital campus that provides services to inmates with chemical addictions. The Tompkins Rehabilitation Center staff observe, monitor, and treat clients who are not able to benefit from outpatient substance use disorder treatment. Daily clinic services are available 24 hours a day, 7 days a week, including:

- Medical and nursing care;
- Cogitative behavioral therapies;
- Motivational and enhanced strategies;
- Individual and group therapies;
- Family treatment services;
- Educational, vocational, and rehabilitation services; and
- Referral for continued care and support when transitioning to community living.

LaHaug Building
The LaHaug Building, built in 1984, is a 135,495 square foot facility on the State Hospital campus used for the treatment of adults who receive psychiatric and substance abuse services. The building is the newest on the State Hospital campus. The building contains the State Hospital clinic, pharmacy, laboratory, x-ray, staff offices, and recreational and treatment areas.

Fee-Related Statutes
Section 50-06.3-03 provides expenses for care and treatment of each patient at the State Hospital must be in accordance with the cost of providing care and treatment for the different degrees or conditions of mental and physical health and charges may be adjusted in accordance with the patient's or other responsible party's ability to pay which must include an estimate of potential future receipts including amounts from estates. The department is required to recover expenses charged for care and treatment. The department may not recover expenses under Chapter 50-06.3 for care and treatment of a patient transferred to the State Hospital from a jail or regional corrections center.

Section 50-06.3-04 provides the recipient, patient, recipient's or patient's estate, and recipient's or patient's spouse are liable for fees and expenses for services rendered by DHS, through its regional human service centers, and for care and treatment expenses charged at the State Hospital. The parents of a recipient or patient are responsible for services, care, and treatment provided prior to the 18th birthday of the recipient or patient.

Section 50-06.3-05 provides no handicapped patient under 21 years of age or the estate or the parent of the patient may be charged for educational or related services provided at the State Hospital.

Section 50-06.3-06 provides any person liable for the expenses of care and treatment at the State Hospital may apply to pay less than the expenses charged. The application must be accompanied by proof of the applicant's inability to pay.

Budget
The following is a summary of the State Hospital budget for the 2019-21 and 2021-23 bienniums:

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Other Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021-23 biennium</td>
<td>$65,203,293</td>
<td>$15,883,778</td>
<td>$81,087,071</td>
</tr>
<tr>
<td>2019-21 biennium</td>
<td>48,936,041</td>
<td>19,865,448</td>
<td>68,801,489</td>
</tr>
<tr>
<td>Increase (decrease)</td>
<td>$16,267,252</td>
<td>($3,981,670)</td>
<td>$12,285,582</td>
</tr>
</tbody>
</table>

HUMAN SERVICE CENTERS
Background
The Department of Human Services operates eight regional human service centers that provide community-based treatment for individuals with a mental illness of chemical dependency, including on an outpatient residential basis. The centers are located in Williston, Minot, Devils Lake, Grand Forks, Fargo, Jamestown, Bismarck, and Dickinson. Behavioral health services are provided in a community-based setting, compared to the more structured and intense treatment environment provided to individuals at the State Hospital. Services available include:
- Aging Services;
- Developmental disabilities assistance;
- Vocational rehabilitation;
- Child welfare services;
- Children’s mental health;
- Serious mental illness and extended care coordination;
- Acute clinic services;
- Substance abuse services; and
- Crisis and emergency response services.

**Budget**

The following is a summary of the human service centers budget for the 2019-21 and 2021-23 bienniums:

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Other Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021-23 biennium</td>
<td>$98,529,055</td>
<td>$71,254,971</td>
<td>$169,784,026</td>
</tr>
<tr>
<td>2019-21 biennium</td>
<td>104,546,617</td>
<td>58,437,930</td>
<td>162,984,547</td>
</tr>
<tr>
<td>Increase (decrease)</td>
<td>($6,017,562)</td>
<td>$12,817,041</td>
<td>$6,799,479</td>
</tr>
</tbody>
</table>

**STEP-DOWN RESIDENTIAL TREATMENT AND SUPPORT**

**Residential Treatment Facilities**

Psychiatric residential treatment facilities provide children and adolescents with therapeutic services, integrating group living, educational services, and a clinical program based on a clinical assessment and individual treatment plan that meets the needs of the child and family. They are available to children in need of active psychotherapeutic intervention who cannot be effectively treated in their home, another home, or a less restrictive setting. North Dakota residential treatment providers include:

- Dakota Boys and Girls Ranch - Bismarck, Fargo, and Minot
- Nexus-PATH Family Healing - Fargo
- Pride Manchester House - Bismarck
- Ruth Meiers Adolescent Center - Grand Forks

**Substance Abuse Treatment Providers**

The Behavioral Health Division of DHS is responsible for licensing alcohol and drug treatment providers in North Dakota. Substance abuse treatment providers are granted licenses to operate various programs following the levels of treatment defined by the American Society of Addiction Medicine. Licensed levels of care in North Dakota are:

- Adult low-intensity residential care;
- Adolescent low-intensity residential care;
- Adult high-intensity residential care;
- Adolescent medium-intensity residential care;
- Adult intensive inpatient treatment;
- Adolescent high-intensity inpatient treatment;
- Adult partial hospitalization/day treatment;
- Adolescent partial hospitalization/day treatment;
- Adult intensive outpatient treatment;
- Adolescent intensive outpatient treatment;
- Adult outpatient services;
- Adolescent outpatient services;
- Withdrawal management (social detoxification);
• Driving under the influence seminar program; and
• Opioid treatment programs.

See appendix for information on licensed addiction treatment providers and programs in the eight service regions in the state.

PREVIOUS STUDIES
2017-18 Interim

The Legislative Management’s Human Services Committee received information regarding DHS actions relating to behavioral health. The Department of Human Services contracted with the Human Services Research Institute (HSRI) for $160,000 to conduct a review of the state’s behavioral health system. The goals of the study were to conduct an in-depth review of the state’s behavioral health system; to analyze current utilization and expenditure patterns by payer source; to provide recommendations for enhancing the integration, cost-effectiveness, and recovery orientation of the system to effectively meet community needs; and to establish strategies for implementing the recommendations. The study gathered data by reviewing existing reports and documents, by conducting stakeholder interviews, and by reviewing Medicaid claims and state service utilization data for behavioral health services.

The committee received the final HSRI report, which included 13 recommendations and 65 specific strategies to direct future behavioral health policy and services in the state, as follows:

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Strategy</th>
</tr>
</thead>
</table>
| 1. Develop a comprehensive implementation plan | 1.1 Reconvene system stakeholders, including service users and their families  
1.2 Form an oversight steering committee to coordinate with key stakeholder groups  
1.3 Establish workgroups to address common themes identified in this report |
| 2. Invest in prevention and early intervention | 2.1 Prioritize and implement evidence-based social and emotional wellness initiatives  
2.2 Expand existing substance use prevention efforts, restore funding for the Parents Listen, Educate, Ask, Discuss program  
2.3 Build upon and expand current suicide prevention activities  
2.4 Continue to address the needs of substance exposed newborns and their parents  
2.5 Expand evidence-based services for first-episode psychosis |
| 3. Ensure all North Dakotans have timely access to behavioral health services | 3.1 Coordinate and streamline information on resources  
3.2 Expand screening in social service systems and primary care  
3.3 Ensure a continuum of timely and accessible crisis response services  
3.4 Develop a strategy to remove barriers to services for persons with brain injury  
3.5 Continue to invest in evidence-based harm-reduction approaches |
| 4. Expand outpatient and community-based service array | 4.1 Ensure access to needed coordination services  
4.2 Continue to shift funding toward evidence-based and promising practices  
4.3 Expand the continuum of substance use disorder treatment services for youth and adults  
4.4 Support and coordinate efforts to enhance the availability of outpatient services in primary care  
4.5 Address housing needs associated with behavioral health needs  
4.6 Promote education and employment among behavioral health service users  
4.7 Restore/enhance funding for recovery centers  
4.8 Promote timely linkage to community-based services following a crisis  
4.9 Examine community-based alternatives to behavioral health services currently provided in long-term care facilities |
| 5. Enhance and streamline system of care for children and youth | 5.1 Improve coordination between education, early childhood, and service systems  
5.2 Expand targeted, proactive in-home supports for at-risk families  
5.3 Develop a coordinated system to enhance treatment-related foster care capacity and cultural responsiveness  
5.4 Prioritize residential treatment for those with significant/complex needs |
<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Strategy</th>
</tr>
</thead>
</table>
| 6. Continue to implement and refine criminal justice strategy | 6.1 Ensure collaboration and communication between systems  
6.2 Promote behavioral health training among first responders and others  
6.3 Review behavioral health treatment capacity in jails  
6.4 Ensure Medicaid enrollment for individuals returning to the community |
| 7. Engage in targeted efforts to recruit and retain competent behavioral health workforce | 7.1 Establish a single entity for supporting workforce implementation  
7.2 Develop a single database of statewide vacancies for behavioral health positions  
7.3 Provide assistance for behavioral health students working in areas of need in the state  
7.4 Raise awareness of student internships and rotations  
7.5 Conduct comprehensive review of licensure requirements and reciprocity  
7.6 Continue establishing training and credentialing program for peer services  
7.7 Expand credentialing programs to prevention and rehabilitation practices  
7.8 Support a robust peer workforce through training, professional development, and competitive wages |
| 8. Expand the use of telebehavioral health | 8.1 Support providers to secure necessary equipment/staff  
8.2 Expand the availability of services for substance use disorders, children and youth, and American Indian populations  
8.3 Increase types of services available  
8.4 Develop clear, standardized regulatory guidelines |
| 9. Ensure the system reflects values of person centeredness, cultural competence, and trauma-informed approaches | 9.1 Promote shared decisionmaking  
9.2 Promote mental health advance directives  
9.3 Develop a statewide plan to enhance commitment to cultural competence  
9.4 Identify cultural/language/service needs  
9.5 Ensure effective communication with individuals with limited English proficiency  
9.6 Implement additional training  
9.7 Develop/promote safe spaces for LGBTQ individuals within the behavioral health system  
9.8 Ensure a trauma-informed system  
9.9 Promote organizational self-assessments |
| 10. Encourage and support the efforts of communities to promote high-quality services | 10.1 Establish a state-level leadership position representing persons with lived experience  
10.2 Strengthen advocacy  
10.3 Support the development of and partnerships with peer-run organizations  
10.4 Support community efforts to reduce stigma, discrimination, and marginalization  
10.5 Provide and require coordinated behavioral health training among related service systems |
| 11. Partner with tribal nations to increase health equity | Collaboration within and among tribal nations, and with state and local human service agencies |
| 12. Diversify and enhance funding for behavioral health | 12.1 Develop an organized system for identifying/responding to funding opportunities  
12.2 Pursue 1915(i) Medicaid state plan amendments  
12.3 Pursue options for financing peer support and community health workers  
12.4 Sustain/expand voucher funding and other flexible funds for recovery supports  
12.5 Enroll eligible service users in Medicaid  
12.6 Join in federal efforts to ensure behavioral and physical health parity |
| 13. Conduct ongoing, system-side data-driven monitoring of needs and access | 13.1 Enhance and integrate provider data systems  
13.2 Develop system metrics to monitor progress on key goals  
13.3 Identify and target services to those with highest service costs |

The committee was informed DHS contracted with HSRI for $178,000 to begin implementing the recommendations. The Department of Human Services estimated the implementation process would be completed in June 2019.
The committee recommended Senate Bill No. 2030 (2019), which included a general fund appropriation of $408,000 and 1.5 FTE positions for the purpose of coordinating the implementation of recommendations of the study of the state's behavioral health system. The bill was not approved but Senate Bill No. 2012 (2019), which was approved by the Legislative Assembly, included a $300,000 general fund appropriation for the implementation of study recommendations.

2019-20 Interim
Implementation of Behavioral Health System Study Recommendations

The Legislative Management's Human Services Committee studied the implementation of the recommendations of the HSRI study of North Dakota's behavioral health system. The committee received updates regarding the status of implementation of recommendations included in the HSRI study of the state's behavioral health system. The Behavioral Health Planning Council, in conjunction with behavioral health stakeholders, is coordinating the development of a strategic plan to implement the recommendations. In December 2018, 570 individuals completed a survey to prioritize the implementation of strategies included in the HSRI report. The top five strategies ranked in the survey were included in the 2019 behavioral health strategic plan.

The top five strategies are:
1. To implement training on trauma-informed approaches for criminal justice staff;
2. To expand in-home community supports;
3. To implement crisis intervention team training for law enforcement officers and emergency medical responders;
4. To review behavioral health treatment capacity in jails and develop a plan to address needs; and
5. To expand school-based mental health and substance use disorder treatment services for youth.

The strategic planning process identified an implementation plan with four phases:
1. Strategic planning.
2. Prioritization and refinement of goals and objectives.
3. Initiate the implementation of goals and objectives.
4. Monitor and sustain the implemented efforts.

As of October 2020, the state was in Phases 3 and 4 of the implementation plan. The committee was informed dashboards were being developed to allow the public to view the implementation progress and that the dashboards will be updated quarterly.

The committee did not make recommendations regarding the study of the implementation of recommendations included in the HSRI report on the state's behavioral health system.

Acute Psychiatric and Residential Care Statewide Needs Plan

Section 18 of Senate Bill No. 2012 (2019) (which was further amended by Section 30 of Senate Bill No. 2015 (2019)) required DHS to develop a statewide plan to address acute psychiatric and residential care needs. The plan was to address the following:
1. The size and use of the State Hospital;
2. The potential need for state-operated or private acute facilities in areas of the state outside the city of Jamestown;
3. The potential to expand private providers' offering of acute psychiatric care and residential care to fulfill the identified need, including how the implementation of services authorized by the 2019 Legislative Assembly affects the balance of inpatient, residential, and community-based services;
4. The impact of department efforts to adjust crisis services and other behavioral health services provided by the regional human service centers; and
5. The potential use of available Medicaid authorities, including waivers or plan amendments.

The Department of Human Services contracted with the HSRI for $68,000 to conduct the study and to analyze the condition of State Hospital facilities and options to construct a new State Hospital facility. The study focused on the size and use of the State Hospital, the need for psychiatric facilities outside the city of Jamestown, the ability
for private providers to offer additional psychiatric services, the effect of the DHS efforts to increase crisis and other behavioral health services at regional human service centers, and the potential use of available Medicaid waivers and state plan amendments.

The following are the recommendations that resulted from the HSRI study of the state's acute psychiatric and residential care statewide needs:

<table>
<thead>
<tr>
<th>Study Area</th>
<th>Key Recommendations</th>
</tr>
</thead>
</table>
| Size and use of the State Hospital             | 1. A new 75- to 85-bed facility should be constructed.  
2. Demand for the rehabilitation function of the State Hospital may be alleviated by expanding the availability of partial hospital programs.  
3. Problems with access to behavioral health services reported by critical access hospitals should be investigated.  
Options should be explored to establish a small number of beds to serve a combination of adults and youth in the northwestern part of the state. Options to contract with an existing inpatient facility for the beds should be reviewed. |
| Need for state-operated or private acute facilities outside the city of Jamestown | 1. Expansion efforts should focus on increased capacity for outpatient treatment that reduces the demand for inpatient treatment.  
2. Expansion of services should be accompanied by the goal of increased efficiency.  
3. Federally qualified health clinics and critical access hospitals may provide increased access in less populated areas.  
4. Assessment of geographic distribution is needed along with expansion. |
| Expansion of private providers offering of acute psychiatric and residential care needs | 1. Offering additional and enhanced behavioral health services should be accompanied by thorough data collection and monitoring to assess the impact on emergency department and hospital diversion.  
2. Consideration should be given to contracting for residential beds until the effects of service changes are known.  
3. Care criteria should be reviewed and utilization management processes enhanced to ensure appropriate level of care assignment.  
4. Community stability should be monitored when transferring individuals from residential programs to less intensive settings.  
5. Permanent housing supports should be maximized.  
6. Service utilization should be monitored across the entire behavioral health system.  
7. A comprehensive and integrated crisis response system could monitor individuals through care transitions and more efficiently identify available capacity. |
| Effect of DHS efforts to expand crisis and other behavioral health services at regional human service centers | 1. Offering additional and enhanced behavioral health services should be accompanied by thorough data collection and monitoring to assess the impact on emergency department and hospital diversion.  
2. Consideration should be given to contracting for residential beds until the effects of service changes are known.  
3. Care criteria should be reviewed and utilization management processes enhanced to ensure appropriate level of care assignment.  
4. Community stability should be monitored when transferring individuals from residential programs to less intensive settings.  
5. Permanent housing supports should be maximized.  
6. Service utilization should be monitored across the entire behavioral health system.  
7. A comprehensive and integrated crisis response system could monitor individuals through care transitions and more efficiently identify available capacity. |
| Potential use of Medicaid waivers and plan amendments | A Medicaid Institution for Mental Disease waiver should not be sought by the state which may increase inpatient capacity and is counter to the report recommendations of increased community-based services. |

**2021-23 BIENNIAL EXECUTIVE RECOMMENDATIONS**

The 2021-23 biennium executive budget included the following recommendations related to the State Hospital:

- The Department of Human Services be authorized to expend funds for the payment of special assessments at the State Hospital and Life Skills and Transition Center. **The 2021 Legislative Assembly approved this recommendation.**

- The Department of Human Services be authorized to expend funds to demolish the chapel, employee building, and associated tunnels at the State Hospital. Notwithstanding Sections 54-16-04 and 54-27-12, the Director of the Office of Management and Budget be allowed to transfer appropriation authority between line items, as requested by DHS, for the department to expend funds on the demolition of the identified buildings and associated tunnels and for emergency capital projects. **The 2021 Legislative Assembly approved this recommendation and authorized DHS to spend up to $5 million for emergency projects and may seek Emergency Commission approval to spend more than $5 million.**

- The Department of Human Services be authorized to construct a new State Hospital on the property owned by the state in Stutsman County, near or on State Hospital's current campus. The recommendation provided the new state hospital may include space for the operation of the regional human service center. The
Department of Human Services would have been authorized to contract with a private operator to build, transfer, and operate the facility through a development agreement on leased property owned by the state of North Dakota, pursuant to Chapter 48-02.1. The continuing cost to support the new state hospital through a development agreement must be included in the DHS 2023-25 biennium budget request submitted to the 68th Legislative Assembly. The 2021 Legislative Assembly did not approve this recommendation.

- Provide legislative intent DHS and the National Guard enter into an agreement to lease up to 20 acres of real property associated with the State Hospital for the National Guard to build a new training and storage center. The 2021 Legislative Assembly approved this recommendation.

**STUDY PLAN**

The following is a proposed study plan for the committee's consideration in its study regarding acute psychiatric and residential care:

1. Prepare, review, and issue a request for proposal to hire a consultant to facilitate the study, subject to approval from the Chairman of the Legislative Management.

2. Hire a consultant to assist in the committee's study.

3. Receive and review information from representatives of DHS, regarding:
   a. Outpatient and inpatient private and public behavioral health services, including substance use disorder facilities existing in the state to prevent acute behavioral health hospitalization and to support patients following discharge from psychiatric hospitalization and related residential care; and
   b. The department's progress in seeking Medicaid plan amendments or Medicaid waivers to allow federal funding reimbursement for services provided in institutions for mental diseases to Medicaid beneficiaries between the ages of 21 and 64.

4. Receive and review information from private hospitals, DHS, mental health advocates, and other organizations, such as the Mental Health Association, Alliance for the Mentally Ill, and the North Dakota Protection and Advocacy Project regarding the committee's study of acute psychiatric and residential care.

5. Receive and review information from interested persons regarding the committee's study of acute psychiatric and residential care.

6. Review consultant recommendations and options for:
   a. A long-term plan for acute psychiatric hospitalization and related step-down residential treatment and support needs in the state;
   b. Short-term options during the 2021-23 and 2023-25 bienniums to contract with private provider acute psychiatric care facilities to provide treatment services in four or more cities in the state;
   c. Workforce needs of the selected cities; and
   d. Options to replace the existing State Hospital facility with one or more treatment facilities focused on forensic psychiatric evaluation and treatment.

7. Develop recommendations and any bill drafts necessary to implement the recommendations.

8. Prepare a final report for submission to the Legislative Management.

ATTACH:1