



2003-2005 Biennial Report

July 1, 2003 to June 30, 2005

John Hoeven, Governor
Carol K. Olson, Executive Director

N.D. Department of Human Services
600 E Boulevard Avenue, Dept. 325
Bismarck ND 58505-0259

Phone: (701) 328-2310
Toll Free: (800) 472-2622
TTY: (701) 328-3480

dhseo@state.nd.us
www.nd.gov/humanservices

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Transmittal Letter

December 1, 2005

The Honorable John Hoeven
Governor of North Dakota
600 E Boulevard, First Floor
Bismarck ND 58505-0001

Dear Governor Hoeven,

I am pleased to submit the North Dakota Department of Human Services' 2003-2005 Biennial Report. This report contains a summary of the accomplishments achieved by the department, as well as expenditure and caseload information.

The department's programs and services directly affect the quality of life of thousands of North Dakota residents and significantly impact the state's economy. The department, for example, pays millions of dollars through Medicaid to medical providers who serve qualifying low-income individuals.

During the 2003-2005 biennium, the department faced several challenges, which we will continue to address in the 2005-2007 biennium. A declining child population resulted in fewer federal child care assistance funds; so program eligibility requirements were changed to sustain services for the working poor. In addition, the department experienced growing demand for alcohol and drug addiction treatment services, and growth in the State Hospital's secure services unit, which provides treatment to civilly committed sexually dangerous individuals.

The federal matching percentage rate for Medicaid is tied to per capita income. North Dakota's growing economy actually resulted in a reduction in federal Medicaid funding to the state. This was offset temporarily when Congress agreed to provide short-term additional funding to all states. Because of the additional funding, North Dakota was able to sustain payments to providers and to sustain Medicaid services to qualifying low-income women, children, elderly individuals, and people with disabilities.

The department continues to work very hard to efficiently manage programs and services in order to provide important supports to the state's most vulnerable citizens.

Sincerely,

Carol K. Olson
Executive Director

Department Overview

Mission

To provide quality, efficient and effective human services, which improve the lives of people.

Department's Role

- Provides services that help vulnerable North Dakotans of all ages to maintain or enhance their quality of life, which may be threatened by lack of financial resources, emotional crises, disabling conditions, or an inability to protect themselves.
- Supports the provision of services and care in the home or as close to home as possible to maximize each person's independence while preserving the dignity of all individuals and respecting their constitutional and civil rights.

Structure

The N.D. Department of Human Services is an umbrella agency headed by an Executive Director appointed by the Governor. The department is organized into three major subdivisions consisting of Field Services, Managerial Support, and Program and Policy Divisions.

Field Services includes the North Dakota State Hospital, the Developmental Center, and eight regional human service centers, which provide direct services to people with disabilities and vulnerabilities on a continuum that ranges from community-based services to institutional care.

Managerial Support divisions support the work of the central office divisions and the field and include Fiscal Administration, Information Technology, Legal Advisory, and Human Resources.

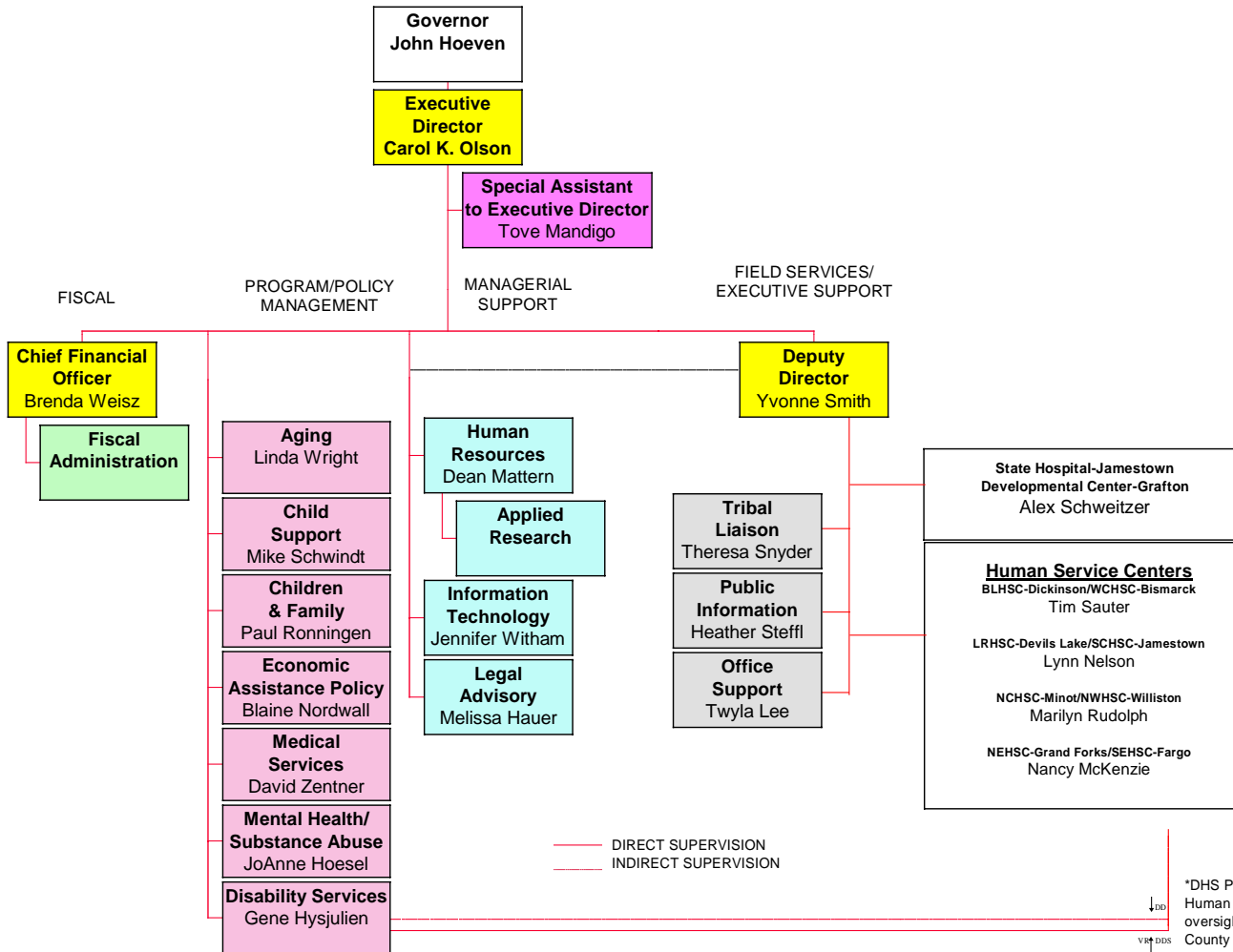
Program and Policy Divisions include: Aging Services, Child Support Enforcement, Children and Family Services, Disability Services, Economic Assistance Policy, Medical Services, and Mental Health and Substance Abuse Services. These divisions distribute funds, supervise programs, conduct training, and provide technical assistance to 53 county social service offices and other service providers in our state supervised-county administered system.

State Supervised and County Administered

Delivering human services involves a partnership between the department, counties, the tribes, and service providers. The department receives and distributes funds furnished by the North Dakota Legislature and Congress. Funds may be sent directly to providers or to people whom the counties determine qualify for programs and benefits. The department provides direction and technical assistance, sets standards, conducts training, and manages the computerized eligibility system.

Organizational Chart

NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES



Facts

- The N.D. Department of Human Services administers over 100 legislatively authorized programs.
- The department expended about \$1.5 billion during the 2003-2005 biennium. This comprised approximately 32% of the state's expenditures during that time period.
- Over 80 percent of the total budget of the department goes to the providers of goods and services to benefit clients in communities across North Dakota.

Investing in human services is an investment in people and communities.

Meeting Health Needs

During State Fiscal Year (SFY) 2004 the N.D. Department of Human Services:

- Paid hospitals \$59.7 million for 10,677 hospital admissions and 71,045 outpatient visits.
- Paid nursing homes \$149.5 million to care for an average of 3,572 residents per month.
- Paid home healthcare agencies and Qualified Service Providers (QSPs) \$7 million to care for several thousand people in their homes.
- Paid pharmacies \$46 million (includes rebates) for 1,121,549 prescriptions
- Paid clinics, doctors, and dentists \$38 million.
- In Cass County alone, the department paid medical providers approximately \$62 million. Medical providers in Grand Forks County received just over \$28 million in reimbursement. Burleigh County providers received close to \$52 million, and Ward County providers received just over \$33 million. In rural McLean County, providers received about \$6 million in reimbursement through the Medicaid program.
- Providers of services for people with developmental disabilities received \$88 million for an average monthly caseload of 2,531 individuals.
- Residential treatment facilities, residential child care facilities, and other foster care providers received \$24.9 million to serve an average of 989 children per month in 2004.

Supporting Vulnerable Persons and Children

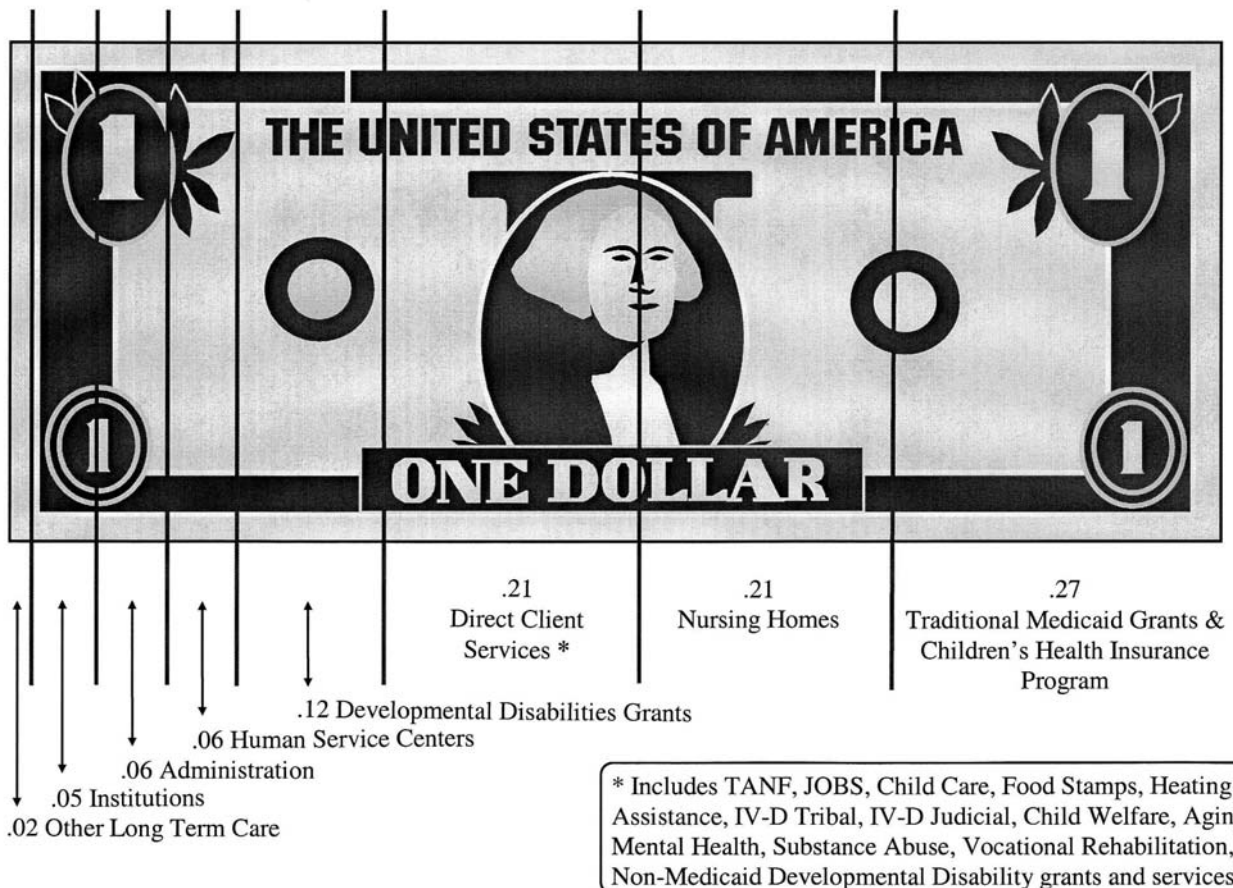
- During SFY 2004, providers received about \$4 million to provide meals, outreach, and supportive services to about 25,000 frail and elderly people.
- During SFY 2004, the department paid child care providers \$11.2 million to care for an average of 4,927 children per month.
- Child support enforcement services promote parental responsibility and quality of life for children who do not live with both parents. Over 86% of the \$193.6 million collected in the biennium was distributed to families. This helps families remain self-sufficient and reduces demand on assistance programs. Paternity is established in more than 96% of the cases enforced by the program, and over 72% of the current support owed (in cases enforced by the program) is collected in the month in which it is due.

Meeting Basic Needs

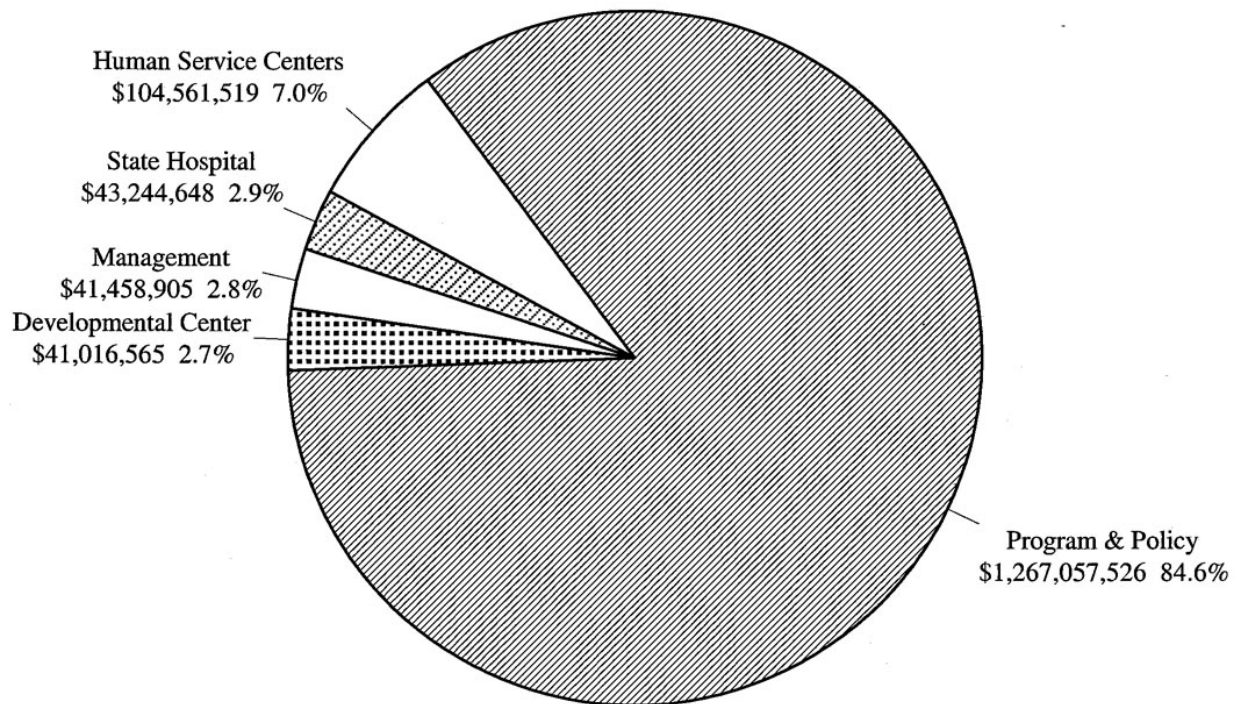
The Food Stamp Program and the Low Income Home Energy Assistance Program (LIHEAP), which are 100% federally funded, provide important nutrition assistance and winter heating assistance to low-income North Dakotans of all ages, and they also benefit local community grocery stores and energy companies in the state.

- For 424 local North Dakota grocery stores, this amounted to a combined \$83.6 million in food stamp revenue during the 2003-2005 biennium.
- Energy providers, ranging from Xcel Energy to Farmer's Union, as well as small rural oil companies received LIHEAP payments totaling \$18.5 million during the winter heating seasons in the 2003-2005 biennium (spans from the fall of 2003 to the spring of 2005).

Where Did The Money Go? Department-wide Total Funds \$1,497,339,163



Major Expenditures



	Funding	Percent
General	\$402,269,863	26.9%
Federal	\$1,013,044,394	67.6%
Other	\$82,024,906	5.5%
Total	\$1,497,339,163	100.0%

2003-2005 Accomplishments

Contained Administrative Costs

- Set up a video conferencing system at all regional facilities and out-stationed divisions to enhance training and information sharing, while also reducing travel costs associated with day-to-day operations.

Improved Customer Service

- Posted a Medicaid Provider Manual online that addresses provider coverage and billing questions.
- Implemented a voice response call-in system so that in-home care providers (qualified service providers) could check on payments and the status of claims.
- Developed an on-line child support enforcement services application for parents, and implemented a secure on-line site where employers can report new hires, and establish electronic fund transfers for employee payroll deductions related to child support.

Experienced Growth In Child Support Collections

- Projected child support collections in 2005 to exceed \$100 million – an increase of over 9.3% over 2003 and a 4.2% increase over 2004.
- Implemented several new enforcement tools that may have contributed to collection growth such as the license suspension program.

Earned Third Place Ranking Nationally Among Child Support Programs

- Retained the third place ranking in 2004 among state child support enforcement programs based on statistics comparing states on the percentage of cases with paternities established, support orders established, current child support collected, and overdue child support collected, as well as cost effectiveness measures.

Helped Link Qualifying Children With Free School Lunches

- Partnered with the Department of Public Instruction to identify and certify children who qualify for free and reduced school lunches because of economic assistance.

Implemented Debit Cards For Child Support Payments And TANF Benefits

- Entered into a multi-state agreement to provide debit cards to clients so that they could access their child support payments or TANF benefits conveniently at participating ATM machines, merchants, and financial institutions. This effort reduced costs associated with paper check distribution.

Offered Medicaid Personal Care Services

- Received federal approval of a Medicaid State Plan change to provide personal care services to Medicaid clients who do not qualify for a nursing facility level of care but who need help to remain in their homes.
- Enabled the state to access matching federal funds toward the cost of this care.
- Approved 527 individuals for personal care services during the biennium.

Reduced Medicaid Pharmacy Costs

- Implemented a prior authorization for five classes of drugs producing savings over the biennium of \$1.9 million in pre-rebate drug expenditures.

Medicaid Program Efficiency Recognized

- Received praise in a report by a consultant hired by Legislative Council to review Medicaid expenditures for potential savings. Don Muse and Associates said North Dakota's Medicaid program ranked in the top three states according to their statistical review.

2003-2005 Accomplishments

Offered Medicaid Workers With Disabilities Coverage

- Developed and implemented a new program that enables people with disabilities to work and earn income without jeopardizing their Medicaid health coverage. Qualifying individuals pay a modest premium for coverage.

Implemented Joint Application And Seamless Referral For Child Health Coverage Programs

- Collaborated with state and county entities and the Dakota Medical Foundation to establish a joint application for child health coverage programs including Medicaid, the Children's Health Insurance Program, and the private Caring Program for Children. This effort involved computer eligibility system changes, better coordination, and automatic referrals and led to increased participation in child health coverage programs.

Conducted More Health Screenings Of Low-Income Children

- Provided health screenings to 60% of eligible children through Medicaid's Health Tracks program increasing the number of Medicaid enrolled children who received their recommended immunizations, and who received preventive health services and diagnostic and treatment services including dental services.

Earned TANF Performance Bonus

- Was awarded \$2.85 million in Temporary Assistance for Needy Families high performance bonuses during the biennium in recognition of the state's job entry rate, and for increasing the number of eligible TANF households who also participated in health coverage programs and the food stamp program, because this provides some budgetary stability as TANF families transition from assistance toward self-sufficiency.

Received Food Stamp Performance Bonus

- Achieved the eighth lowest error rate in the nation for food stamp programs in 2004 earning about a \$215,000 performance bonus from the U.S. Department of Agriculture.

Recognized For Federal Child And Family Services Review Performance

- Ranked first in the nation in the first round of child and family service reviews.
- Developed and initiated an in-state review process to monitor and further strengthen outcomes so that N.D. improves the state's compliance with federal review standards.

Passed federal IV-E audit in child welfare services

- Passed a stringent federal audit of IV-E funding to avoid federal fiscal sanctions. (Title IV-E provides funds for foster care payments for eligible children, adoption assistance payments, and related administrative and training costs.)

Implemented Kinship Care To Better Serve Children Removed From Their Homes

- Used Temporary Assistance for Needy Families (TANF) funds to support the placement of children with relatives instead of foster care homes. Financial support helps meet the basic needs of children.

Strengthened Substance Abuse Treatment Services

- Worked to identify service gaps and needs in each administrative region and then partnered with other community providers to help address them.
- Adopted the American Society of Addiction Medicine placement criteria for all licensed substance abuse treatment providers including the human service centers to assure that people receive the most appropriate level of treatment based on their unique needs.

2003-2005 Accomplishments

Piloted TANF Projects Targeting Non-Custodial Unemployed Or Underemployed Parents

- Partnered with Job Service North Dakota, the child support enforcement program, and District Courts to pilot a program in the Dickinson region offering job readiness and employment placement services to noncustodial parents who are behind in their child support payments so that they can better support their children.

Implemented TANF Efforts To Support Self-Sufficiency Goals

- Involved various divisions, the regional human service centers, Job Service North Dakota, and Tribal programs to assure that TANF clients could access clinical services and case management and other supports to overcome the obstacles that prevent them from securing and maintaining employment.

Expanded Infant Development Screenings

- Increased early intervention service referrals by as much as 40% in some parts of the state. As a result, more infants, toddlers, and preschool children at risk of developmental delays or disabilities were identified earlier and were able to access and benefit from services sooner, supporting better long-term outcomes.

Recognized For Vocational Rehabilitation Program's Rural Outreach Efforts

- Implemented an outreach campaign statewide to make rural communities aware of vocational rehabilitation services. During the biennium, this initiative helped about 70 farmers and ranchers who had permanent injuries, illnesses, or impairments to maintain their agricultural operations. Assistance included modifying equipment and practices and other services.

Recognized For Vocational Rehabilitation Program's Business Outreach

- Received recognition from federal officials for the department's Rehabilitation Consulting and Services program, which was described as a successful model for building relationships between the business sector and vocational rehabilitation (VR) services. The number of employers who initiated contact with VR for information about accommodations and other services more than doubled during the biennium.

Recognized For Exemplary Practices In Review Of Home And Community Based Services For People With Developmental Disabilities

- The Centers for Medicare and Medicaid Services reviewed services provided under the state's Medicaid Waiver for developmental disabilities services. The review praised the state's quality enhancement process that ensures the health and well-being of people served through the waiver. It also praised the state's standards for providers, the state's incentive program to support caregiver training, and client satisfaction results.

Worked To Address Emerging Needs Of The Aging Population

- Implemented the North Dakota Family Caregiver Support Program statewide to provide respite, referral, and support for family members caring for seniors and to support grandparents who are caring for their non-adult grandchildren.
- Obtained and collaborated to implement an Alzheimer's Demonstration Grant and a Real Choices Systems Change Rebalancing Initiative grant to support choice and access to a wide array of long term care services.

Field Services

Regional Human Service Centers

The North Dakota Department of Human Services operates eight regional human service centers. Each serves a multi-county area, providing counseling and mental health services, substance abuse treatment, services for people with disabilities, and other related social services. No one is refused services because of inability to pay. Fees are adjusted for income and household size (number of dependents). Insurance is accepted, if available.

Core Services Provided in Each Region

Aging Services

- Services to protect vulnerable people from self neglect or financial exploitation or abuse
- Long term care ombudsman services to help people in nursing homes, and basic care and assisted living facilities to resolve care concerns
- Family caregiver program to help family members caring for frail elderly or disabled individuals, and to help grandparents caring for grandchildren
- Licensing of adult family foster care providers

Developmental Disabilities Services

- Case management of people with mental retardation or developmental disabilities
- Day support services that focus on physical, recreational, and

personal care, community integration skills, job readiness skills, and supervision for health and safety purposes

- Residential supports and family supports
- Extended (long term) support provided by job coaches to help sustain employment of individuals with developmental disabilities
- Infant development therapy and support services for children at risk of or experiencing developmental delays

Vocational Rehabilitation (VR) Services

- Determining eligibility for VR services
- Determining vocational rehabilitation needs
- Counseling/guidance
- Information and referral
- Job related services

- Vision services for people who have difficulty seeing
- Supported employment services for working people with disabilities
- Services to help employers meet the needs of employees or customers with disabilities and to comply with the Americans with Disabilities Act (ADA)

Child Welfare Services

- Supervision of county child care licensing and county child abuse and neglect services
- Clinical mental health or substance abuse services if appropriate
- Psychological assessments of parental strengths and needs

Children's Mental Health Services

- Care coordination
- Acute clinical therapy and treatment services

**Children’s Mental Health
(continued)**

- Case aide services
- Crisis residential/safe beds
- Flexible funding for unique needs
- Psychological and psychiatric services
- Medication management
- Residential and crisis/emergency services

Adult Mental Health

Services are intended for individuals with serious chronic conditions, as well as people dealing with self-harm or suicide, child abuse and neglect, children in foster care or subsidized adoptive homes that would benefit from clinical services, and

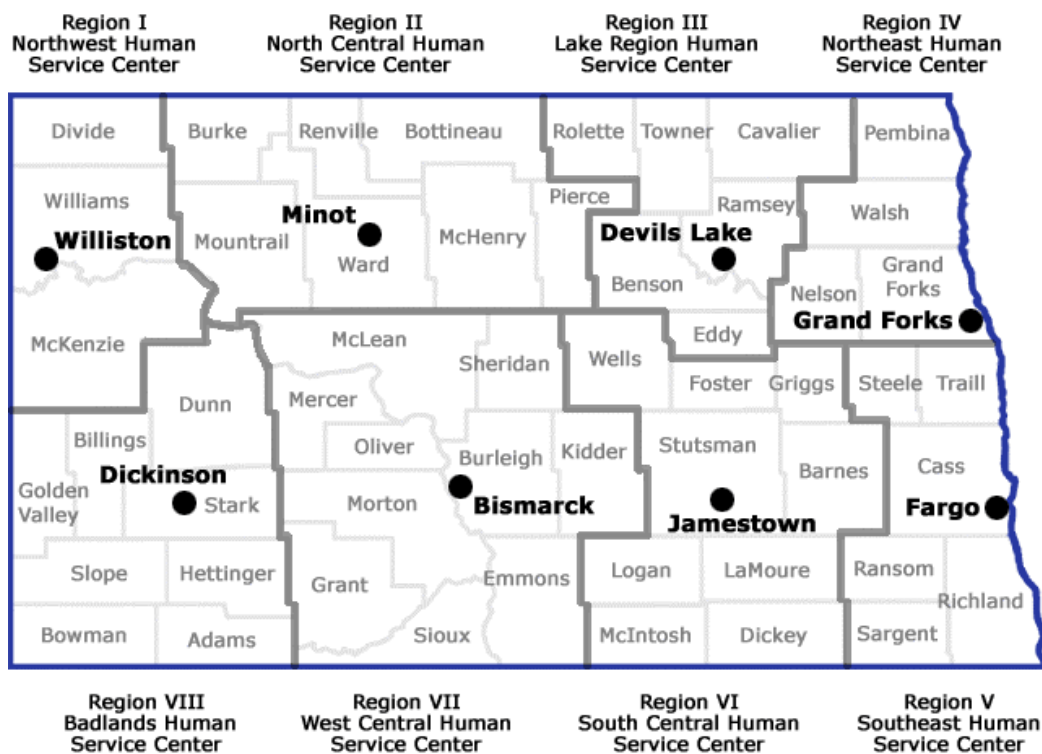
people in need of acute psychiatric services.

- Extended care coordination
- Case aides
- Residential services
- Community support services
- Medical management
- Acute clinical services as appropriate
- Crisis/Emergency call response 24-hour, 7-days per week
- Psychological and clinical evaluations and testing
- Psychiatric evaluations
- Therapy for individuals, groups, and families
- Case management
- Medication management
- Crisis residential services

- Short-term hospitalization
- Lab and clinical screening services
- Screening and Referral to the N.D. State Hospital

Substance Abuse Treatment Services

- Care coordination and case aide services
- Addiction evaluation
- Social and medical detoxification
- Low-intensity treatment
- Intensive outpatient treatment
- Day treatment
- Residential services
- Medication and medical monitoring



Regional Human Service Center Contact Information:

BISMARCK - West Central Human Service Center

1237 W Divide Ave., Suite 5
Bismarck, ND
Phone: (701) 328-8888
Toll Free: (888) 328-2662
TTY: (800) 366-6888
Fax: (701) 328-8900
dhschwsc@state.nd.us

Crisis Line: (701) 328-8899 or
Toll Free (888) 328-2112

Vocational Rehabilitation:
Phone: (701) 328-8800
Toll Free: (888) 862-7342
TTY: (701) 328-8802

DEVILS LAKE - Lake Region Human Service Center

200 Hwy 2 SW
Devils Lake, ND
Phone: (701) 665-2200
TTY: (701) 665-2211
Fax: (701) 665-2300
dhsrhsc@state.nd.us

Crisis Line: (701) 662-5050
[collect calls accepted]
Toll Free: (888) 607-8610

An Outreach Office is located in Rolla.

DICKINSON - Badlands Human Service Center

200 Pulver Hall
Dickinson, ND 58601
Phone: (701) 227-7500
Toll Free: (888) 227-7525
TTY: (701) 227-7574
Fax: (701) 227-7575
dhsblhsc@state.nd.us

Crisis Line: (701) 225-5009
Or 1-866-491-2472

Vocational Rehabilitation:

117 1st Street E
Dickinson, ND
Phone: (701) 227-7600
Toll Free: (888) 227-7525
Fax: (701) 227-7618
TTY: (701) 227-7620

FARGO - Southeast Human Service Center

2624 9th Avenue SW
Fargo, ND
Phone: (701) 298-4500
Toll Free: (888) 342-4900
TTY: (701) 298-4450
Fax: (701) 298-4400
dhssehsc@state.nd.us

After Hours Crisis Line: (701)
232-4357 [FirstLink]

Vocational Rehabilitation:
Phone: (701) 298-4500
Toll Free: (888) 342-4900
TTY: (701) 298-4450

GRAND FORKS - Northeast Human Service Center

151 S 4th Street, Suite 401
Grand Forks, ND
Phone: (701) 795-3000
Toll Free: (888) 256-6742
TTY: (701) 795-3060
Fax: (701) 795-3050
dhsnehsc@state.nd.us

Crisis Line: (701) 775-0525 or
(800) 845-3731

An Outreach Office is located in Grafton.

JAMESTOWN - South Central Human Service Center

520 3rd Street NW

Jamestown, ND
Phone: (701) 253-6300
TTY: (701) 253-6414
Fax: (701) 253-6400
dhsschsc@state.nd.us

Crisis Line: (701) 253-6304

Vocational Rehabilitation:

Phone: (701) 253-6388
TTY: (701) 253-6414

MINOT - North Central Human Service Center

400 22nd Ave NW
Minot, ND
Phone: (701) 857-8500
TTY: (701) 857-8666
Fax: (701) 857-8555
dhsnchsc@state.nd.us

Crisis Line: (701) 857-8500 or
(888) 470-6968

Outreach Offices are located in Bottineau, New Town, Rugby, and Stanley

WILLISTON - Northwest Human Service Center

P.O. Box 1266
316 2nd Avenue West
Williston, ND
Phone: (701) 774-4600
Toll Free: (800) 231-7724
TTY: (701) 774-4692
Fax: (701) 774-4620
dhsnwhsc@state.nd.us

Crisis Line: (701) 572-9111

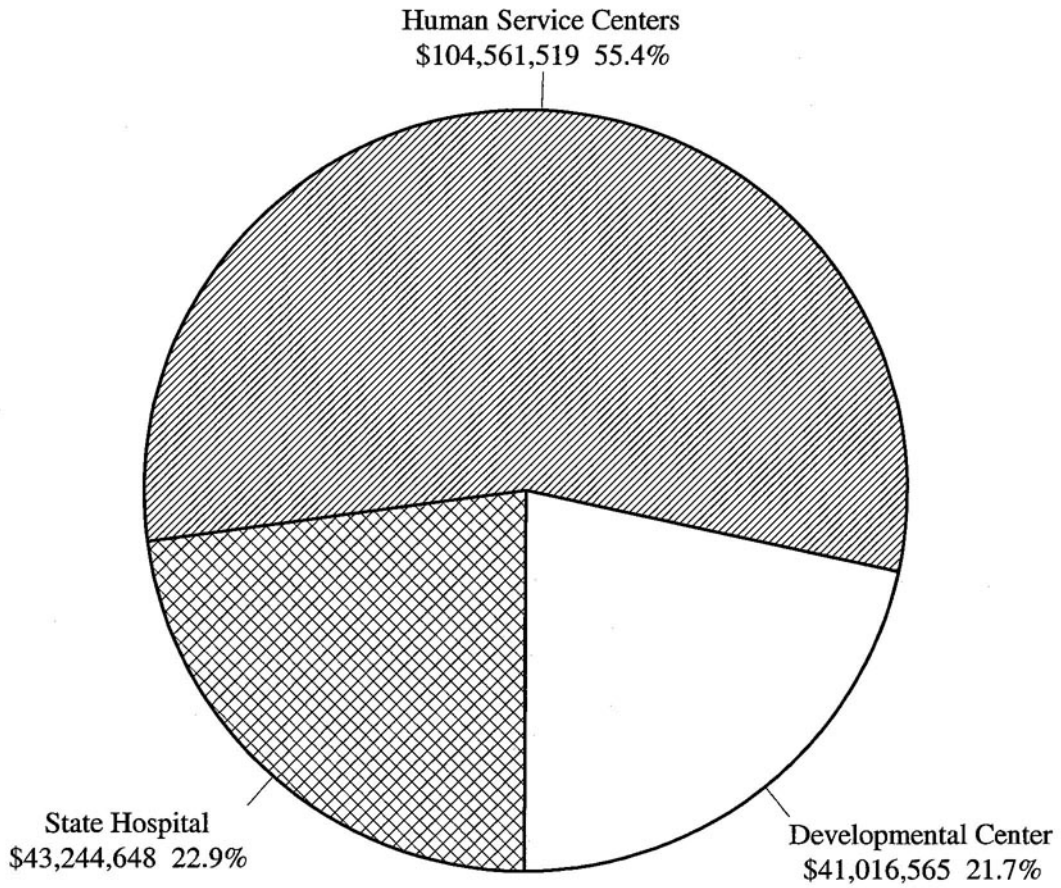
Outreach Offices are located in Crosby, Tioga and Watford City.

Vocational Rehabilitation:

Phone: (701) 774-4600

Field Services Expenditures

2003 – 2005 Biennium

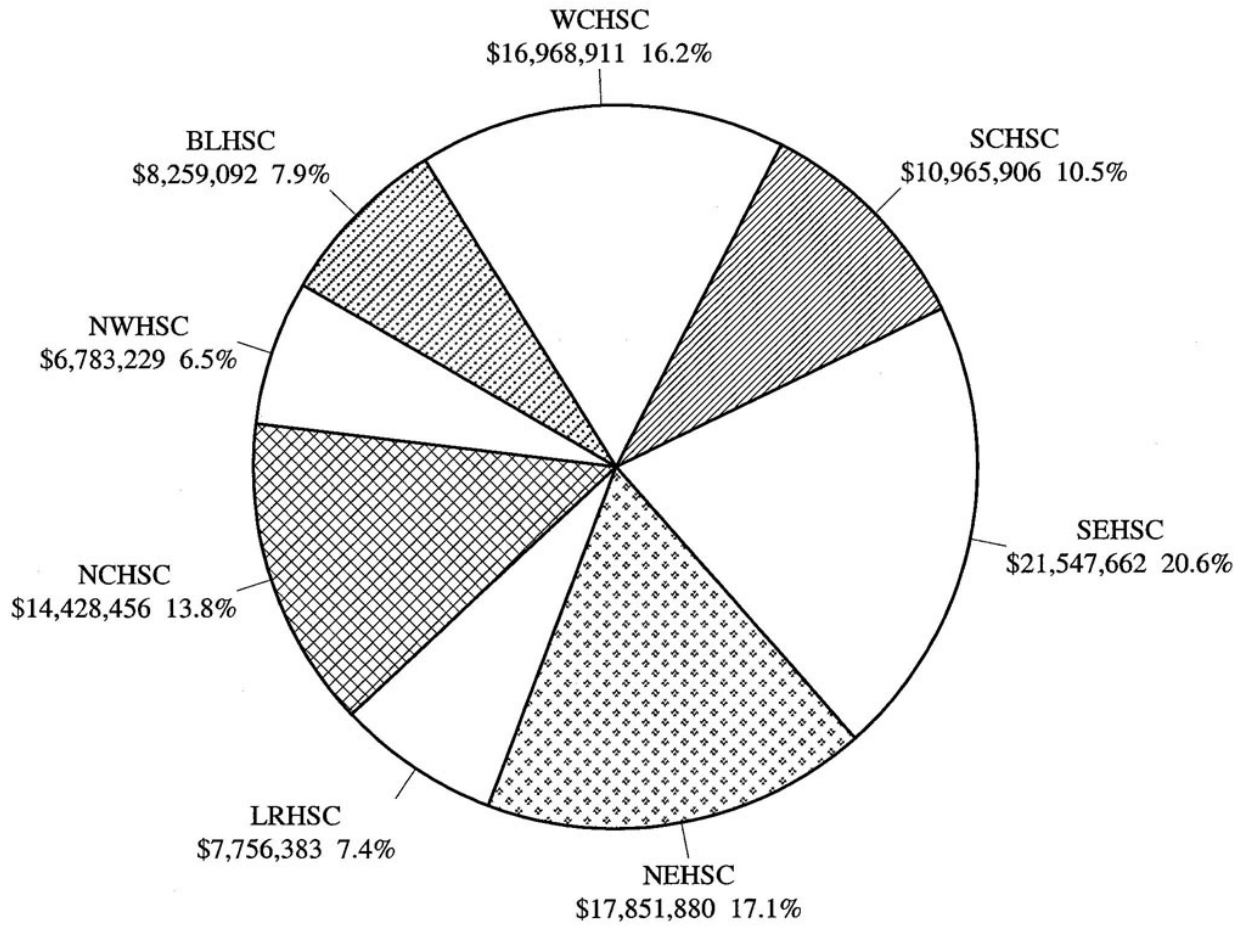


	Funding	Percent
General	\$87,376,844	46.3%
Federal	\$84,551,745	44.8%
Other	\$16,894,143	8.9%
Total	\$188,822,732	100.0%

Human Service Center Expenditures

	Funding	Percent
General	\$49,541,880	47.4%
Federal	\$50,692,722	48.5%
Other	\$4,326,917	4.1%
Total	\$104,561,519	100.0%

2003 – 2005 Biennium



State Hospital

The North Dakota State Hospital, located in Jamestown, provides specialized psychiatric and substance abuse services for individuals whose needs exceed the resources and capacity of community-based services. These services are provided on an in-patient or residential level.

The State Hospital also provides inpatient services for dangerous sex offenders and has a contract with the Department of Corrections - Field Services Division to provide addiction services. The hospital also provides psychiatric services to the James River Correctional Center, which is co-located on the grounds.

Services

Adult Traditional Services

- Services include therapeutic and supportive services to adults with serious mental illness and substance abuse problems
- The hospital had the capacity to serve 206 adult inpatients per day during the biennium. The hospital has a contract with the Department of Corrections dedicating 90 of those treatment beds for the James River Correctional Center inmates.

Child and Adolescent Services

- The hospital also provides inpatient and residential services for children and teens who have serious emotional disorders and/or serious substance abuse problems.
- During the biennium, the hospital operated eight beds for this purpose

and subcontracted with the Jamestown School District for educational services.

Secure Unit

- The hospital has a secure unit – comparable to a medium security prison – where staff provide evaluation and treatment services for mentally ill and dangerous individuals from jails and other units of the State Hospital, pre-trial competency evaluations, and sex offenders. Some of the sex offender population includes those persons who have been civilly committed for treatment in the facility.
- During the biennium, the hospital increased the secure unit's capacity from 22 to 32 beds. Growth in sex offender admissions resulted in full capacity and the need for expansion during the 2005-2007 biennium.

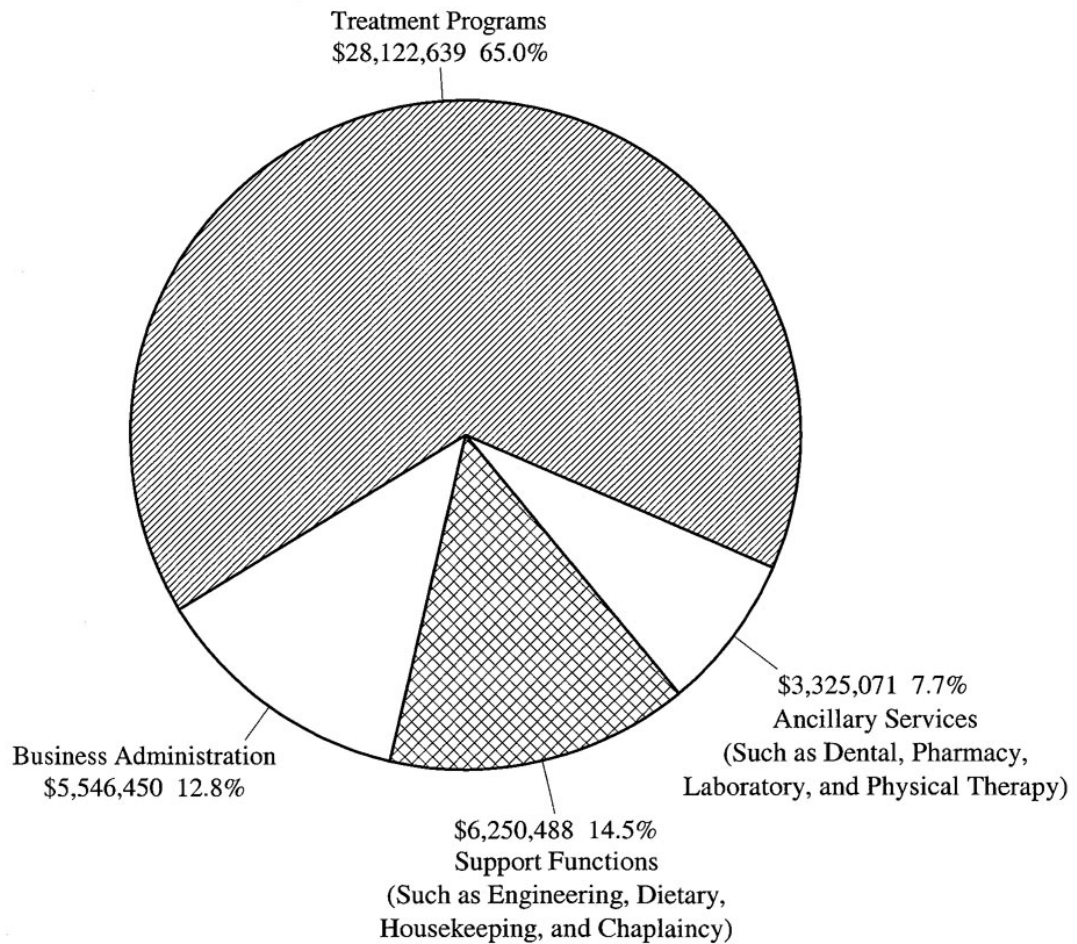
Trends

- Historically the State Hospital has experienced a decrease in annual admissions since 1997 as community-based alternatives became available. Annual admissions fell from 1,734 in 1997 to 714 admissions during the 2003 fiscal year.
- During the 2003-2005 biennium, State Hospital admissions grew. In the 2005 state fiscal year, admissions grew to 1,696. This growth was due to the rapid increase in the sex offender population, the contracted addiction treatment program with the Department of Corrections, and growth in first time admissions. About 44 percent of the 221 first time admissions during 2004 were related to drug and alcohol abuse. Methamphetamine addiction was a factor.

Acuity

- Patient acuity levels have increased. Addiction treatment patients tend to have severe, chronic medical problems, and psychiatric patients have multiple diagnoses.
- Repeat admissions for addiction and psychiatric patients occurred at a rate of 5%.

State Hospital Expenditures
2003 – 2005 Biennium



	Funding	Percent
General	\$28,664,511	66.3%
Federal	\$4,429,554	10.2%
Other	\$10,150,583	23.5%
Total	\$43,244,648	100.0%

Contact Information

Alex Schweitzer, Superintendent

North Dakota State Hospital
2605 Circle Drive
Jamestown, ND 58401-6905
Phone: (701) 253-3650
TTY: (701) 353-3880
Fax: (701) 253-3999

Developmental Center

Mission

Support people with disabilities to be viable members of their communities when their needs exceed community resources.

The North Dakota Developmental Center is a state-operated, comprehensive support agency for people with mental retardation/developmental disabilities. Located in Grafton, N.D., the center serves about 150 people at a time providing specialized services and acting as a safety net for people whose needs exceed community resources.

Services

The Developmental Center works with other providers to deliver effective services in the least restrictive setting. The services are based on individual needs and goals.

Adaptive Equipment Services provide specialized mobility, seating, and adaptive equipment to promote independence and health. The Mobile Project brings equipment to homes or service sites.

Clinical Assistance, Respite, and Evaluation Services (CARES) provide consultation to community agencies to prevent situations that could cause some people with developmental disabilities to lose jobs, homes, friends, and family contacts. Examples include discipline consultations, staff training, program development, accreditation advising, and specialty programs for people with developmental disabilities who have dual sensory impairment or who are referred because of socially offending behaviors.

Clinical and Health Services includes audiology, dentistry, laboratory, medical services, nursing, nutrition services, occupational therapy, pharmacy, physical therapy, program coordination, psychiatry consultation, psychology, recreation, social services, and speech-language therapy. Other services may be available through contracts.

Dual Sensory Impairment Services provide a residential setting and coordinated pre-vocational opportunities for people with significant hearing and vision loss.

Residential Services include 24-hour comprehensive services, which are outcome-based. Supports are based on each person's preferences. People live alone or with a roommate. Residents can express their interests and community membership by attending church, shopping, dining out, attending local and regional cultural and sporting events, or taking vacations. Participation in clubs and associations is also encouraged and facilitated. Residents also have access to a community Fitness Center on-site that offers a wide range of health activities and adaptive equipment.

Dakota East Vocational Services help people to reach their work potential. Services include evaluation trials at work sites to assess interests, abilities, and training needs. Physical and occupational therapy, adaptive equipment, and psychological and medical services are provided as needed. Employment training opportunities range from direct employment with support, to enclave and sheltered workshop assignments.

Developmental Center

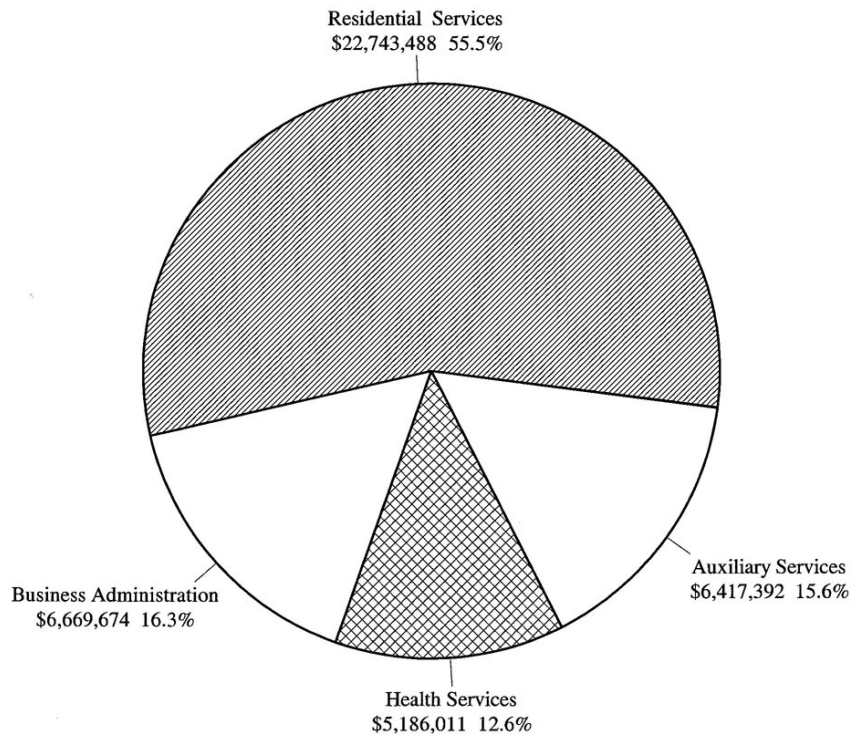
Average Daily Population

- The Developmental Center had a steady occupancy rate during the biennium. During the 2004 fiscal year, the average daily occupancy rate was 145.
- Several clients were discharged during the biennium, however this was offset by growth in admissions of individuals with severe behavioral issues, first time admissions, and short-term contingent admissions.

Acuity

- Half of the residents of the Developmental Center require the highest level of support for people with mental retardation or developmental disabilities. The Center uses a nationally standardized assessment tool to determine acuity level.
- Half of the residents require levels of support that range from "extensive personal care and/or constant supervision" to "regular personal care and/or close supervision."
- Measurements show an eight percent increase in challenging behaviors from 2002 to 2004.

Developmental Center Expenditures



	Funding	Percent
General	\$9,170,453	22.4%
Federal	\$29,429,469	71.7%
Other	\$2,416,643	5.9%
Total	\$41,016,565	100.0%

Contact Information

Alex Schweitzer
Superintendent

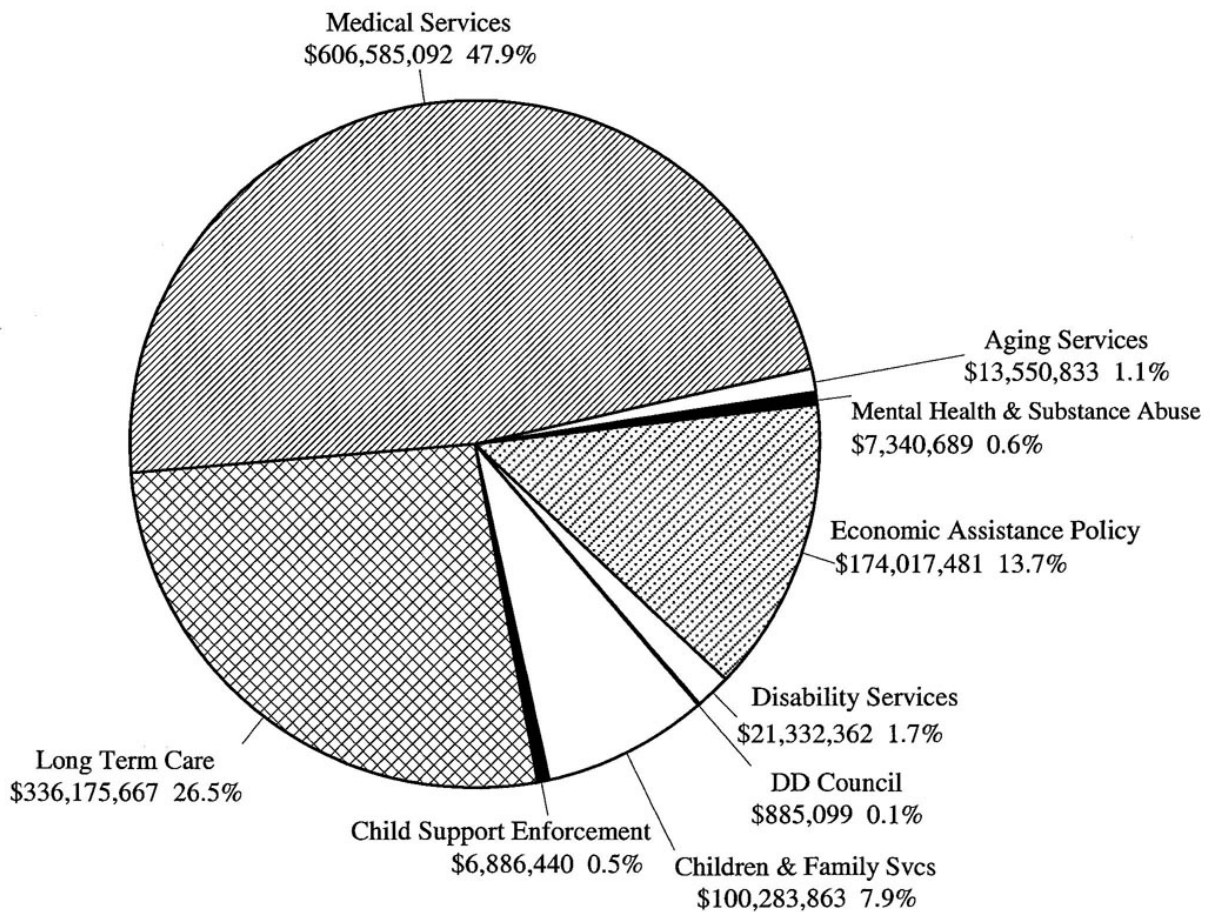
North Dakota
Developmental Center
701 West 6th Street
Grafton, ND 58237-1379
Phone: (701) 352-4200
TTY: (701) 352-4526
Toll Free: (800) 252-4911

Program and Policy Divisions

Includes:

- Aging Services Division
- Children and Family Services Division
- Child Support Enforcement Division
- Disability Services Division
- Division of Mental Health and Substance Abuse Services
- Economic Assistance Policy Division
- Medical Services Division
- Long Term Care Continuum

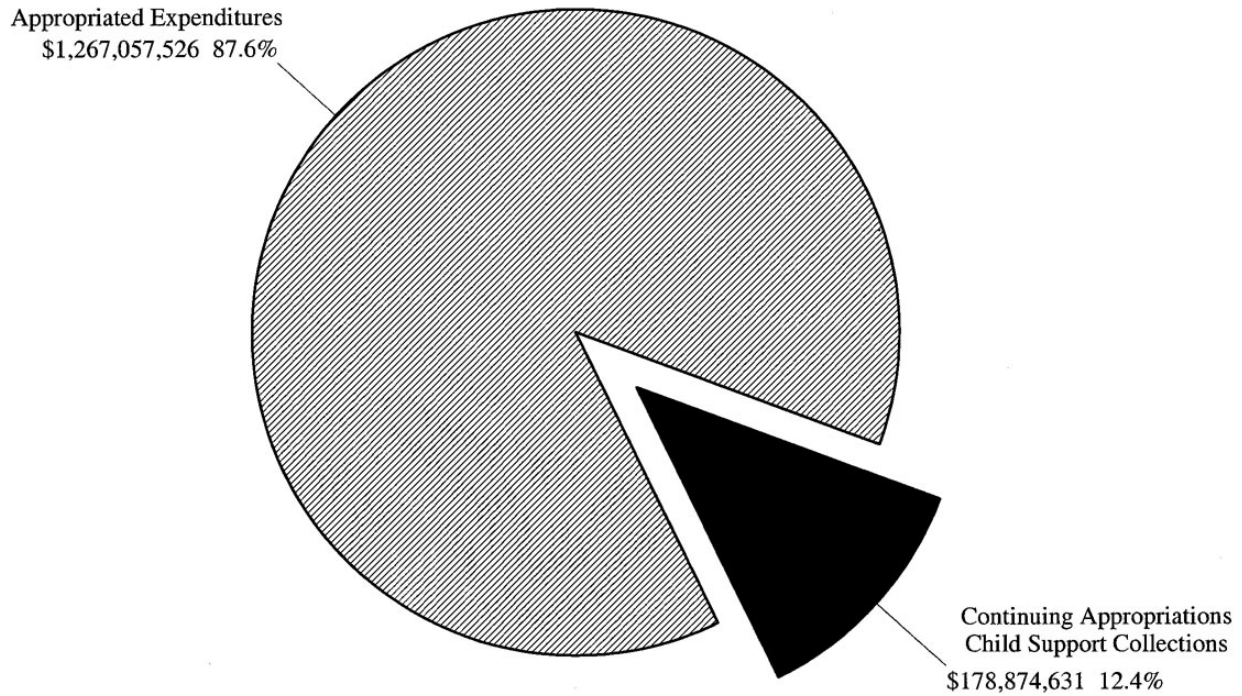
Expenditures for Program and Policy Divisions 2003-2005 Biennium



	Funding	Percent
General	\$301,343,665	23.8%
Federal	\$908,928,038	71.7%
Other	\$56,785,823	4.5%
Total	\$1,267,057,526	100.0%

Program and Policy Divisions Appropriated Expenditures and Continuing Appropriations

2003-2005 Biennium



	Funding	Percent
General	\$301,343,665	20.8%
Federal	\$908,928,038	62.9%
Other	\$56,785,823	3.9%
Child Support Collections	\$178,874,631	12.4%
Total	\$1,445,932,157	100.0%

Aging Services

The department's Aging Services Division administers programs and services that help people maintain their independence by remaining in their own homes and communities and delaying or preventing the need for institutional long term care. Programs and services also protect the health, safety, welfare and rights of residents of long term care settings and vulnerable adults in the community. The division is also responsible for the State Mill Levy Match funds for senior citizens, the Telecommunications Equipment Distribution Program, state funds to providers, the Long-Term Care Ombudsman Program, the Alzheimer's Demonstration Grant, and a Real Choice Systems Change Grant. It also supports the Governor's Committee on Aging.

Trends

- The number of individuals over age 65 is projected to grow from 97,771 in 2005 to almost 150,000 in 2020. The number of people over 85 – the demographic group most likely to need long term care services – will increase from 15,289 in 2005 to 24,258 by 2020. This will have a profound effect on services in the future.
- The average age of Older Americans Act service recipients was 79.8 years old.

Services

- **Family Caregiver Support Program** offers counseling, support, referral assistance, and respite services to family caregivers who are caring for an adult age 60 or older, or who are themselves age 60 years or older and are caring for grandchildren or other young relatives who are age 18 or younger.
- **Home and community-based care and support services** are provided through the Service Payments for the Elderly and Disabled Program, the Expanded Service Payments for the Elderly and Disabled Program (Ex-SPED), the Medicaid Waiver for the Aged and Disabled, the Medicaid Waiver for People With Traumatic Brain Injuries, and Older Americans Act services. Services are provided to many persons who would otherwise qualify for skilled nursing home care, basic care, or who require assistance due to functional limitations and financial criteria. Services may include homemaker services, personal care services, case management, senior center meal programs, home-delivered meals, transportation, family home care, health maintenance services, and outreach.
- **Information and Assistance** locating services and supports for loved ones are available through the toll-free Senior Info-Line weekdays between 8 a.m. and 5 p.m. Information is also available on-line through a searchable database.
- **Long Term Care Ombudsman Program** helps people residing in nursing homes, assisted living facilities, basic care homes, or hospital swing bed, transitional and sub-acute settings to resolve care concerns and to understand their rights.
- **Vulnerable Adult Protective Services** are provided by staff at the regional human service centers in response to reports of vulnerable adults who have been subjected to abuse or neglect or who may be at risk of abuse or neglect.

Children and Family Services Division

The department's Children and Family Services Division provides leadership and promotes collaboration and coordination in the delivery of child welfare services and refugee assistance services in North Dakota.

Services

NOTE: These services are provided either by county social service offices or through contracts with non-profit providers and Tribes. Services focus on safety, permanency, and the well-being of children and their families.

Family Preservation Services provide therapeutic intervention to families whose children have been or are at risk of abuse, neglect and out-of-home placement. Services include parent aide, specialized child care, intensive in-home treatment services, respite care, and safety/permanency funds.

Child Protective Services focus on children who have been, or are at risk of being neglected and/or abused. Services include child protection assessments, case management, the child fatality review panel, institutional child protection services, and child abuse and neglect prevention.

Foster Care Services provide a substitute temporary living environment for children who cannot safely remain with their families. Services include licensing (of family foster homes, group homes, residential child care facilities, and licensed child care placing agencies for foster care), foster care eligibility determination and payment, case planning and reviews, subsidized guardianship, Interstate Compact on the Placement of Children, independent

living skills assessment, and training and stipends.

Adoption Services provide permanent adoptive homes for eligible children. Services include recruitment, adoption assessment, placement, follow-up services, post-finalization services, adoption subsidy, birth family services, adoption search, licensure of child placing agencies, and the Interstate Compact on the Placement of Children for Adoptions.

Early Childhood Services coordinate activities, establish standards, and provide training to providers of early childhood care and education. Services include licensing, child care resource and referral, tribal consult, and the state Head Start Collaboration Office.

Refugee Services provide resources to eligible refugees so they can become self-sufficient. Services include job development and employment enhancement, case management, cash assistance, refugee medical assistance, and education.

Foster Care Placements	Average Cost 2003-2005 Biennium
Average monthly cost of foster care family home	\$701.55
Average monthly cost of therapeutic foster care home	\$2,982.30
Average monthly cost of foster care facilities	\$9,502.41

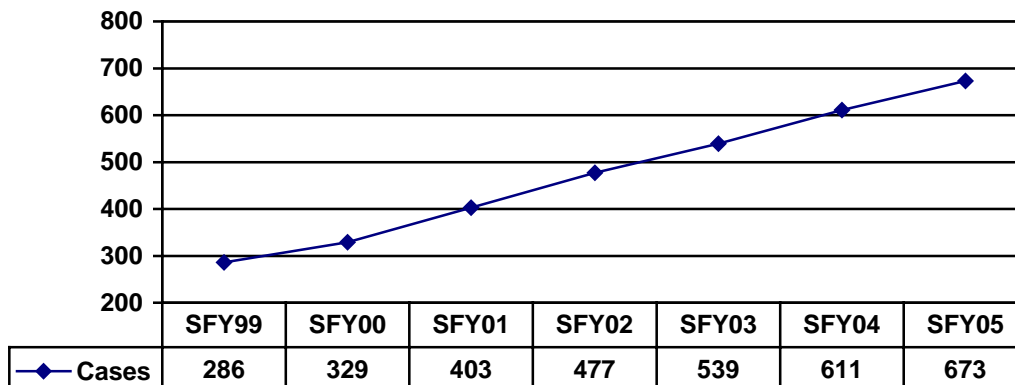
Children and Family Services

Trends

- The number of children in North Dakota continues to decline while the foster care caseload increased slightly. In state fiscal year (SFY) 2003, 955 children were in foster care. That grew to 989 children in SFY 2004, and 979 children in SFY 2005.
- While alcohol is the most significant drug impacting the child welfare system, other drugs such as methamphetamine (meth) are also impacting the child welfare system. The abuse, manufacture, and sale of methamphetamine were factors in at least 15% of the families of children entering foster care during the biennium.
- The number of child abuse and neglect assessments remained relatively steady at approximately 4,000 per year.

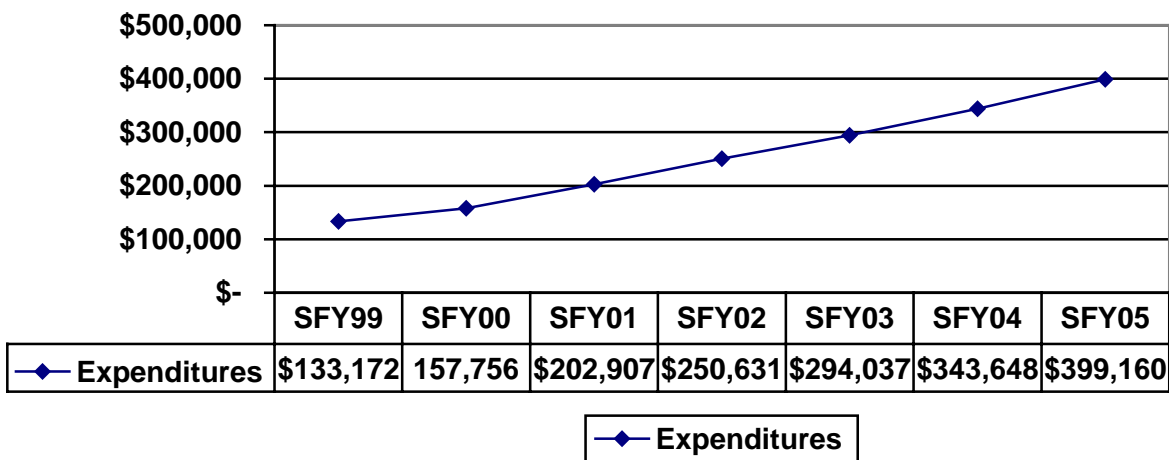
Subsidized Adoptions In North Dakota

Monthly Average Number of Cases by State Fiscal Year



Subsidized Adoptions In North Dakota

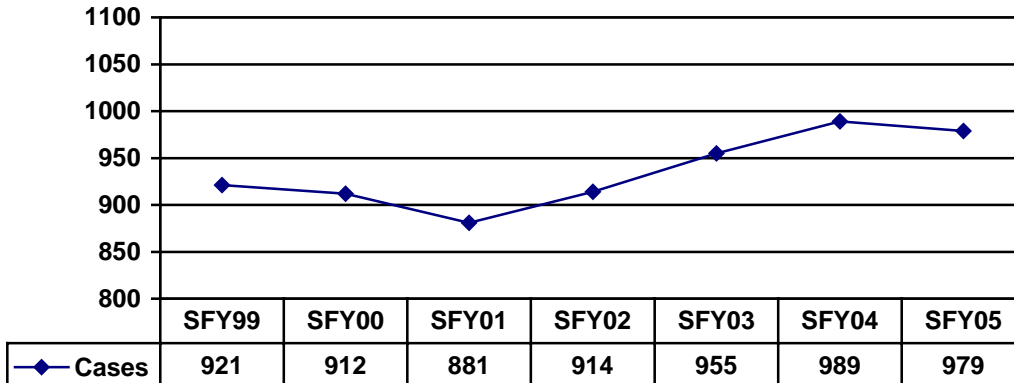
Monthly Average Expenditures by State Fiscal Year



Children and Family Services

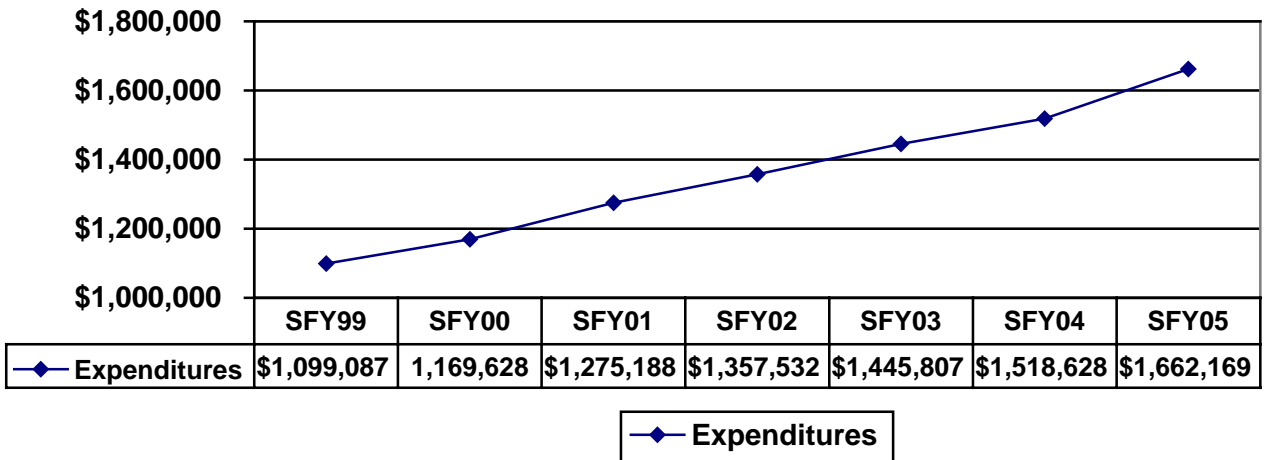
Foster Care In North Dakota

Monthly Average Number of Cases by State Fiscal Year



Foster Care In North Dakota

Monthly Average Expenditures by State Fiscal Year



Child Support Enforcement Division

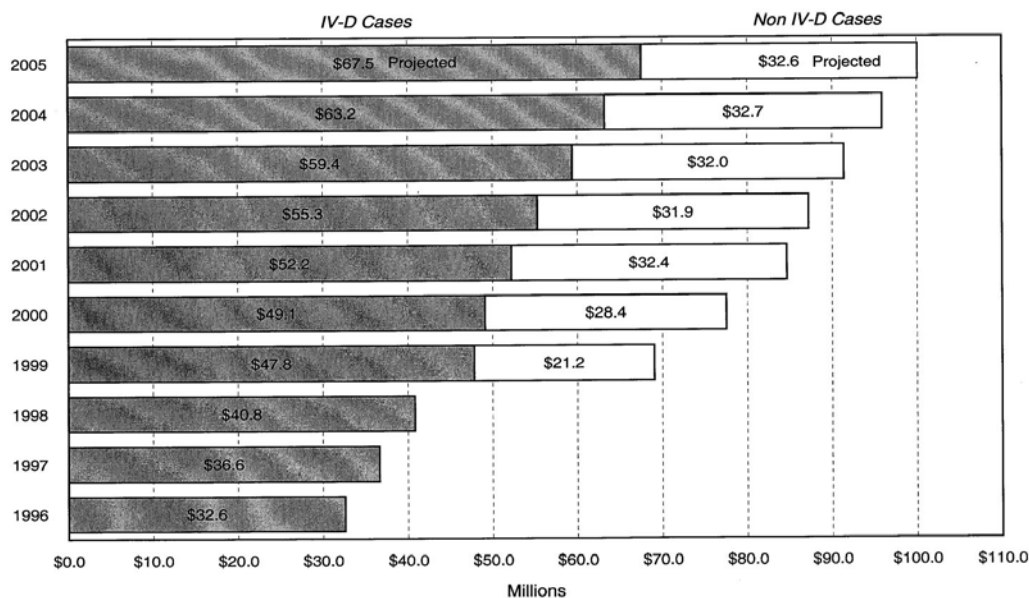
The Child Support Enforcement Division's primary goal is to secure financial support from legally responsible parents so that families and children receive that support and demand for taxpayer-funded public assistance for needy families is reduced. Enforcement involves the courts, the state, counties, and federal government.

State Office Roles/Services

(NOTE: The eight county-operated regional child support enforcement units also provide enforcement services.)

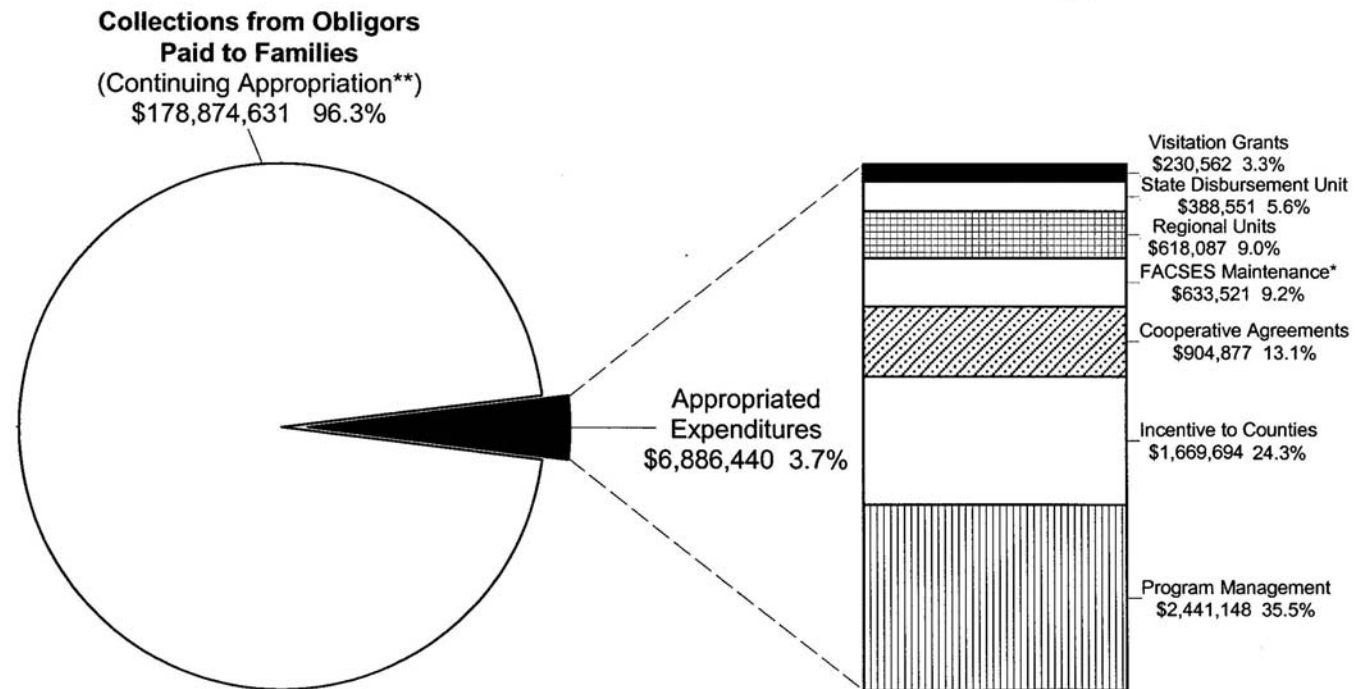
- Sets the direction and supervises the child support program in the state
 - Develops and issues policies, procedures, and instructions, and provides training
 - Receives and disburses child support payments through the State Disbursement Unit
 - Provides the following services on IV-D cases ONLY unless otherwise specified:
 - Financial and statistical reports to the federal government
 - Manages the following programs:
 - Federal and State Tax Offset
 - Credit Bureau Reporting
 - Financial Institution Data Match
- State Directory of New Hires
 - Passport Denial
 - Operates and maintains the certified statewide computer system (FACSES)
 - Operates the State Parent Locate Service providing statewide and national locate services
 - Manages the Federal Case Registry and the Central Registry of incoming interstate cases
 - Provides customer service (IV-D and nonIV-D cases)
 - Issues, amends, and terminates income withholding orders on nonIV-D cases

Annual Child Support Receipts (In Millions)
Calendar Years 1996-2005



Child Support Enforcement Program Impact

- North Dakota’s Child Support Enforcement Program affects about 160,000 people living in North Dakota, other states, and countries.
- Child support enforcement involves IV-D cases, which are cases referred by economic assistance programs or self-referred. These cases involve detailed federal requirements.
- North Dakota has about 10,000 nonIV-D cases, which were previously handled by the clerks of court.



	Funding	Percent
General	\$401,174	5.8%
Federal	\$3,649,975	53.0%
Other	\$2,835,291	41.2%
Total	\$6,886,440	100.0%

Continuing Appropriation

Child Support Collections	\$178,874,631
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NOTES:

FACSES refers to the Fully Automated Child Support Enforcement Systems

* North Dakota Century Code 14-09-25 provides a **continuing appropriation** for child support paid to families.

The **State Disbursement Unit** collected \$193.6 million during the 2003-2005 biennium. These collections were used as follows:

- \$178.9 million paid to families
- \$8.3 million retained by the State to offset grant expenditures
- \$6.4 million credited to the Federal government

Disability Services Division

The Disability Services Division is responsible for supervising the delivery of a variety of services to people with disabilities. Private providers and employees of the department's regional human service centers provide most of the direct services.

According to U.S. Census Bureau estimates, about one in every six persons has some type of disability. Based on that rate, about 109,000 North Dakotans have some disability and could potentially benefit from Vocational Rehabilitation services. Of those individuals, about 9,600 people are estimated to have some degree of developmental disability (1.5% of the state population).

The Disability Services Division oversees the following programs

Developmental Disabilities Unit

- Day and Residential Services provide training and assistance with daily living activities to eligible persons with developmental disabilities.
- Family Support Services provides personal and financial assistance and training to families of eligible individuals with developmental disabilities.

Vocational Rehabilitation Unit

- Employment Programs provide training and employment services to individuals with disabilities.
- Business Services staff members provide consultation, technical assistance, and information on disability-related issues to businesses.
- Independent Living Services are provided to individuals with disabilities

so they can live and work more independently in their homes and communities.

- Older Blind Services include training, accommodation, and support in daily living activities for individuals with visual impairments.
- The Assistive Technology Program provides education, consultation, and referral to people with disabilities so they can access assistive technology (AT) devices and services.
- The Client Assistance Program provides advocacy, consultation, education, and referral to individuals who are seeking or receiving rehabilitation services.
- The Disability Determination Services Unit makes eligibility decisions for Social Security Disability Insurance and Supplemental Security Income.

Customer Trends

	2004*	2005*
People receiving developmental disabilities case management services	4,368	4,622
Families receiving family support program services (keep children home)	1,609	1,768
People with developmental disabilities receiving residential and/or day service	2,084	2,093
People receiving vocational rehabilitation employment services	6,821	7,084
Individuals receiving independent living services	7,560	6,032

* Time period may be a state fiscal year or a federal fiscal year depending on the program's reporting requirements.

Division of Mental Health and Substance Abuse Services

The Division of Mental Health and Substance Abuse Services works to assure that an array of services is available to address adolescent and adult substance abuse treatment needs and adult and child mental health needs. The division also supports substance abuse prevention efforts and operates the Prevention Resource Center.

Services

- Conducts planning efforts
- Manages the federal block grants for both mental health and substance abuse services
- Manages the compulsive gambling education and treatment programs
- Provides system-wide education, technical assistance, and training for public and private service providers
- Conducts alcohol and drug treatment program licensure
- Fulfills federal and state reporting responsibilities

Statistics

- During the biennium, the Division licensed 84 substance abuse providers, the eight regional human service centers, and six residential treatment centers for children and adolescents.
- In the 2004 fiscal year of the biennium, the public mental health system provided services to 14,925 individuals ranging from children to adult in age.
- During the same fiscal year, the public substance abuse treatment system provided services to 4,808 adolescents and adults.

Trends

- Growing number of admissions involving significant substance abuse and mental health disorders that may also be complicated by histories of physical or emotional abuse and neglect.
- Growing trend toward longer-term substance abuse treatment needs because of severe symptoms and use of methamphetamine.

Economic Assistance Policy Division

The division is responsible for all aspects of state level administration, including eligibility policy, of Child Care Assistance, Low Income Home Energy Assistance, Food Stamps, and Temporary Assistance for Needy Families (TANF) including the Job Opportunities and Basic Skills program, and also sets eligibility policy for Basic Care Assistance.

Services

- | | |
|--|--|
| <ul style="list-style-type: none">• Distributing benefits and services to recipients to promote self-sufficiency• Directing and supervising county social service board administration of economic assistance programs• Implementing all applicable state and federal law• Providing training, written instructions, and interpretations concerning the | <ul style="list-style-type: none">• various programs and their requirements• Operating electronic eligibility determination and reporting systems• Preparing required state and federal reports• Quality control efforts• Medicaid estate recovery |
|--|--|

Customers

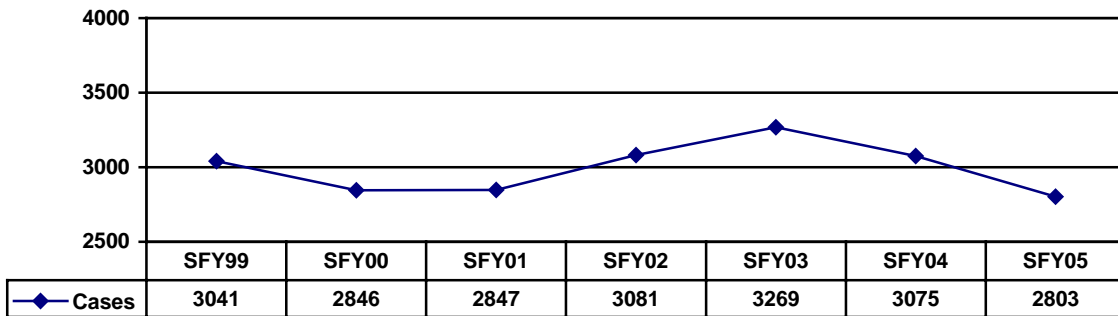
- Child Care Assistance paid about 1,440 licensed, certified, or approved child caregivers per month for services to an estimated 4,878 children from 3,100 families.
- The Low Income Home Energy Assistance Program paid about 400 energy providers, from the largest energy companies to the smallest firewood dealers, for heating services provided to an estimated 37,920 individuals from 15,800 households.
- Food Stamps paid about 424 grocers each month for food provided to an average of 41,589 individuals.
- Temporary Assistance for Needy Families (including the Job Opportunities and Basic Skills program) provided cash assistance on behalf of an estimated monthly average of 5,300 children from about 3,000 families. The TANF program also contracted with Job Service North Dakota and coordinated with Tribal Native Employment Works (NEW) programs to provide employment-related services and supports to over 1,500 families each month.

Trends

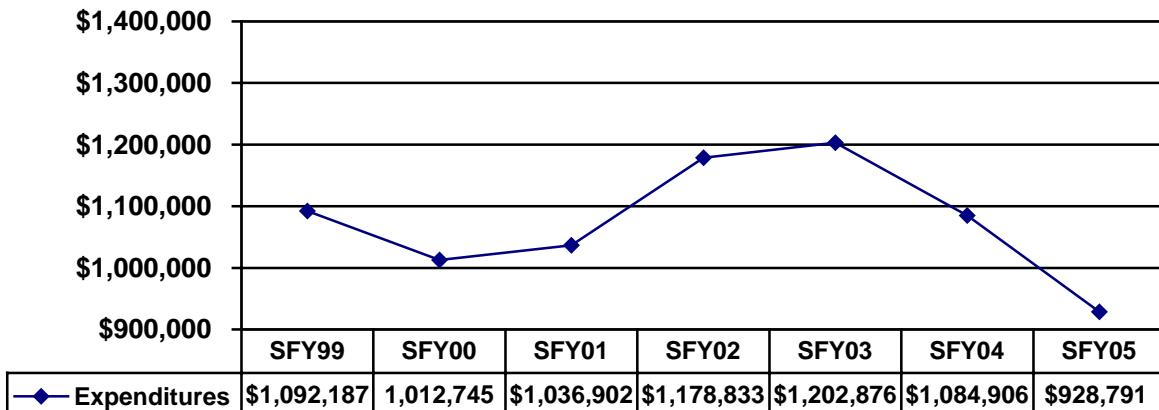
- Federal funding to North Dakota for Child Care Assistance continues to decrease as the state's child population decreases. The distribution formula does not make adjustments for the proportion of parents of young children who are employed full time or employed in multiple jobs.
- The Food Stamp caseload has grown because of state policy changes that allow more households to access food assistance. According to federal estimates, about 76% of eligible North Dakota households are receiving Food Stamp benefits.
- Fluctuations in TANF caseloads range from a high of 3,354 in May 2003 to below of 2,750 in February 2005. These fluctuations are due to high client turnover. The program, for example, served almost 5,900 different cases during state fiscal year 2004. Recent caseload reductions may be related to policy changes that reduced the grant amount for families that were able to share living arrangements or that received housing subsidies.
- Home energy heating costs are expected to rise, and this could potentially impact utilization of the Low Income Home Energy Assistance Program.

Economic Assistance Caseloads and Expenditures

Temporary Assistance For Needy Families in North Dakota
Monthly Average Number of Families by State Fiscal Year

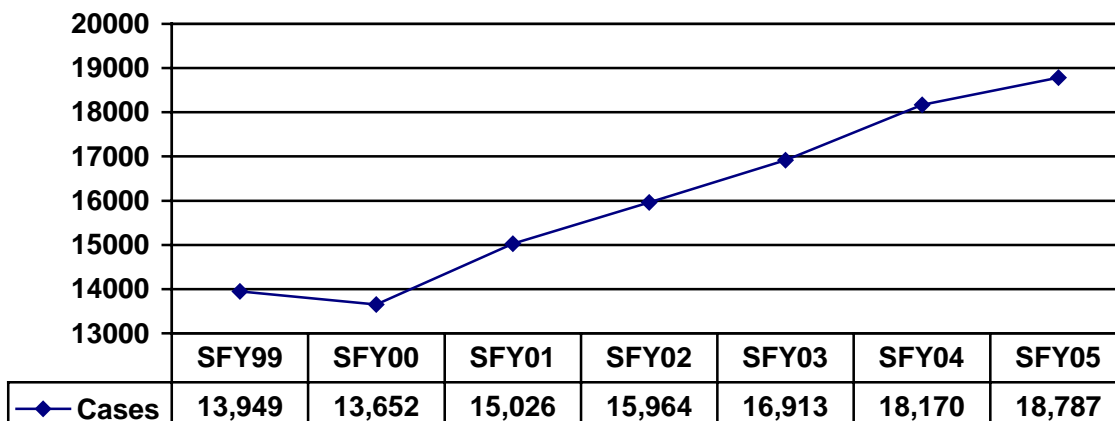


Temporary Assistance For Needy Families in North Dakota
Monthly Average Expenditures by State Fiscal Year



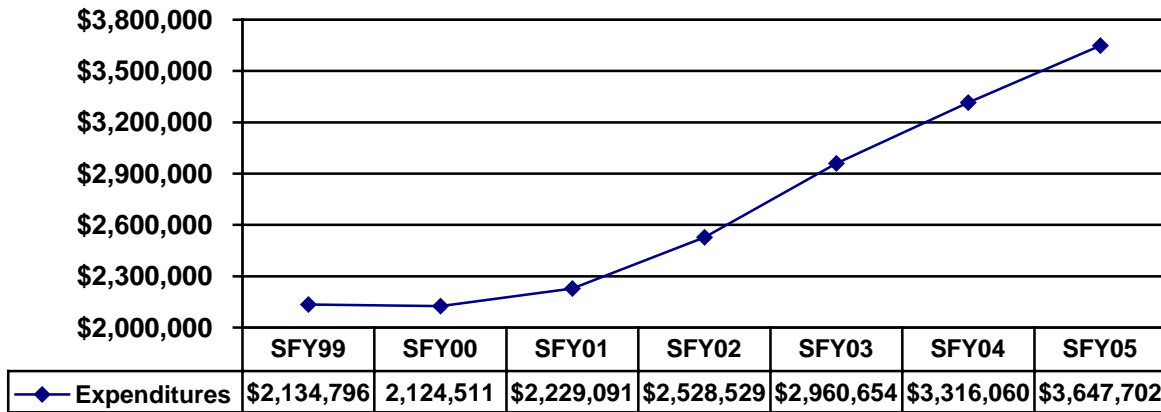
Food Stamps in North Dakota

Monthly Average Number of Families by State Fiscal Year

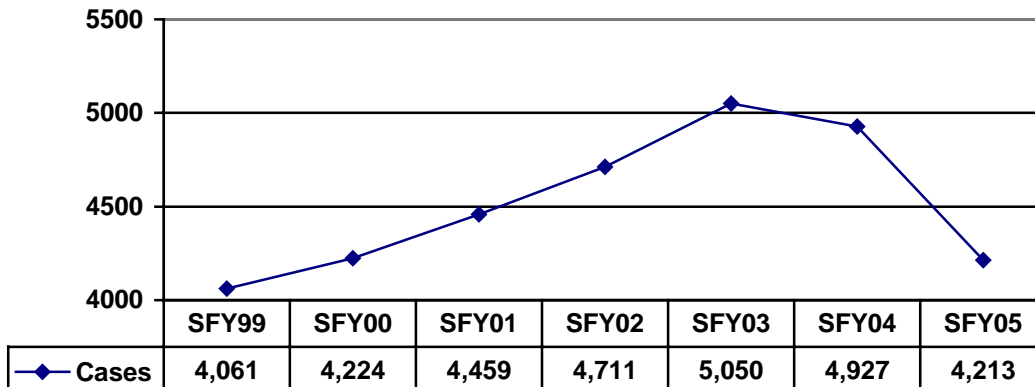


Economic Assistance Caseloads and Expenditures

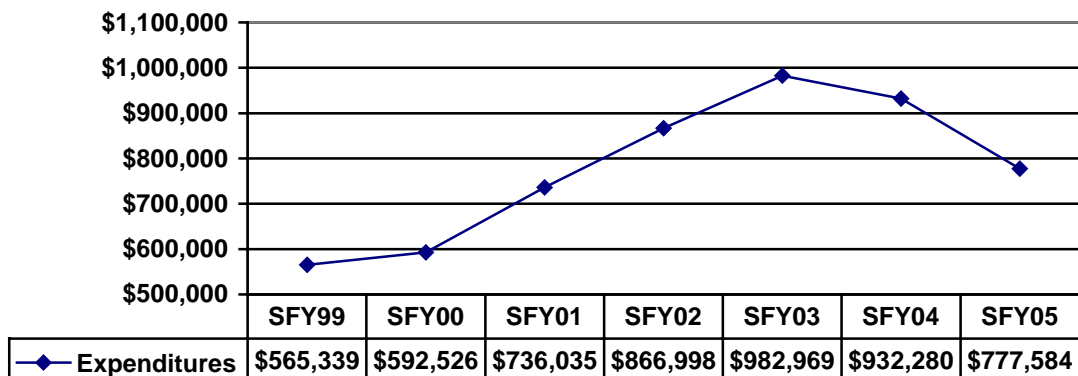
Food Stamps in North Dakota
Monthly Average Expenditures by State Fiscal Year



Child Care Assistance in North Dakota
Monthly Average Number of Cases by State Fiscal Year



Child Care Assistance in North Dakota
Monthly Average Expenditures by State Fiscal Year



Medical Services Division

The Medical Services Division administers three programs: Medicaid, the State Children's Health Insurance Program (Healthy Steps), and Children's Special Health Services (CSHS). The division's budget provides public health care coverage for families and children, pregnant women, the elderly, and disabled citizens of North Dakota. The division's Children's Special Health Services Unit provides diagnostic and other health services, specialty clinics, and information and referral services for children with chronic qualifying health conditions and their families.

Medicaid is the largest portion of the budget. As of June 2005, a total of 52,500 individuals were enrolled in the program.

County social service offices determine eligibility for Medicaid and the state children's health insurance program Healthy Steps. The department has a contract with Noridian Mutual Insurance Company and pays Noridian a monthly premium to provide health cover to eligible children enrolled in the state Children's Health Insurance Program.

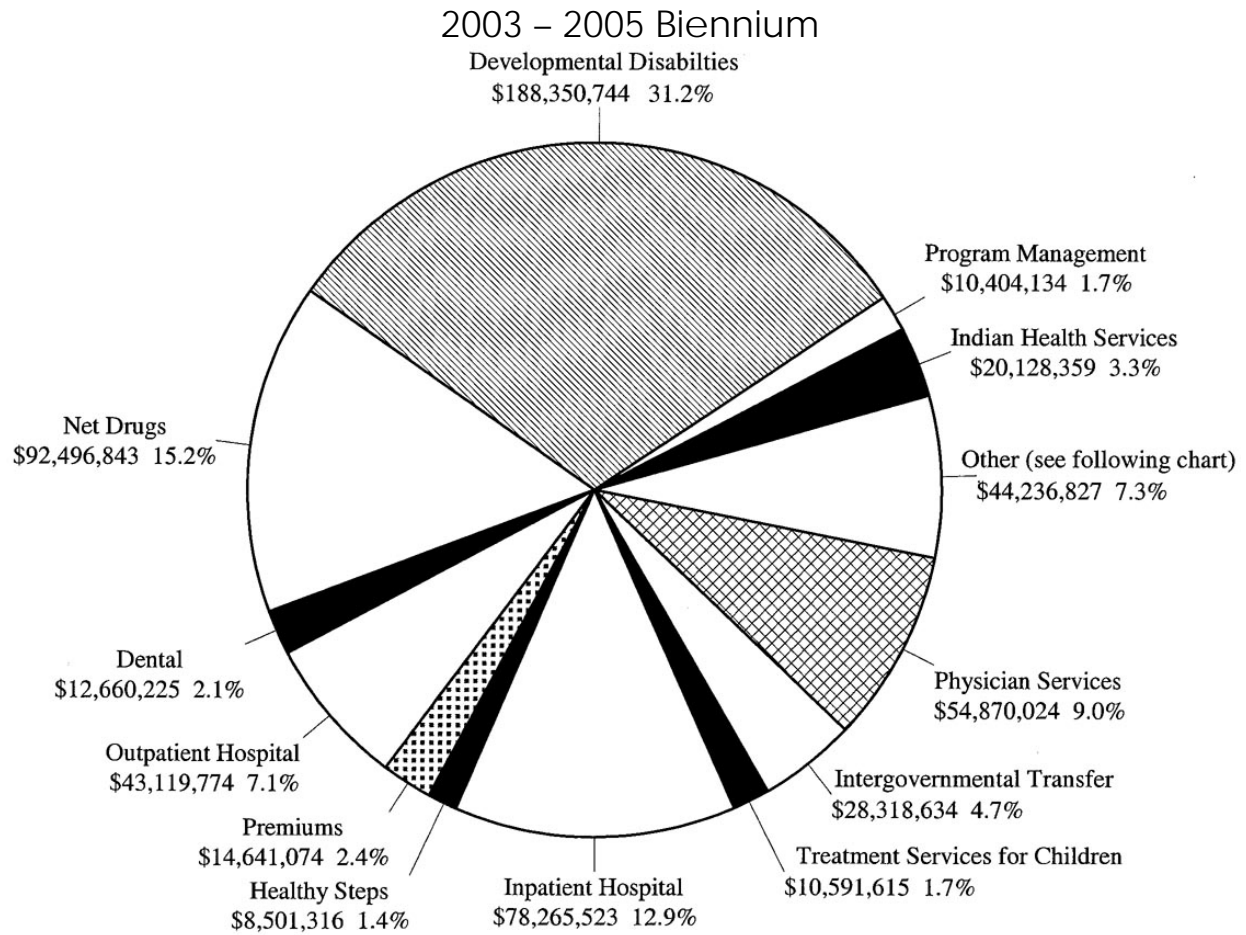
Services

- | | |
|---|---|
| <ul style="list-style-type: none">• Processing and payment of Medicaid claims submitted by service providers• Determination of eligibility for the Healthy Steps Children's Health Insurance Program• Administration of the Health Tracks child health screening and service program (formerly known as the Early Periodic Screening, Diagnosis and Treatment Program – EPSDT)• Provider relations and assistance to assure that over 3,000 providers understand coverage programs and bill appropriately for services | <ul style="list-style-type: none">• Utilization review• Administration of the Medicaid Managed Care program that serves residents of the Grand Forks region and the statewide primary care provider program• Medical review team• Pediatric specialty care to diagnose and treat eligible medical conditions through Children's Special Health Services• Multidisciplinary clinics and care coordination services for certain special child health conditions |
|---|---|

Trends

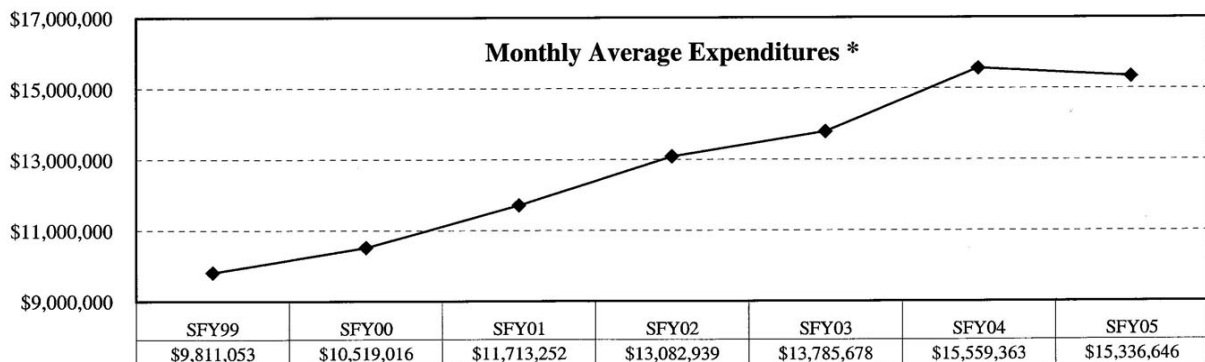
- As North Dakota's economy and per capita income have improved, the Federal Medical Assistance Percentage (FMAP) – the percentage that the federal governments pays for Medicaid expenditures – has decreased. The FMAP at the end of the biennium was 67.49%.
- While the number of individuals eligible for the programs administered by Medical Services has leveled off, many clients have chronic conditions that require extensive treatment.
- Enhancements to the Vision computer eligibility system that were completed this biennium with private foundation support have simplified referrals for child health coverage programs and resulted in more children receiving coverage through Medicaid, the state children's health insurance program, and the private Caring Program for uninsured children.

Medical Services Division Expenditures



	Funding	Percent
General	\$162,650,424	26.8%
Federal	\$426,642,731	70.3%
Other	\$17,291,937	2.9%
Total	\$ 606,585,092	100.0%

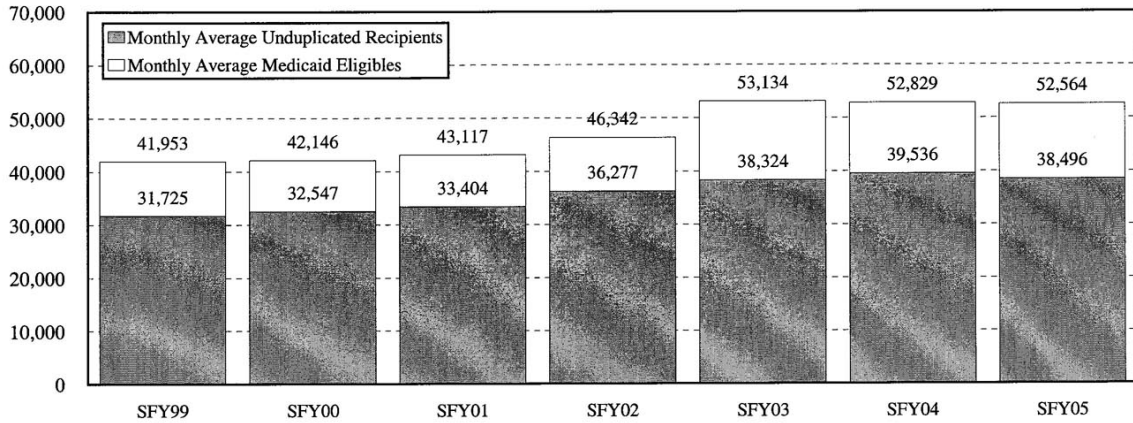
Monthly Average Medicaid Expenditures



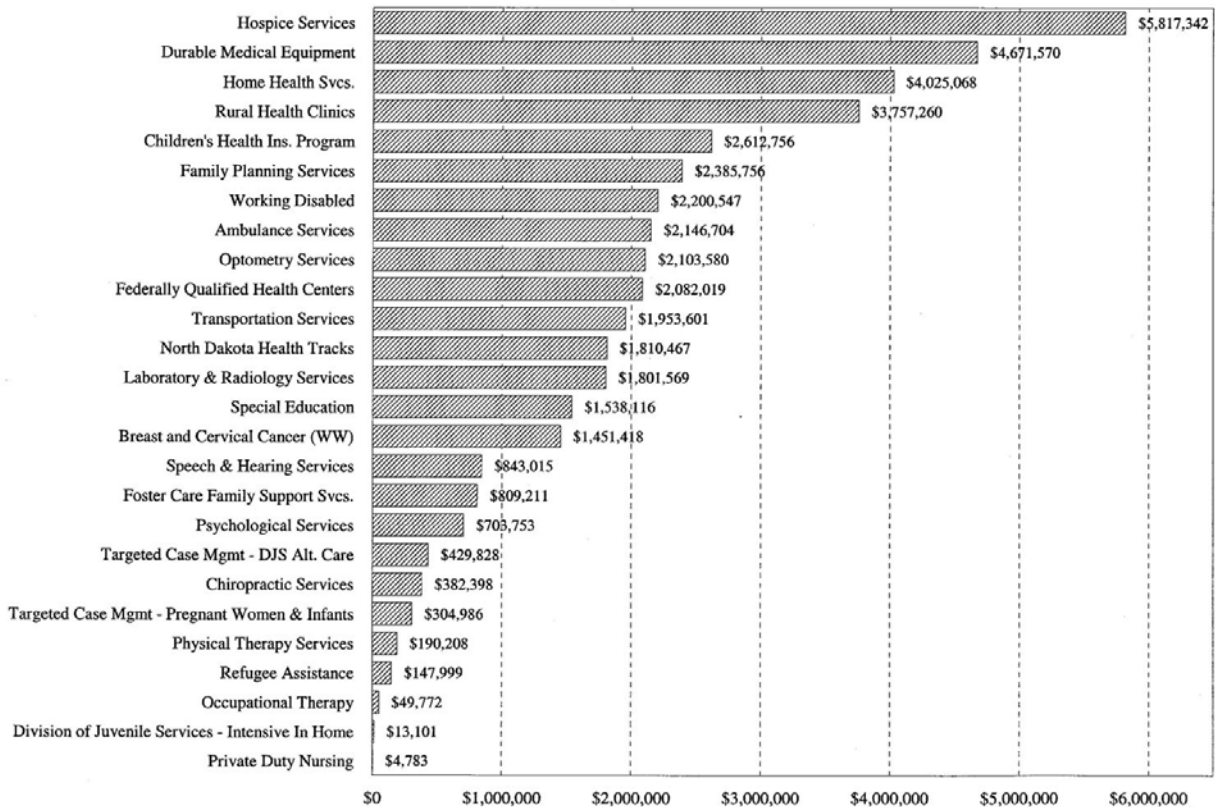
* Excludes IGT pool payments made to the two state owned nursing facilities.

Medicaid Data

Number of Medicaid Eligibles and Recipients by State Fiscal Year Monthly Average



Total of "Other" Medicaid Expenditures



Long-Term Care Continuum

The Department of Human Services 2003-2005 budget had a separate area for long term care related services, which ranged from home and community based services to institutional care settings. The Medical Services Division (Medicaid) was responsible for payments to nursing facilities, basic care facilities and the personal care option that allowed basic care providers to submit Medicaid claims for the time their staff spent caring for residents. The Aging Services Division administered the following home and community based services funding sources: Service Payments for Elderly and Disabled (SPED), Expanded SPED, Medicaid Waiver for Aged and Disabled, Medicaid Waiver for Traumatic Brain Injury, and Targeted Case Management.

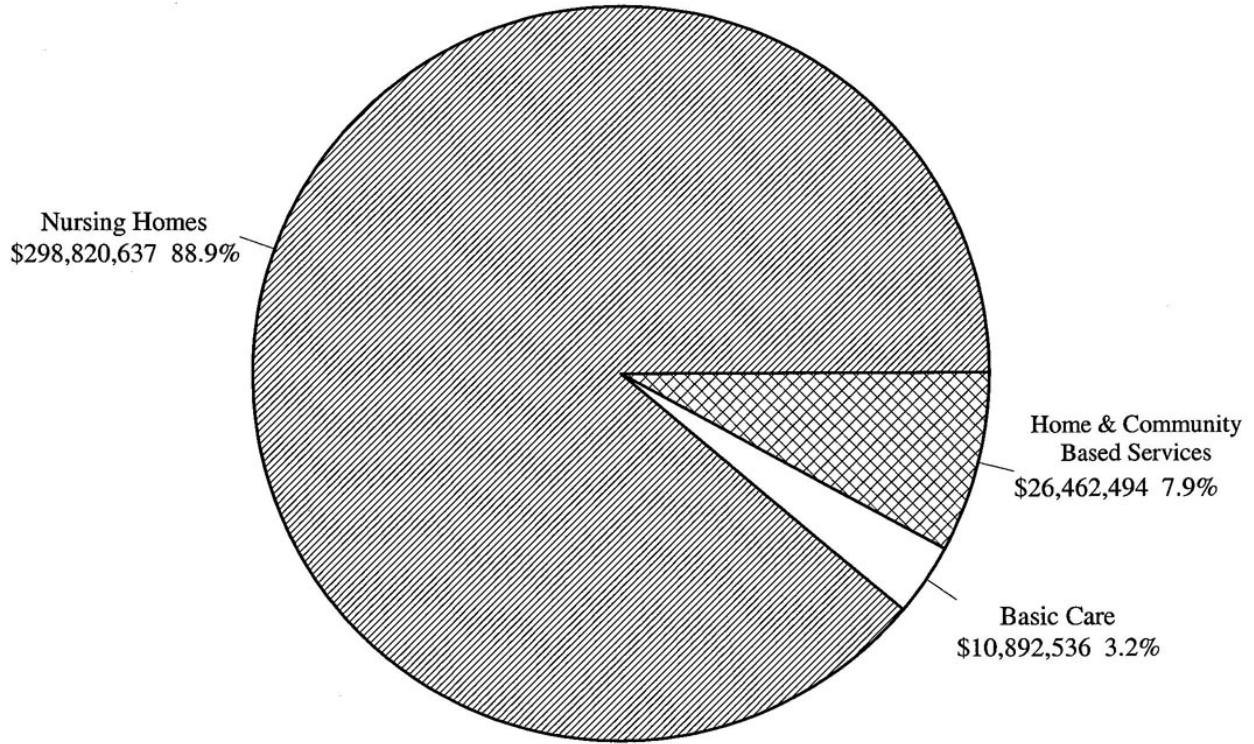
Home and community based services are provided to individuals who would otherwise qualify for skilled nursing home care or basic care, or who would require assistance due to functional limitations and financial criteria. Individual and agency qualified service providers (QSPs), including County Social Service Boards, typically deliver the services to qualified older persons and persons with physical disabilities. These services assist eligible individuals to remain as independent as possible in their own homes and communities.

Trends

- Nursing facility services (nursing home care) account for about 87% of Medicaid expenditures for the long term care continuum, and this budget item continues to increase each biennium.
- Approximately 3,550 individuals occupied a nursing facility bed during each month of the biennium. They received services in one of the 80 licensed nursing facilities in North Dakota, the swing bed hospitals, or out-of-state facilities. For the same period, Medicaid paid for about 460 individuals in a Basic Care setting.
- Many elderly and disabled individuals wish to receive long term care services in their homes and communities and delay or avoid entering nursing facilities. While the number of individuals entering nursing facilities is declining, the cost of providing services to this group of Medicaid recipients continues to increase at a rate that will double the cost in about 14 years.
- Over the next 15 years, North Dakota's elderly population will increase dramatically. The number of individuals over 85 (those most likely to need services provided through the long term care continuum) will increase from 15,289 in 2005 to about 24,258 by 2020.
- At the end of the biennium, about 2,300 individuals were receiving home and community based long term care services through the department.
- The average age of a home and community based services client was 70.6 years old.

Long-Term Care Continuum Expenditures

2003 – 2005 Biennium



	Funding	Percent
General	\$109,895,642	32.7%
Federal	\$223,414,549	66.5%
Other	\$2,865,476	0.8%
Total	\$336,175,667	100.0%

Contact Information – Program & Policy Divisions

North Dakota Department of Human Services

Current as of November 2005

Aging Services Division

Linda Wright, Director
600 E Boulevard Avenue, Dept 325
Bismarck, ND 58505-0250
Phone: (701) 328-4601
TTY: (701) 328-3480
Fax: (701) 328-4061
N.D. Senior Info-Line: (800) 451-8693
[National]
dhsaging@state.nd.us

Children & Family Services Division

Paul Ronningen, Director
600 E Boulevard Avenue, Dept 325
Bismarck ND 58505-0250
Phone: (701) 328-2316
Toll Free: (800) 245-3736
Fax: (701) 328-3538
dhscfs@state.nd.us

Child Support Enforcement Division

Mike Schwindt, Director
1600 E Century Avenue, Suite 7
P.O. Box 7190
Bismarck, ND 58507-7190
Phone: (701) 328-3582
Toll Free: (800) 231-4255
TTY: (800) 366-6888
Fax: (701) 328-6575
socscs@state.nd.us

Disability Services Division

Yvonne M. Smith, Director
1237 W Divide Avenue, Suite 1A
Bismarck, ND 58501-1208
Phone: (701) 328-8930
Toll Free: (800) 755-8529
TTY: (701) 328-8968
Fax: (701) 328-8969
dhsds@state.nd.us

Division of Mental Health & Substance Abuse Services

JoAnne Hoesel, Director
1237 W Divide Avenue, Suite 1C
Bismarck, ND 58501-1208
Phone: (701) 328-8920
Toll Free: (800) 755-2719 (ND only)
Fax: (701) 328-8969
dhsmsas@state.nd.us

Economic Assistance Policy Division

Blaine Nordwall, Director
600 E Boulevard Avenue, Dept 325
Bismarck ND 58505-0250
Phone: (701) 328-2332
Toll Free: (800) 755-2716
TTY: (701) 328-3480
dhseap@state.nd.us

Medical Services Division

Maggie Anderson, Director
600 E Boulevard Avenue, Dept 325
Bismarck, ND 58505-0250
Telephone: (701) 328-2321
Toll-free: 1-800-755-2604
Fax: (701) 328-1544
dhsmed@state.nd.us

Appendices

- Expenditures By Subdivision
- Administrative Costs
- 2003 Legislation Summary
- 2003-2004 Interim Studies

**Department of Human Services
Actual Expenditures
2003 - 2005 Biennium**

Subdivision	32510 Salary	32530 Operating	32550 Cptl Imprv	32560 Grants	32570 HSCs & Institutions	32571 Loan Fund - DD	32573 Grants-MA	Total	32591 General	32592 Federal	32593 Other
100-01 PAYROLL GL POSTING	\$1,092							\$1,092	\$1,092		
100-15 ADMINISTRATION - SUPPORT	\$6,391,782	\$3,873,856				\$2,791,500		\$13,057,138	\$4,781,264	\$4,949,508	\$3,326,366
100-20 DIVISION OF INFORMATION TECHNOLOGY	\$3,394,716	\$25,003,285	\$2,694					\$28,400,675	\$8,766,998	\$14,615,103	\$5,018,574
100 MANAGEMENT Total	\$9,787,590	\$28,877,121	\$2,694			\$2,791,500		\$41,458,905	\$13,549,354	\$19,564,611	\$8,344,940
300-01 ECONOMIC ASSISTANCE POLICY - GRANTS	\$3,849,480	\$8,763,991	\$1,936	\$161,402,094				\$174,017,481	\$4,620,300	\$148,888,218	\$20,508,963
300-02 CHILD SUPPORT ENFORCEMENT	\$2,979,290	\$2,237,456		\$1,669,694				\$6,886,440	\$401,174	\$3,649,975	\$2,835,291
300-03 MEDICAL SERVICES	\$5,066,403	\$2,614,643					\$598,904,046	\$606,585,032	\$162,650,424	\$426,642,731	\$17,291,937
300-10 LONG TERM CARE							\$336,175,667	\$336,175,667	\$109,895,642	\$223,414,549	\$2,865,476
300-42 DD COUNCIL	\$125,091	\$33,178		\$726,830				\$885,099			
300-43 AGING SERVICES	\$1,470,525	\$10,180,921	\$600	\$1,898,787				\$13,550,833	\$3,245,652	\$10,230,567	\$74,614
300-46 CHILDREN AND FAMILY SERVICES	\$1,675,430	\$1,402,273		\$97,206,160				\$100,283,863	\$14,887,054	\$72,549,930	\$12,846,879
300-47 MENTAL HEALTH AND SUBSTANCE ABUSE	\$1,119,283	\$1,337,537		\$4,883,869				\$7,340,689	\$920,940	\$6,187,676	\$232,073
300-51 DISABILITY SERVICES	\$4,209,256	\$4,059,876		\$12,864,732			\$198,498	\$21,332,362	\$4,722,479	\$16,479,293	\$130,590
300 PROGRAM & POLICY Total	\$20,494,738	\$30,629,875	\$2,536	\$280,652,166			\$935,278,211	\$1,267,057,526	\$301,343,665	\$908,928,038	\$56,785,823
410-01 NORTHWEST HSC				\$6,783,229				\$6,783,229	\$3,424,648	\$3,229,101	\$129,480
410-02 NORTH CENTRAL HSC				\$14,428,456				\$14,428,456	\$7,561,375	\$6,159,482	\$707,599
410-03 LAKE REGION HSC				\$7,756,383				\$7,756,383	\$4,066,610	\$3,199,001	\$490,772
410-04 NORTHEAST HSC				\$17,851,880				\$17,851,880	\$7,299,136	\$10,145,466	\$407,278
410-05 SOUTHEAST HSC				\$21,547,662				\$21,547,662	\$9,427,207	\$11,331,752	\$788,703
410-06 SOUTH CENTRAL HSC				\$10,965,906				\$10,965,906	\$5,377,561	\$4,897,641	\$690,704
410-07 WEST CENTRAL HSC				\$16,988,911				\$16,988,911	\$8,177,908	\$8,153,207	\$637,796
410-08 BADLANDS HSC				\$8,259,092				\$8,259,092	\$4,207,435	\$3,577,072	\$474,585
410 HUMAN SERVICE CENTERS Total				\$104,561,519				\$104,561,519	\$49,541,880	\$50,692,722	\$4,326,917
420-01 STATE HOSPITAL				\$43,244,648				\$43,244,648	\$28,664,511	\$4,429,554	\$10,150,583
430-01 DEVELOPMENTAL CENTER				\$41,016,565				\$41,016,565	\$9,170,453	\$29,429,469	\$2,416,643
4xx INSTITUTIONS Total				\$84,261,213				\$84,261,213	\$37,834,964	\$33,859,023	\$12,567,226
Grand Total	\$30,282,328	\$59,506,996	\$5,230	\$280,652,166	\$188,822,732	\$2,791,500	\$935,278,211	\$1,497,339,163	\$402,269,863	\$1,013,044,394	\$82,024,906

Continuing Appropriation											
Child Support Collections Paid to Families								\$178,874,631			\$178,874,631

North Dakota Department of Human Services
Administrative Costs
2003-2005 Biennium

Department-Wide	
Administration / Support	10,266,731
Division of Information Technology	28,400,675
Program and Policy	24,501,661
Human Service Centers	14,495,868
Institutions	11,005,914
Total	88,670,849

Percentage of Budget Expended for
Administration 5.92%

2003 Legislative Summary

Legislation passed by the 2003 N.D. Legislature relating to human services

NOTE: This list may not be inclusive of all bills passed during the 2003 Legislative Session that relate to Department of Human Services programs and services

* Denotes legislation proposed by the Department of Human Services or the Office of Management and Budget

HB 1035 – Revisions to the uniform adoption code

- Enhanced openness in the adoption process

HB 1036 – Child relinquishment to identified adoptive parents

- Extended the time period that a family has to file a petition to adopt from three to six months making Century Code consistent
- Contained language describing reasonable adoption expenses

HB 1037 – Child-placing agency licensure appeals

- Defined child placement activities and allows only agencies licensed under the Century Code to place children with families for adoption.
- Allowed the Department of Human Services to extend licenses for a two-year period for child-placing agencies in good standing.

***HB 1084 – Denial or revocation of foster care licenses**

- Clarified the basis for foster care license denials

***HB 1085 – Reports of child abuse or neglect in licensing or registering child care providers**

- Cleaned up the language in statute to reflect current practices in child abuse and neglect services

***HB 1160 – Assisted living facilities and lodging establishments**

- Cleaned up the current Century Code Chapter 23 by changing the term “boarding house” to assisted living to enable some residents to access their long-term care insurance as a payment source for their assisted living services.
- Changed the definition of “long-term care facility” to include assisted living facility and deleted the terms “intermediate care facility” and “boarding house” from Century Code

***HB 1163 – Disclosure of health information for treatment of mental illness**

- Made the mental health commitment law compliant with the Health Insurance Portability and Accountability Act (HIPAA)
- Addressed requests for expert examiners, which courts and law enforcement utilize in cases involving mental health and substance abuse. The Department of Human Services has expert examiners available through the regional human service centers and the State Hospital.

***HB 1164 – Licensing of assisted living facilities**

- Required assisted living facilities to be licensed (as opposed to registered)

- Created a new Century Code chapter for assisted living
- Clarified what health services an assisted living facility can offer in its menu of services in order to still be classified as an assisted living facility

***HB 1165 – Substance abuse treatment programs**

- Moved this chapter from the Department of Health to the Department of Human Services (DHS) to reflect the current licensure system (DHS licenses addiction treatment programs.)

HB 1200 – Appropriation to DHS for nursing facility medical assistance payments

- Provided \$850,000 to cover the one percent allotment for nursing facilities that was authorized by Governor Hoeven due to the Medicaid revenue shortfall in the 2001-2003 biennium. The Department of Human Services did not to implement the allotment for this provider group in anticipation of this legislation, which spared nursing homes from the across-the-board allotment imposed on other Medicaid providers.

HB 1228 – Moratorium on the expansion of residential treatment centers for children

- Continued the moratorium on expansion of residential treatment centers for children

HB 1243 – Lottery

- Authorized the state to participate in a lottery
- Allowed the Department of Human Services to deduct child support owed by a non-custodial parent before paying out his or her lottery prize if it totals more than \$600.

HB 1249 – Early childhood services

- Required the Department of Human Services to notify parents, guardians, or legal custodians of children if the Department revokes the license of the childcare facility/provider that they use
- Required licensed providers to notify parents and guardians within three business days if providers receive a correction order from the Department of Human Services
- Required providers to post the correction notice until a violation has been corrected

HB 1399 – Pharmaceutical drug company access program

- Created an information clearinghouse within the Insurance Commissioner’s Office to link people who are having difficulty paying for prescriptions with pharmaceutical company access programs

HB 1400 – Moratorium on expansion of licensed basic care and long-term care bed capacity, conversion of beds, and transfer of basic care beds

- Continued the moratorium on the expansion of nursing facility and basic care assistance beds in North Dakota through July 31, 2007
- Removed a requirement that facilities delicense two beds for every bed sold or transferred (to help address excess capacity in some areas and shortages in others)

HB 1430 – Prior authorization for Medicaid prescription drugs

- Authorized the department to establish a prior authorization process for drugs paid for through the Medicaid Program

- Established in law the makeup of the Drug Utilization Review Board and established procedures to determine what drugs require prior authorization

HB 1438 – HIPAA Omnibus bill

- Revised state statute to comply with HIPAA requirements

HB 1469 – Eligibility for medical assistance

- Increased the requirements for long-term care insurance necessary to allow a Medicaid applicant to avoid the consequences of a disqualifying transfer
- Required the Department of Human Services to seek to extend the look-back period for disqualifying transfers from a 36 month-period to 60 months in all cases (The Department must apply for a waiver from the Centers for Medicare and Medicaid Services to implement this change.)

***SB 2012 – Defraying the expenses of the Department of Human Services**

- Legislators approved a \$1.5 billion 2003-2005 biennium budget for the department (\$410.9 million is in state general funds)

***SB 2025 – Defraying medical assistance expenses of the Department of Human Services**

- Provided a \$15.45 million deficiency appropriation to the Department of Human Services in order to fund Medicaid services through the remainder of the 2001-2003 biennium

SB 2034 – Uniform parentage act

- Updated language in the law to change the term “natural parent” to “biological parent” when referring to a biological parent

SB 2036 – Definition of special needs for purposes of adoption subsidy

- Extended the definition of “special needs” to include children at high risk of physical, mental, or emotional disabilities in order to give adoptive families access to financial resources and supports to address the needs of children placed for adoption from the foster care system

***SB 2068 – Remedial eye care services coverage**

- Eliminated payments for transportation and lodging costs incurred by qualifying low-income, uninsured individuals seeking remedial eye care services under this program, which is intended to prevent blindness related to certain health conditions. (The program serves people who do not qualify for Medicaid.)
- Changed the eligibility requirements to serve people between the ages of 18 and 65. (The program previously served people between the ages of 21 and 65.)

***SB 2069 – Provision of treatment services for children with serious emotional disorders**

- Allowed the Department of Human Services to work with parents who have physical custody of children in order to provide out-of-home treatment services for children with serious emotional disorders

***SB 2070 – Interstate contracts for treatment of mental illness or chemical dependency**

- Allowed North Dakota and neighboring states to contract with each other for mental health or chemical dependency services, if necessary so that each state assumes responsibility for their own residents' mental health or substance abuse treatment if residents end up in treatment facilities located in neighboring states

***SB 2074 – Eligibility criteria for medical assistance benefits**

- Removed the sunset provision on legislation passed in 2001 that eliminated the asset test for the Medicaid program's children and family coverage group (The 2001 legislation made it easier for families to apply for and qualify for Medicaid and also saved the state money because several children receiving services in intermediate care facilities qualified for Medicaid. The state could then access federal Medicaid dollars reducing the state's contribution toward their care.)

***SB 2083 – Resource limits for the Service Payments for the Elderly and Disabled (SPED) Program**

- Required the Department of Human Services (through the counties) to verify assets and income of all current and future SPED program participants to ensure that they are eligible and, if appropriate, contribute toward the cost of their in-home services
- Added language that would disqualify individuals from the in-home services program if they transferred any assets before or after applying for SPED services.
- Allowed people to disregard (subtract) from their monthly income the verified costs of their prescription drugs when county workers determined their eligibility and cost-share requirement for the SPED program
- Directed the Department of Human Services to set up a new two-tiered sliding fee schedule so that people with more resources contribute more toward the cost of the SPED services they receive

***SB 2085 – Targeted case management services**

- Eliminated the sunset date for targeted case management services for individuals eligible for home and community-based long-term care services and allowed the department to continue accessing Medicaid funds for this service.
- Allowed the Department or another delegated entity to conduct health and "social needs" assessments on referred individuals so that people are aware of services available to meet their needs and can make informed decisions (No funds were allocated for the assessments.)

***SB 2086 – Purchase of services for individuals with developmental disabilities**

- Directed the Department of Human Services to replace its retrospective payment process for providers serving people with developmental disabilities and to instead develop a fee-for-service payment system to be put in place by July 1, 2005

***SB 2089 – Medical assistance for breast and cervical cancer**

- Eliminated the sunset clause on the breast and cervical cancer treatment program (paid for through Medicaid) enabling the Department of Human Services to continue to cover cancer treatment services provided to uninsured women who do not qualify for Medicaid or Medicare, and who are diagnosed with breast or cervical cancer through the Department of Health's Women's Way early detection program.

***SB 2153 – Provider assessments for ICFMR**

- Established an assessment on services provided in Intermediate Care Facilities for the Mentally Retarded (ICFMR) (Dollars generated from the assessment provide funds to match additional federal Medicaid dollar.)

***SB 2155 – Definition of work activity for TANF**

- Assured that North Dakota's Temporary Assistance for Needy Families (TANF) program complies with changes expected when the TANF program is reauthorized at the federal level

***SB 2160 – Medical support, agreements to waive child support**

- Implemented the National Medical Support Notice, a new federal mandate to improve the enrollment of children in employer-provided health plans
- Added a requirement that bonuses and other lump-sum payments in excess of \$1,000 be reported to the state Child Support Enforcement Division if a noncustodial parent is subject to income withholding and owes child support
- Made other technical corrections and authorized the department to provide services under contract with regional child support enforcement units and tribes

SB 2188 – Religious or moral convictions of child placing agencies

- Allowed child-placing agencies to make decisions regarding placement based on their written religious or moral convictions
- Prohibited the department from denying a contract or license because a placing agency does not make certain placements

SB 2194 – Medical assistance buy-in program (Workers With Disabilities Coverage)

- Allowed individuals with disabilities who have incomes below 225% of poverty (\$1,685 per month for a single individual), to purchase Medicaid coverage for a premium based on a sliding fee and ranging from 2.5% to 7.5% of income
- Required the department to establish a personal care option under the Medicaid Program for individuals living in their own homes

SB 2245 – Disclosure of the identity of child support obligors

- Authorized the Department of Human Services - Child Support Enforcement Division to develop and publish a "most wanted poster" of delinquent obligors who owe more than \$25,000 (NOTE: The custodial parent has the right to request no publication.)

SB 2246 – Notice of child support arrears, duties and responsibilities of a child support income payer, and judgment for past-due child support

- Increased the potential penalties for employers who withhold money from employees' paychecks to cover the employees' child support obligations but do not forward support in a timely manner
- Authorized the department's Child Support Enforcement Division to suspend or revoke licenses for hunting, fishing, driving, as well as professional licenses and vehicle registrations, without a court order, if an individual is at least three months or \$5,000 behind in his or her child support obligations (whichever is less)

SB 2330 – Demonstration waiver for personal assistance

- Allowed the state to apply for waivers and grants that allow older individuals and people with disabilities who qualify for home and community-based services to choose the services that best meet their needs (No funding was provided; waiver and grant funding were necessary in order to implement it.)

2003-2004 Interim – Assigned Legislative Studies

Related to the N.D. Department of Human Services

ADMINISTRATIVE RULES COMMITTEE

- 1212 § 2 Study the effects and operation of requiring agency consideration of the effect of proposed administrative rules on small businesses, organizations, and political subdivisions (NDCC § 28-32-08.1)
- Approve extension of time for administrative agencies to adopt rules (NDCC § 28-32-07)
- Establish standard procedures for administrative agency compliance with notice requirements of proposed rulemaking (NDCC § 28-32-10)
- Establish procedure to distribute copies of administrative agency filings of notice of proposed rulemaking (NDCC §28-32-10)
- Determine whether an administrative rule is void (NDCC §28-32-18)
- Receive notice of appeal of an administrative agency's rulemaking action (NDCC §28-32-42)
- Study and review administrative rules and related statutes (NDCC § 54-35-02.6)

DHS testified on amendments to various sections of administrative code and the repeal of sections of administrative code

BUDGET SECTION

- 3001 Hold the required legislative hearings on state plans for the receipt and expenditure of new or revised block grants passed by Congress

- Authorize Developmental Center at Westwood Park, Grafton, to provide services under contract with a governmental or nongovernmental person (NDCC § 25-04-02.2)
- Receive report from the Department of Human Services after June 30, 2004, regarding any transfer of appropriation authority between line items and between subdivisions in excess of \$50,000 (2003 S.L., ch. 33, § 7)

DHS testified on the status of the Medicaid program and the child care assistance program, outsourcing of positions and services, the State Hospital's sex offender treatment program, and temporary Medicaid relief contained in the federal Jobs and Growth Tax Relief Reconciliation Act of 2003.

BUDGET COMMITTEE ON GOVERNMENT SERVICES

- 1506 § 6 Study the long-term needs of all state inmates and whether the Department of Corrections and Rehabilitation should continue to contract to house state female inmates with county jails or the state should expand the prison system, including a review of the east cell block of the State Penitentiary and future needs for maximum security prisoners; the female population and related treatment, programming, and training needs; and the mental health services of the State Hospital, including whether the Department of Corrections and Rehabilitation should continue to expand its facilities on the State Hospital grounds and whether patients at the State Hospital

with mental health needs should be served in other locations

DHS reported on the State Hospital and testified about the status of the State Hospital sex offender treatment program, methamphetamine addiction and treatment, and the impact of drug abuse on the child welfare system

- 3037 Study the needs of individuals with mental illness, drug and alcohol addictions, and physical or developmental disabilities, including individuals with multiple needs, and how the state responds to those needs; the long-term plans for the State Hospital, the Developmental Center at Westwood Park, state and county correctional facilities, and other state facilities and the relationships among those facilities; the impact and availability of community services; the state's criminal justice process from arrest to release; alternatives to incarceration; and the effectiveness of incarceration and treatment

DHS testified about the community-based system of care for people with developmental disabilities, the community-based system of care for people with mental illnesses and/or substance addictions, hosted a tour of the Developmental Center

BUDGET COMMITTEE ON HEALTH CARE

- 1004 § 14 Study the nursing home survey process, including a review of federal, state, and local agency procedures and requirements that result in additional costs, duplicated procedures, and added regulations for nursing homes, and the potential for mitigating the impact of new

mandated federal rules through collaboration between the State Department of Health and the Department of Human Services and the submission of waiver requests

- 1430 § 11 Study the value of medical assistance program use of benefit purchasing pools, preferred drug lists, and other pharmacy benefit management concepts, including the fiscal impact of the appeals and grievance process on existing programs
- 2012 § 16 Study the feasibility and desirability of establishing an advisory council for the medical assistance program of the Department of Human Services - Expanded by the Legislative Council chairman to include a review of Medicaid payments, access to services, and utilization
- Receive annual report from the Department of Human Services describing enrollment statistics and costs associated with the children's health insurance program state plan (NDCC § 50-29-02)

DHS testified about prior authorization of prescription drugs, nursing home surveys, the impact of methamphetamine on child welfare services, methamphetamine addiction, child enrollment in Medicaid and the State Children's Health Insurance Program, Drug Utilization and Review (DUR) Board, Medicaid caseloads and expenditures, Medicaid prescription drug program, pharmaceutical assistance programs, in-home care service programs provided by the department, the human service

centers – populations served, services provided, utilization trends, outcomes, and budgets; and the Medicaid Advisory Council Study.

BUDGET COMMITTEE ON HUMAN SERVICES

- 2012 § 14 Study administrative costs of human service programs, including costs incurred by the central office of the Department of Human Services, human service centers, and county social services, and review the effects of the 1997 "swap" legislation on state and county human service program costs
- 4001 Study the delivery of services and the cost versus benefit of those services provided by the eight human service centers, the possibility of combining service centers, the administrative costs of the centers related to the programs and clients served, and third-party reimbursement and competition with private providers
- Receive reports during the 2003-04 interim from the Department of Human Services regarding the department's progress in developing a fee-for-service payment system for treatment or care centers (NDCC § 25-18-12)
- Receive certification from the Department of Human Services by October 1, 2004, of whether the department and developmental disabilities service providers have reached an agreement on a new fee-for-service system (2003 S.L., ch. 231, § 5)

DHS provided budgets and data on the regional human service centers, and testified about foster

care caseloads, adolescent alcohol and drug treatment programs, child support enforcement developments, human service center treatment services, communication with DOCR, caseloads, and staff resources; the status of TANF reauthorization; methamphetamine; Medicaid caseload and utilization trends; and the Children's Health Insurance Program administrative functions and costs

CRIMINAL JUSTICE COMMITTEE

- 3062 Study vulnerable adult abuse and neglect with an emphasis on whether certain individuals should be required to report suspected incidents of vulnerable adult abuse and neglect
- 4008 Study the need for guardianship services, standards and practices for guardians, and funding for programs for individuals with mental illness, vulnerable elderly individuals, and individuals with traumatic brain injuries

DHS provided information about current practices in vulnerable adult services and guardianship services

INFORMATION TECHNOLOGY COMMITTEE

- Review the activities of the Information Technology Department, statewide information technology standards, the statewide information technology plan, and major information technology projects; review cost-benefit analyses of major projects; conduct studies; and make recommendations regarding established or proposed information technology programs and

information technology acquisition
(NDCC § 54-35-15.2)

*DHS testified on the Medicaid
Management Information System
Project and status of the Health
Insurance Portability and
Accountability Act Project*

- Receive from the Chief Information Officer recommendations of the department's advisory committee regarding major software projects for consideration and the drafting of appropriate legislation to implement the recommendations (NDCC § 54-59-02.1)

JUDICIAL PROCESS COMMITTEE

- 3011 Study the North Dakota open records statutes and the appropriateness of the penalties for an unauthorized disclosure of certain records
- Review uniform laws recommended by Commission on Uniform State Laws (NDCC § 54-35-02)

*DHS testified on open records
policies and the Uniform
Parentage Act*

LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE

- Receive report on write off of patients' accounts at Developmental Center at Westwood Park, Grafton (NDCC §25-04-17)
- Receive annual report from the Department of Human Services on write-off of recipients' or patients' accounts (NDCC § 50-06.3-08)

North Dakota Department of Human Services
600 E Boulevard Avenue, Dept. 325
Bismarck ND 58505-0250