

Testimony

Senate Bill No. 2345 – Department of Human Services

Senate Appropriations Committee

Senator Ray Holmberg, Chairman

November 9, 2021

Chairman Holmberg, and members of the Senate Appropriations Committee, I am Pamela Sagness, Executive Policy Director for Behavioral Health for the Department of Human Services (Department). I appear before you in support of section 29 of Senate Bill No. 2345.

Section 29 identifies four Department of Human Services items that total \$29,000,000.

The first is a \$5 million allocation to facilitate modification of the state's integrated eligibility system, commonly known as SPACES, in order to complete COVID-related eligibility system updates, to make technical corrections to process eligibility accurately, and to communicate relevant changes to members.

The integrated eligibility system (SPACES) has been the hub for distribution of multiple streams of COVID-relief funding; the volume of change the system has had to incorporate and the extremely short timelines in which to complete the changes, has resulted in a backlog of work that is compromising the overall functionality of the system. Requested funds would support focused triage teams who would tackle outstanding business needs, thereby strengthening the infrastructure that supports eligibility for economic assistance across ND.

The second is a \$17 million allocation to support two early childhood initiatives. One will increase the number of households who would be eligible for child care assistance by increasing the household income limit from 60% of area median income to 85% of area median income. Adjusting the household income limit will enable more working parents to receive help with costs of childcare, which is a critical to their ability to remain engaged in the labor force.

The second is a pilot program that would help employers provide a child care benefit to employees who have young children and whose household income is no greater than 150% of area median income. This would be a voluntary program. Employers can apply to participate if they are interested in accessing the matched dollars made available from the state. Using a matched stipend model offers a flexible and practical way to encourage private investment in child care by helping private sector dollars to go further. It can quickly and easily enable businesses of all sizes and types to provide a childcare benefit to employees if they choose to do so.

The third is an allocation of \$4 million to expand access to community behavioral health services. The community behavioral health program has served more than 1000 North Dakotans since November 1, 2020 reducing the waitlist for services so individuals get needed treatment & support services. The current COVID relief funds for the program expire December 31, 2021.

The final element of the \$29 million is an allocation of \$3 million to expand residential addiction services through the Substance Use Disorder Voucher grant program, increasing the total number of awards from 2 to 4.

This concludes my testimony. Thank you.

Substance Use Disorder Treatment Voucher System Grants

\$3,000,000 (*one-time funding*)

Increase the number of grants provided in HB 1012 Section 24 to “up to 4” and add additional funding to increase substance use disorder treatment services to underserved areas of ND. The additional funding and number of awardees allows flexibility to address regional and population specific needs and increases the ability to award qualified addiction treatment programs for the required 5-year commitment.

HB 1012 Section 24:

SECTION 24. A new section to chapter 50-06 of the North Dakota Century Code is created and enacted as follows:

Substance use disorder treatment voucher system grants.

1. A licensed substance abuse treatment program, excluding regional human service centers and hospital or medical clinic-based programs for medical management of withdrawal, may apply for a competitive substance use disorder treatment voucher system grant. A licensed substance abuse treatment program is eligible for a one-time grant award. To receive a grant, a licensed substance abuse treatment program shall:
 - a. Submit an application in the form and manner prescribed by the department;
 - b. Enter a grant agreement with the department;
 - c. Use grant funds for a licensed substance abuse treatment program with fewer than seventeen beds in an underserved area, as determined by the department, in the state's substance abuse treatment system;
 - d. Use the grant funds to support the provision of substance use disorder treatment in underserved areas of the state's substance abuse treatment system;
 - e. Provide and disclose information needed to comply with the department's data collection requirements; and
 - f. Operate in compliance with grant requirements.
2. The department, within legislative appropriations, may distribute **up to two grants** under this section to licensed substance abuse treatment programs.
3. The department may recapture grant funds distributed to a licensed program found by the department to be out of compliance with the requirements established by the grant program, including ending or reducing the operation of the substance use disorder treatment services in the underserved area.
4. The department may not collect property, equipment, or supplies purchased with grant funds from the licensed substance abuse treatment program after successful completion of the terms of the grant.
5. The grant term must be for five years.

Connection to ARPA Guidelines: Supporting the public health response. Services to address behavioral healthcare needs exacerbated by the pandemic, including mental health services, substance abuse treatment, other behavioral health services, hotlines or warmlines, crisis intervention services or outreach to promote access to health and social services.

Estimated Impact / Population to be Served: Individuals in rural and underserved areas of the state will be able to receive critical addiction services and facilitate opportunities for family to participate.

