

## **Systems upgrades for Medicaid Eligibility in SPACES**

**\$5,000,000** (*one time funding*)

COVID-related eligibility system updates. DHS also needs to make technical corrections to process eligibility accurately.

The integrated eligibility system (SPACES) has been the hub for distribution of multiple streams of COVID-relief funding, while also incorporating COVID-related modifications to existing mainstream economic assistance programs. 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.

Connection to ARPA Guidelines: Rebuilding public sector capacity, by rehiring public sector staff and replenishing unemployment insurance (UI) trust funds, in each case up to pre-pandemic levels. Recipients may also use this funding to build their internal capacity to successfully implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations.

Estimated Impact / Population to be Served: Individuals who apply for or who need to re-certify their Medicaid application and the 400+ professionals who help process eligibility for Medicaid and other applications

## **Renovation of Sunset building to support LSTC Operations**

**\$100,000** (*one time funding*)

Life Skills Transition Center continues to modify its on-campus operational footprint to better respond to changing service delivery context, as demonstrated by the need to modify service delivery during the COVID pandemic. Renovations to the on-campus building known as "Sunset" will enable further centralization of support functions that serve both on-campus and in-community service provision.

Connection to ARPA Guidelines: Supporting the public health response.

Estimated Impact / Population to be Served: More effective operation of LSTC

## **Leveraging new ideas to support independent living**

**\$1,500,000** (*one time funding*)

Broaden our thinking about how we can deliver in-home and in-community supports by adopting ideas that will provide support to family caregivers and focus how non-familial caregiving services are used.

Consider more widespread utilization of in-home personal care technology and assistive devices, customized adaptive equipment/supplies, and physical modification of home environments.

The desired outcome of this project is a series of actionable policy recommendations that can help alleviate pressure on caregiving systems that result from both increased demand for home and community-based services and shortages in the direct care workforce.

To keep the multiple work efforts included in this effort on track, DHS would engage a consultant to coordinate and accelerate the effort.

Connection to ARPA Guidelines: Rebuilding public sector capacity, by rehiring public sector staff and replenishing unemployment insurance (UI) trust funds, in each case up to pre-pandemic levels. Recipients may also use this funding to build their internal capacity to successfully implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations.

Estimated Impact / Population to be Served: People of all ages with physical disabilities or health conditions that necessitate home modifications to support continued in-community living

## **Family to Workforce Childcare Assistance**

**\$7,800,000** (*one time funding, covers estimated utilization through FY25*)

Increase the max income for the state's Child Care Assistance Program (CCAP) from 60% of state median income to 85% of state median income. The adjusted household income limit would enable more working households to receive help with costs of childcare. \$3 million in 21-23 and \$4.8 million for 23-25

- In ND, a household of 4 earning 60-85% of state median earns a combined full-time wage of \$28-\$40/hour. If the household has two working adults, this could represent two full time jobs that earn between \$14 and \$20/hour. Their childcare costs, without subsidy, could be expected to consume 15-35% of their total household income. To be considered "affordable", child care costs should not consume more than 7% of a household budget.
- Increasing the max income from 60% to 85% of State Median Income would connect approximately *400-600 children in 250-375 households to child care assistance of an estimated \$350/child/month.*
- CCAP is an existing program; the legislature considers CCAP as part of the DHS Economic Assistance division budget every biennium. The legislature has not considered a specific request to increase programmatic income limits in recent years.
- CCAP is not an entitlement program; if future funding is insufficient to meet demand, program guidelines could be adjusted via policy to align with available resources.
- No additional positions would be required; the funds would go directly to families to help offset the cost of child care.

Connection to ARPA Guidelines: Child Care has been identified as a critical element of community infrastructure throughout the nation's response to COVID; improving affordability and therefore, access to, child care strengthens local economies and helps make workforce participation more viable. Serving the hardest-hit communities and families - Promoting healthy childhood environments, including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Estimated Impact / Population to be Served: 400-600 children per year whose families are not currently able to benefit from child care assistance.

## **Public Private Partnership to invest in childcare for workers (GP)**

**\$9,600,000** (*one-time funding/pilot, covers estimated utilization through FY25*)

Create a state match for employer-funded childcare stipends for their employees. State ARPA dollars could match any private investment in an individual childcare benefit (i.e., stipend to employee and/or their childcare provider) at a rate of 2:1, for the inaugural 24-month period of implementation (Jan 2022-Dec 2024). The state's match of private funds will reduce to 1:1 for the last 12 months of the implementation period (Jan 2025-Dec 2025).

State match is available for any household whose gross earnings are no more than 150% of area median income (which is roughly the income level where childcare becomes "affordable" for families, meaning the cost is no more than 7% of gross household income).

State match is capped at \$200 / child / month. \$4 million in 21-23 and \$5.6 million in 23-25.

- Employers of all sectors acknowledge that having access to quality affordable child care is important for their workforce recruitment and retention efforts.
- 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, regardless of their corporate tax liability (which would be a factor if the same public private partnership were modeled as a tax credit).
- Budget estimate would provide matching funds for an estimated 1,000 workers stipends
- State match capped at \$200 per month, maximum 36-month duration
- Capping household income at 150% of state median income aligns with the assumption that households who earn 150% of area median income or higher, in general, are more able to afford the cost of childcare. When thinking about childcare costs, "affordability" is generally defined as an expense that does not exceed 7% of gross household income.
- This would represent a new program to be integrated into the work of the DHS Economic Assistance and Early Childhood divisions.
- DHS may engage temporary staff to help support administration of the program as it would involve development of new partnerships with entities that are not likely to be familiar with child care assistance and public sector grant making overall.
- Connection to ARPA Guidelines: Child Care has been identified as a critical element of community infrastructure throughout the nation's response to COVID; improving affordability and therefore, access to, child care strengthens local economies and helps make workforce participation more viable.

Connection to ARPA Guidelines: Serving the hardest-hit communities and families - Promoting healthy childhood environments, including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Estimated Impact / Population to be Served: Up to 1,000 working parents.

### **Retention funding for RN, LPN, and CNA positions**

**\$350,000** (*one-time funding*)

Pandemic reduced applicant pools and has driven healthcare worker salaries higher. COVID-19 has resulted in a more acute healthcare worker shortage and higher salaries.

The North Dakota State Hospital is requesting to provide a retention bonus for the certified nursing assistants. Their work during the pandemic has been difficult, in part because of the additional infection control procedures to keep all patients safe, and in large part due to the 100+ patients admitted for psychiatric stabilization who also had the Covid-19 virus. The simultaneous treatment of both illnesses is difficult.

The nursing assistants have also seen salaries in private healthcare settings rise dramatically during the pandemic and the healthcare provider shortages. A retention bonus for all nursing assistants, totaling \$350,000.00 would reflect appreciation of their work and assist the state in retaining valuable employees during this tumultuous time in healthcare.

Connection to ARPA Guidelines: Supporting the public health response.

Estimated Impact / Population to be Served: Nursing staff employed at the state hospital (120-150 individuals).

## **Child Support Data and Reporting System (FASCES)**

**\$23,000,000** (*one-time funding*)

30+-year old mainframe system is not able to accommodate changes in work process, including more in-depth integration with other systems, changes in case management based on work location, reporting requirements, etc. NDIT is scheduled to retire the state mainframe in next 3-5 years; FASCES is one of last remaining systems to be transitioned.

A new system will enhance people's ability to access their information and complete actions required for ongoing child support cases, without having to schedule in person visits and better enable remote delivery of service in order to retain flexibility based on context and public need.

Proposed funding would leverage \$7 million in other funds.

Connection to ARPA Guidelines: Rebuilding public sector capacity, by rehiring public sector staff and replenishing unemployment insurance (UI) trust funds, in each case up to pre-pandemic levels. Recipients may also use this funding to build their internal capacity to successfully implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations.

Estimated Impact / Population to be Served: Individuals who interact with the child support system, and the hundreds of professionals who help process child support cases.

**Community Behavioral Health Program (GP)**

**\$4,000,000** (one-time funding; *covers estimated utilization through FY25*)

The Community-based Behavioral Health Program is a new program established in November 2020 providing funding for eligible individuals in need of care coordination and/or substance use disorder treatment to receive community-based behavioral health services.

By providing community-based behavioral health services to individuals in their homes and community the state can reduce the need for individuals to enter congregate settings such as residential treatment facilities, inpatient hospitalization, and avoiding the need for emergency department interventions.

The current Community-based Behavioral Health Program funding will expire December 31, 2021. To date 1068 individuals have received services supported by this program.

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: 2000+ individuals in need of behavioral health services and supports.



## 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.