

2009 HOUSE HUMAN SERVICES

HB 1307

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1307

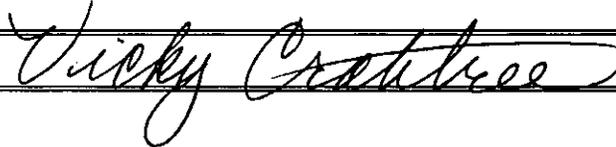
House Human Services Committee

Check here for Conference Committee

Hearing Date: January 21, 2009

Recorder Job Number: 7422

Committee Clerk Signature



Minutes:

Chairman Weisz called the hearing to order on HB 1307.

Rep. Kreidt sponsored and introduced the bill.

Shelly Peterson, President of ND Long Term Care Association: Testified in support. **See Attached Testimony #1.**

Chairman Weisz: What is total of homes now asking for allowable expense for education costs?

Shelly Peterson: We tried to look at that information and couldn't get it. Over 1/3 of the facilities are seeing the limit.

Rep. Potter: Explain what cost report is?

Shelly Peterson: Every year on June 30 you must submit your yearend financial report. You outline everything you have spent in certain cost categories. You give that to the Dept. of Human Services along with an audited financial report of your facility. The Dept. takes that information and they sets their rates then.

Rep. Conrad: Do you have any objection to (inaudible). You do something with percentage (inaudible) payment plan.

Shelly Peterson: No objection.

Rep. Conrad: Is there any difference between a larger community (inaudible) smaller communities, facilities in those communities and shortage of (inaudible).

Shelly Peterson: Our average turnover of CNA is 51%. The greatest turnover is in the four major cities. Rural ND has very little turnover. What is happening is people are retiring.

Rep. Conrad: (Something about allowable expenses, and salaries inaudible).

Shelly Peterson: The facility has the authority to set the salaries and to determine how many staff they need. (Made reference to testimony and a sheet that specifies which facilities have too much nursing staff and paying too much.

Rep. Uglem: Do a lot of CNA's contract out to increase their wages.

Shelly Peterson: Contract agencies might pay a little better for CAN. Some have quit for the facility staff and go work for the agency staff because they pay a little better. We need to get our salaries up.

Rep. Uglem: Raising the salaries wouldn't work for the whole group that are beyond their cost.

Shelly Peterson: You're absolutely correct.

Bob (Inaudible): Testified in support of bill.

Rep. Potter: Clarification when you say, you hope we will move these up, are saying what the bill is talking about?

Bob: This bill will be talking about I think is parallel to what we are looking at per cost right now. That makes the decision whether that person able to return to school and better themselves.

Rep. Uglem: You have any idea in dollars per day this type of program increases?

Bob: Actually think it (inaudible). Our facility is under the limits. It all comes down to wages and keeping people happy.

Rep. Porter: Is it unfair to those facilities that are maxed out on their indirect costs and we should be looking at funding this in a method that is equal to all nursing facilities?

Bob: If you look at who is over the limit and where the max is (inaudible) they are under a contract (inaudible).

Rep. Porter: So the facilities that really need it the most because they are short staffed and high turnover and contract staff, are exactly the ones that wouldn't have access to this, because they are over the limit.

Bob: That is probably true, but two ways of taking that. I would look at it, if I was over the limit; the only way I'm going to get down is to attract staff into those positions that are costing me money for being over that limit.

Barbara Fischer, Assistant Director, Budget and Operations of Medical Services

Division of the Dept. of Human Services: Testify in support. **See Testimony #2.**

Chairman Weisz: Why can't you get something on the fiscal note? Can you give us a number of how many have been claimed?

Barbara Fischer: We could not glean that information.

Rep. Porter: What would it take to make to make it reportable?

Barbara Fischer: You can have a separate line item on the cost report.

Rep. Porter: The dept. should look at this as a high priority.

Barbara Fischer: We can look at it.

Rep. Conrad: Are you comfortable with bill language on how to repay (inaudible) facilities (inaudible).

Barbara Fischer: To provide something in the bill would be better if you have an intent rather than trying to determine what your intent was by (inaudible).

Linda Wurtz representing AARP: Testified in support

NO OPPOSITION.

Chairman Weisz closed the hearing.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1307

House Human Services Committee

Check here for Conference Committee

Hearing Date: January 27, 2009

Recorder Job Number: 7912

Committee Clerk Signature 

Minutes:

Chairman Weisz: Let's take up 1307. Rep Porter would you like to explain the amendments?

Rep. Porter: There are two amendments to the bill. Ms. Peterson proposed the first one.

Remove lines 20 and 21. The amendment that I had drafted. The Dept. and the nurse people said they really had no way to track what dollars are being spent on education and how it is benefiting the nursing facilities. I wanted the ability to report it separately and the cost report. It doesn't do anything as far as the program is concerned other than it says they has to show up separately on the facility's cost report.

Chairman Weisz: Explain what it means by (inaudible).

Rep. Porter: It goes into another unique category of (drops sentence off).

Chairman Weisz: It won't go under indirect costs?

Rep. Porter: The report.

Chairman Weisz: After I've reviewed the amendments here, the education expense gets reimbursed.

Rep. Porter: The way it is in that sheet, where 1/3 of the facilities are over the indirect costs, this program the way it sits in 1307 (inaudible). With this amendment. This amendment levels the playing field so that it benefits all facilities equally, no matter what their indirect costs are.

Two-thirds could claim it, one-third could not because of the current restrictions on indirect costs. This will level the playing field on reimbursement and it would make those dollars show up as a separate line item.

Chairman Weisz: If we adopt this amendment, it shouldn't require a fiscal note, but suspect the department will tell us they can't determine the fiscal affect.

Rep. Conrad: Any other bills out there that would provide assistance with (inaudible)?

Rep. Porter: There's programs, not sure of any bills.

Chairman Weisz: If we pass this we will have to ask for a fiscal note.

(Discussion back and forth.)

Rep. Frantsvog: In section 1, it identifies costs that are not recognized as allowable. Who could put this into that category and then it would have no fiscal impact?

Chairman Weisz: If we did that, they couldn't deduct their other expense. **Rep. Frantsvog:** It still let's them achieve their objective.

Chairman Weisz: They can pay as much as they want on education, but have limit of what the state will reimburse. They are currently maxed out at \$8,000, but they can ask the state to reimburse them.

(Discussion about amount of money.)

Rep. Kilichowski: Motion to adopt amendments.

Rep. Holman: Second.

Voice Vote: 13 yeas, 0 nays, 0 absent.

MOTION CARRIED.

Rep. Conrad: Motion for a DO PASS as amended.

Rep. Damschen: Second.

Roll Call Vote: 13 yes, 0 no, 0 absent.

MOTION CARRIED ON DO PASS.

BILL CARRIER: Rep. Hofstad.

FISCAL NOTE
Requested by Legislative Council
03/09/2009

Amendment to: Engrossed
 HB 1307

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

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

This bill would provide for an increase for certain education expenses (up to \$3,750 per year or an aggregate of \$15,000) for computing nursing home rates. The current limits are \$2,000 and \$8,000, respectively.

Due to the lack of available data, a fiscal impact cannot be determined.

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

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

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

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

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

Name:	Debra A. McDermott	Agency:	Human Services
Phone Number:	328-3695	Date Prepared:	03/09/2009

FISCAL NOTE
Requested by Legislative Council
01/30/2009

Amendment to: HB 1307

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

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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Due to the lack of available data, a fiscal impact cannot be determined.

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

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

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

Name:	Brenda M. Weisz	Agency:	DHS
Phone Number:	328-2397	Date Prepared:	02/02/2009

FISCAL NOTE
Requested by Legislative Council
01/13/2009

Bill/Resolution No.: HB 1307

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

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

This bill would provide for an increase for certain education expenses (up to \$3,750 per year or an aggregate of \$15,000) for computing nursing home rates. The current limits are \$2,000 and \$8,000, respectively.

Due to the lack of available data, a fiscal impact cannot be determined.

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

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

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

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

Name:	Debra A. McDermott	Agency:	Human Services
Phone Number:	328-3695	Date Prepared:	01/16/2009

VR
1/27/09

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1307

Page 1, line 19, after the underscored semicolon insert "and"

Page 1, remove lines 20 and 21

Page 1, line 22, replace "d." with "c."

Page 2, after line 8, insert:

"6. The facility shall report the education expense separately on the facility's cost report. The expense is allowed as a passthrough and is limited only by the fifteen thousand dollar maximum per individual."

Renumber accordingly

Date: 1-27-09

Roll Call Vote #:

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1307

House HUMAN SERVICES Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Rep Conrad Seconded By Rep Damschen

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN ROBIN WEISZ	✓		REP. TOM CONKLIN	✓	
VICE-CHAIR VONNIE PIETSCH	✓		REP. KARI L CONRAD	✓	
REP. CHUCK DAMSCHEN	✓		REP. RICHARD HOLMAN	✓	
REP. ROBERT FRANTSVOG	✓		REP. ROBERT KILICHOWSKI	✓	
REP. CURT HOFSTAD	✓		REP. LOUISE POTTER	✓	
REP. MICHAEL R. NATHE	✓				
REP. TODD PORTER	✓				
REP. GERRY UGLEM	✓				

Total (Yes) 13 No 0

Absent 0

Bill Carrier Rep Hofstad

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

REPORT OF STANDING COMMITTEE

HB 1307: Human Services Committee (Rep. Weisz, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1307 was placed on the Sixth order on the calendar.

Page 1, line 19, after the underscored semicolon insert "and"

Page 1, remove lines 20 and 21

Page 1, line 22, replace "d." with "c."

Page 2, after line 8, insert:

"6. The facility shall report the education expense separately on the facility's cost report. The expense is allowed as a passthrough and is limited only by the fifteen thousand dollar maximum per individual."

Renumber accordingly

2009 SENATE HUMAN SERVICES

HB 1307

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1307

Senate Human Services Committee

Check here for Conference Committee

Hearing Date: 2/25/09

Recorder Job Number: 9700

Committee Clerk Signature

Mary K Monson

Minutes:

Senator J. Lee opened the hearing on HB 1307 relating to nonallowable costs in nursing home ratesetting.

Rep. Gary Kreidt (District 33) introduced HB 1307 and gave a short history on what the facility in New Salem does to help an employee continue their education. This bill would raise the amount a facility could claim as an allowable education expense to \$15,000. He explained this bill would help facilities who are currently doing this and might encourage others to start. It's a good way to get new nurses on board.

Senator Dever didn't see the current limits referenced in the bill and asked if they were limited somewhere else.

Rep. Kreidt said the current limit now is \$8000 and is set by rule.

Senator J. Lee asked if they would rather have this in statute than in rule.

Rep. Kreidt said he felt comfortable with it set up the way it is.

Shelly Peterson (President of ND Long Term Care Association) provided testimony in support of HB 1307. (Attachment #1) She said they are fine with the amendment the Dept. of Human Services will be proposing.

Barbara Fischer (Dept. of Human Services) provided information on the fiscal note and testified in support of HB 1307. Attachment #2 also included an amendment.

There was no opposing or neutral testimony.

The hearing on HB 1307 was closed.

Senator J. Lee asked if somebody gets the education and only works part of the required hours if they would pro rate.

Ms. Peterson said they would anticipate that would be part of the contract. If they work only half the obligation they would have to pay back half the money they received.

Senator Dever asked if there would be any requirements if a person receives less than \$15,000.

Ms. Peterson said their intent was that everything would be prorated and all of that would be outlined in the contract.

Senator J. Lee asked if it would be acceptable to consider an amendment that would call for the contract to include the prorated language.

Shelly Peterson replied that it would be acceptable.

Shelly Peterson explained that the facility can spend the money for someone to go back to school but cannot claim the expense until after they return to work for the facility.

There was discussion as to what the work experience applies to and that this only applies to nurses.

Barbara Fischer explained what the current administrative rules say about allowable educational expense. Individuals can receive reimbursement on loans if they go back to school and return to work within that position.

The intent of this bill is to address the nursing area. Keeping it open to other areas was discussed.

Senator Dever asked if a fiscal note would be significant if it could be determined.

Ms. Peterson didn't know. Many haven't claimed it because currently it has to be claimed in the indirect cost category. This bill would require facilities to report it separately.

Senator Dever asked if this was rereferred to Appropriations in the House.

Shelly Peterson said it wasn't because they couldn't determine the fiscal impact.

Senator J. Lee suggested they were looking at an amendment (1) calling for prorating the payback that is less than \$15,000 and (2) work credit would be in the degree setting after the education goal has been met. The committee agreed.

Senator J. Lee asked Ms. Peterson and Ms. Fischer if they would be willing to work with the intern to put together an amendment reflecting what had been discussed.

They agreed to the request.

Discussion was ended on HB 1307.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1307

Senate Human Services Committee

Check here for Conference Committee

Hearing Date: 3/02/09

Recorder Job Number: 9994

Committee Clerk Signature

Mary K Monson

Minutes:

Senator J. Lee opened committee work on HB 1307.

Amendments dated 3/02/09 were reviewed. Attachment #3.

Senator Heckaman moved to adopt the amendments.

Second by **Senator Dever**.

Roll call vote 5-0-1. **Amendment adopted.**

Senator Heckaman moved a **Do Pass as Amended**.

Second by **Senator Dever**.

Roll call vote 5-0-1. **Motion carried.**

Carrier is **Senator Heckaman**.

JB
3/3/09

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1307

Page 1, line 19, remove "and"

Page 1, replace lines 20 through 22 with:

- "c. The facility claims the education expense, annually, in an amount not to exceed the lesser of one-half of the individual's education expense or three thousand seven hundred fifty dollars; and
- d. The amount of education expense claimed for an individual does not exceed fifteen thousand dollars in the aggregate."

Page 2, replace lines 5 through 7 with:

- "5. An individual who receives education assistance shall commit to a minimum of one thousand six hundred sixty-four hours of employment after completion of the educational program for each year education assistance was provided by the facility."

Page 2, after line 10, insert:

- "7. If an individual defaults on a contract and education expenses for the individual have previously been claimed in any report year, the facility shall report the amount of repayment on the facility's cost report in the report year in which the default occurs."

Renumber accordingly

Date: 3/2/09

Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1307

Senate Human Services Committee

Check here for Conference Committee

Legislative Council Amendment Number 3/2/09

Action Taken Do Pass Do Not Pass Amended Rerefer to Appropriations
 Adopt Amendment Reconsider

Motion Made By Sen. Heckaman Seconded By Sen. Dever

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee, Chairman	✓		Senator Joan Heckaman	✓	
Senator Robert Erbele, V.Chair	✓		Senator Richard Marcellais		
Senator Dick Dever	✓		Senator Jim Pomeroy	✓	

Total (Yes) 5 No 0

Absent 1

Floor Assignment _____

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

Date: 3/2/09

Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1307

Senate Human Services Committee

Check here for Conference Committee

Legislative Council Amendment Number 90636.0201 Title .0300

Action Taken Do Pass Do Not Pass Amended Rerefer to Appropriations
 Adopt Amendment Reconsider

Motion Made By Sen. Heckaman Seconded By Sen. Dever

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee, Chairman	✓		Senator Joan Heckaman	✓	
Senator Robert Erbele, V.Chair	✓		Senator Richard Marcellais		
Senator Dick Dever	✓		Senator Jim Pomeroy	✓	

Total (Yes) 5 No 0

Absent 1

Floor Assignment Senator Heckaman

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

REPORT OF STANDING COMMITTEE

HB 1307, as engrossed: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1307 was placed on the Sixth order on the calendar.

Page 1, line 19, remove "and"

Page 1, replace lines 20 through 22 with:

- "c. The facility claims the education expense, annually, in an amount not to exceed the lesser of one-half of the individual's education expense or three thousand seven hundred fifty dollars; and
- d. The amount of education expense claimed for an individual does not exceed fifteen thousand dollars in the aggregate."

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Page 2, after line 10, insert:

- "7. If an individual defaults on a contract and education expenses for the individual have previously been claimed in any report year, the facility shall report the amount of repayment on the facility's cost report in the report year in which the default occurs."

Renumber accordingly

2009 TESTIMONY

HB 1307

2/1

Testimony on HB 1307
House Human Services Committee
January 21, 2009

Good Morning Chairman Weisz and members of the House Human Services Committee. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. I am here to ask for your support of HB 1307, legislation that will allow us to increase the amount of money we can spend on individuals who obtain a nursing education.

We are in a staffing crisis and we believe this will help fund and recruit individuals to become nurses and work for long term care. Today the maximum amount a nursing facility can spend to help an individual with their nursing education costs is \$8,000 total, not to exceed \$2,000 per year. Further the cost you expend is not recognized in your cost report until the person comes back to work for you. With the financial issues facility facilities they need the cost recognized immediately when they expend the dollars.

HB 1307 allows:

- Nursing facilities to pay for material, books and tuition.
- Allows the facility to provide up to \$15,000 per person in educational assistance.
- Allows the facility to claim the expense the year in which it was expended.
- Requires the facility to have a contract with the student which stipulates a minimum commitment to work for the facility, as well as a repayment plan if the individual does not fulfill the contract obligation.
- Requires at a minimum that every individual, who receives \$15,000, commit to working for 6656 hours (32 hours X 52 weeks X 4 years) for the facility.

Let me share a little bit about the staffing crisis we are in:

- Lack of caregivers was the main factor in the closing of one basic care facility and the announcement of a nursing facility closure in 2008.
- 17% of nursing facilities stopped admissions in 2008 because of insufficient staffing.

- Nursing facilities reported over 1,000 open positions in April 2008 – the vast majority in CNA (Certified Nurse Assistants) and nurses.
- Forty-nine percent of nursing facilities contracted with outside agencies in 2008 to deliver daily nursing care to residents at double or triple the cost. Spending over \$3.6 million.
- It takes 32 weeks on average to fill an open nursing position in a rural nursing facility.
- Our workforce is aging, 14% are at or over 60 years old.
- Our oldest caregiver is a 94-year-old dietary aide, with many nurses in their 70's and 80's.

Over one third of our caregivers are age 50 plus. We are in a crisis and as our workforce ages it will only deepen. This legislation will allow us to go to our existing staff, as well as visit our local high schools and colleges, and commit to paying for half their education (average debt for a Bachelor of Science in Nursing at UND is \$30,000), if they commit to work for us at the conclusion of their education. This is just one solution.

We recognize to get our young to stay we need to pay a competitive salary. Today, North Dakota ranks 35th in the nation for RN salaries after you adjust for cost of living. With Minnesota ranking at number two, we are losing many to Minnesota. We recognize our salaries are lower than acute care and we are hopeful HB 1012 will provide the resources to adjust those salaries.

Thank you for your consideration of HB 1307. To strengthen the intent of HB 1307 I would like to request you to consider an amendment to omit lines 20 and 21. That language is currently in rule and prevents facilities from having the cost immediately recognized in their cost report when the funds are expended.

This concludes my testimony and I would be happy to answer any questions you may have.

Shelly Peterson, President
North Dakota Long Term Care Association
1900 North 11th Street • Bismarck, ND 58501
(701) 222-0660 • www.ndltca.org • E-mail: shelly@ndltca.org

Amendment for HB 1307

Line 20 C. ~~The individual was enrolled in a course of study intended to prepare the individual for a~~

Line 21 ~~position at the facility and is in that position; and~~

#2

Testimony
House Bill 1307 – Department of Human Services
House Human Services Committee
Representative Robin Weisz, Chairman
January 21, 2009

Chairman Weisz, members of the Human Services Committee, I am Barbara Fischer, Assistant Director, Budget and Operations of the Medical Services Division for the Department of Human Services. I am here today to provide information regarding the fiscal note and to support House Bill 1307.

The fiscal impact of changing the provisions for allowable education expense that are currently in rule cannot be determined as it is unknown how many individuals would utilize the provisions. Education expense is not separately identified on nursing facility cost reports and is reviewed for allowability only when the facility indicates education expense is being claimed.

Under the current provisions of N.D.A.C. 75-02-06-12.1(37)(d), education expense meeting the first three criteria under section 2 of the bill can be claimed at a dollar per hour of work performed by an individual up to a maximum of \$2,000 per year or an aggregate of \$8,000.

HB 1307 increases these amounts to \$3,750 per year or an aggregate of \$15,000, and removes the requirement of a corresponding number of hours that an individual must work during any year in which education expense is claimed. The bill provides that an individual must commit to at least 6,656 hours, in the aggregate, if they receive at least \$15,000, but does not include any parameters for claiming the education expense if the individual receives less than \$15,000 or does not work full time.

I would be happy to address any questions that you may have.

Testimony on HB 1307
Senate Human Services Committee
February 25, 2009

Good Morning Chairman Lee and members of the Senate Human Services Committee. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. I am here to ask for your support of HB 1307, legislation that will allow us to increase the amount of money we can spend on individuals who obtain a nursing education.

We are in a staffing crisis and we believe this will help fund and recruit individuals to become nurses and work for long term care. Today the maximum amount a nursing facility can spend to help an individual with their nursing education costs is \$8,000 total, not to exceed \$2,000 per year. Further the cost you expend is not recognized in your cost report until the person comes back to work for you. With the financial issues facility facilities they need the cost recognized immediately when they expend the dollars.

HB 1307 allows:

- Nursing facilities to pay for material, books and tuition.
- Allows the facility to provide up to \$15,000 per person in educational assistance.
- Allows the facility to claim the expense the year in which it was expended.
- Requires the facility to have a contract with the student which stipulates a minimum commitment to work for the facility, as well as a repayment plan if the individual does not fulfill the contract obligation.
- Requires at a minimum that every individual, who receives \$15,000, commit to working for 6656 hours (32 hours X 52 weeks X 4 years) for the facility.
- Allows the expense to be a pass-through and not be limited by the indirect cost care category.

Let me share a little bit about the staffing crisis we are in:

- Lack of caregivers was the main factor in the closing of one basic care facility and the announcement of a nursing facility closure in 2008.

- 17% of nursing facilities stopped admissions in 2008 because of insufficient staffing.
- Nursing facilities reported over 1,000 open positions in April 2008 – the vast majority in CNA (Certified Nurse Assistants) and nurses.
- Forty-nine percent of nursing facilities contracted with outside agencies in 2008 to deliver daily nursing care to residents at double or triple the cost. Spending over \$3.6 million.
- It takes 32 weeks on average to fill an open nursing position in a rural nursing facility.
- Our workforce is aging, 14% are at or over 60 years old.
- Our oldest caregiver is a 94-year-old dietary aide, with many nurses in their 70's and 80's.

Over one third of our caregivers are age 50 plus. We are in a crisis and as our workforce ages it will only deepen. This legislation will allow us to go to our existing staff, as well as visit our local high schools and colleges, and commit to paying for half their education (average debt for a Bachelor of Science in Nursing at UND is \$30,000), if they commit to work for us at the conclusion of their education. This is just one solution.

We recognize to get our young to stay we need to pay a competitive salary. Today, North Dakota ranks 35th in the nation for RN salaries after you adjust for cost of living. Minnesota ranks at number two. We recognize our salaries are lower than acute care and we are hopeful HB 1012 will provide the resources to adjust those salaries.

Thank you for your consideration of HB 1307.

This concludes my testimony and I would be happy to answer any questions you may have.

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Testimony
House Bill 1307 – Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
February 25, 2009

Chairman Lee, members of the Senate Human Services Committee, I am Barbara Fischer, Assistant Director, Budget and Operations of the Medical Services Division for the Department of Human Services. I am here today to provide information regarding the fiscal note and to support House Bill 1307.

The fiscal impact of changing the provisions for allowable education expense that are currently in rule cannot be determined as it is unknown how many individuals would utilize the provisions. Education expense is not separately identified on nursing facility cost reports and is reviewed for allowability only when the facility indicates education expense is being claimed.

Under the current provisions of N.D.A.C. 75-02-06-12.1(37)(d), education expense meeting the first three criteria under section 2 of the bill can be claimed at a dollar per hour of work performed by an individual up to a maximum of \$2,000 per year or an aggregate of \$8,000.

HB 1307 increases these amounts to \$3,750 per year or an aggregate of \$15,000, and removes the requirement of a corresponding number of hours that an individual must work during any year in which education expense is claimed. The bill provides that an individual must commit to at least 6,656 hours, in the aggregate, if they receive at least \$15,000, but

does not include any parameters for claiming the education expense if the individual receives less than \$15,000 or does not work full time.

The bill does lack a provision to report on subsequent cost reports any repayment of funds, for which an expense was previously claimed, from individuals who do not fulfill their commitment to work for the facility.

I have attached suggested language for an amendment that would address this provision in the event an individual does not work for the facility for the agreed upon time.

I would be happy to address any questions that you may have.

PROPOSED AMENDMENT TO ENGROSSED HOUSE BILL NO. 1307

Page 2, after line 10 add:

7. If an individual defaults on a contract and education expense for the individual has previously been claimed in any report year, the facility must report the amount of repayment on the facility's cost report in the report year in which the default occurs.

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PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1307

Page 1, replace lines 20,21,22 with:

c. The facility claims the education expense, annually, in an amount not to exceed the lesser of one-half of the individual's education expense or three thousand seven hundred fifty dollars;

d. The amount of education expense claimed for an individual may not exceed fifteen thousand dollars in the aggregate.

Page 2, Replace Lines 5,6,7 with:

5. An individual who receives education assistance shall commit to a minimum of one thousand six hundred sixty-four hours of employment after completion of the educational program for each year education assistance was provided by the facility.

Page 2, after line 10 add:

7. If an individual defaults on a contract and education expense for the individual has previously been claimed in any report year, the facility must report the amount of repayment on the facility's cost report in the report year in which the default occurs.

Renumber accordingly