

2011 HOUSE HUMAN SERVICES

HB 1325

2011 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee
Fort Union Room, State Capitol

HB 1325
January 24, 2011
Job #13258

Conference Committee

Committee Clerk Signature	<i>Vicky Crabtree</i>
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Explanation or reason for introduction of bill/resolution:

A moratorium on the expansion of basic care and long term care bed capacity.

Minutes:

<i>See attached Testimony #1 and 2</i>
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Chairman Weisz: Called the hearing to order on HB 1325.

Rep. Gary Kreidt: From District 33, New Salem, Morton, Mercer and Oliver County. Introduced the bill which deals with the moratorium on nursing home beds. I think we will have to have some amendments because a prior bill already changed the 2011-2015 date to 2013 which we have no problem with. What this bill does is allow nursing and basic care facilities to set aside 50% of their licensed bed capacity. Right now out in the industry we are beginning to experience some occupancy problems. There is the 90% limit and we have facilities that are starting to bump up against that. Over the last few years there have been transferred beds bought and most going to urban areas. Looks like through the buying and transferring of beds we pretty well have the urban areas having the amount of beds that they need now to provide services to individuals needing nursing and basic care beds. Where we are experiencing the problems are in some of the smaller rural facilities. There are some that are going to be closing this year. This bill would allow those facilities to transfer 50% of their beds or lay them away and then if needed to put back on line they could do that. The forty-eight months would play into this. After the forty-eight month time span those beds would go away. Basic care beds can be transferred to basic care bed. Nursing home care bed can transfer to a basic care bed or set aside as a nursing home bed, but a basic care bed can't set aside their bed and come back as a nursing home bed. There still is a market for some beds that could be sold and transferred to other facilities. When this bill was put together I did give thought to having a bed layaway through the state and setting some of those beds aside and having a bank. I didn't get that far. I don't know if the committee would want to look at something like that and I would work with the committee if they so desired. This would benefit the rural facilities to keep their numbers above the occupancy limit and maintain their rates. I would hope the committee would act favorably upon this.

Shelly Peterson: Resident of the ND Long Term Care Association testified in support of the bill. (See Testimony #1.)

Rep. Holman: If I have a 40 bed home and layaway 10 of them, what does that do to my fixed costs and there by affecting other things?

Peterson: If you have a 40 bed facility and you want to set aside 10. Your fixed costs are still there. You will still have your building and you are going to heat it. You will spread those fixed costs against fewer facilities so overall your rate is going to increase. Yes, it will happen. The issue Rep. Porter brought up of why don't we change the occupancy limitation, that 1.7 million down to 85%, help those not make it so stringent; we have debated it and thought this was a better alternative.

Rocky Zastoupil: I would like to present verbal information. I have no written documentation. From a facility perspective, as I look at where we stand in my entities, I look at the occupancy reports each month and they are given to us by the department. The statewide occupancy is at a 90-91% average and that is what the (inaudible) is almost to the exact amount. Perhaps that is not the right direction to go. Should we be looking at something with the occupancy? What Shelly did was change it to the forty-eight month layaway. We have a lot of regulations and can't turn quickly on a dime to make changes. If you give us forty-eight months we will have the time to use the right size what we need to be for the time being and for the subsequent future. Yet at the same time not become so restricted that we might not be available when the baby boomers come in fifteen years. We need to be allowed as our buildings age and we need the time to decide what size we are before we do a renovation. I am currently 106 bed nursing facility in a very small community and we are looking at renovating our facility and determine if I should do that for 106 or 190 beds. I need time to do that and would appreciate the four years to look at this.

Bruce Bowersox: I've been a nursing home administrator for several years and also done intern assignments at a variety of facilities in the Midwest. I'm the Administrator of the Good Samaritan Society in Arthur, ND. The society was founded there in 1922 by Rev. August Haggar. The facility has been as large as a 106 beds at times and currently we are 43 skilled beds, 25 basic care beds and 6 assisted living beds. Our occupancy today is 22 skilled, 24 basic and 5 assisted. In the past three years our occupancy has ranged in the 30s and 40s. In the last year our occupancy has been below 30. We have lost a number of referrals out of the Fargo-Moorhead market which we think is impacting our occupancy. Likewise in response in inter-relationships with EKK Guardianship Services, ND State Hospital, Southeast Human Services Center, Catholic Family Services, Lutheran Social Services and Cass County Social Services. We have admitted a number of residents to our facility through those relationships. The opportunity for us to put some beds away will make for us from a financial perspective. The facility lost well over \$200,000 in 2009 and we have been fortunate enough to bring that around so that we will be good shape financially through fiscal 2010. We have supported this bill as it will allow us some flexibility as we determine what the layout of the facility will be in the next generation. During the hearing of HB 1323 there was some discussion about reducing bed size and allowing the facilities to recapture the incentives that they weren't capturing at the time. Unfortunately when you look at the composition of indirect cost, you realize that those costs are probably not going adjust all that much. We will probably pay the same amount for insurance even if we do reduce our bed capacity. Same amount of clean, heat and cool our facility. I don't think we will realize a lot of savings because of our bed size.

Rep. Louser: You mentioned not changing necessarily the operating costs or penalties, but putting beds in layaway once a year, wouldn't that change the efficiency incentives some that we have or haven't heard about?

Bowersox: The efficiency incentive we are talking about is about indirect costs. If you go back to Shelly's handout on her composition of her indirect costs, she talks about administration, pharmacy, Chaplin, housekeeping and dietary salaries, housekeeping and dietary supplies, medical records, insurance and plant operations. I've tried to address these costs at all of these different facilities I have worked at. They are not as easy to pare down as you might think. I can guarantee that insurances are not going to go down. They will appraise your building the same way and charge you the same amount even if you license it for 30 beds rather than 40. You will see some changes like pharmacy which will go down some.

LeeAnn Thiel: Administrator of Medicaid Payment and Reimbursement Services for the DHS provided information. (See Testimony #1.)

Chairman Weisz: Twice now you have talked about needing the EPL. Is that making the assumption of the 3 and 3 increase as far as inflationary?

Thiel: Any legislation that is passed during the 2011 assembly the accumulative affect could possibly put us over the upper payment including the 3%.

Chairman Weisz: You are saying anything over the '90-11 budget, we are already at that point where we could be over the EPL?

Thiel: No. We would have to analyze where the accumulative affect of everything that gets passed in the 2011 legislative assembly. Each one by themselves may not, but once you put them all together.

Chairman Weisz: You are not basing this on the assumption that there is going to be an inflationary increase and that anything about that, you are just saying the accumulative affect of all of these could potentially put you over and above the EPL?

Thiel: Yes.

Rep. Porter: In the other portion of the bill, the ability to change it prior to selling it or transferring it. How would that affect inside the reimbursement structure what we are currently doing today?

Thiel: That would not have a measurable effect on the rate setting and reimbursement rates because they are currently doing that. It is just making it a little bit easier to converting it to a basic care bed from a nursing facility bed.

NO OPPOSITION

Chairman Weisz: Closed the hearing on HB 1325.

2011 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee
Fort Union Room, State Capitol

HB 1325
January 26, 2011
Job #13482

Conference Committee

Committee Clerk Signature

Vicky Crabtree

Minutes:

Chairman Weisz: Opened the meeting for discussion on HB 1325.

Rep. Devlin: I can't see going 4 years on the beds, but I think they will be allowed to sell their basic beds without having process would be beneficial to the state.

Chairman Weisz: If we cut in half, that would drop the fiscal note to about \$290,000 roughly. One thing I think is important in page 1, automatically being able to transfer to a basic care license without having to actually be certified nursing and turn around and certify the basic care facility. To me that is important if they have the flexibility to sell those beds to either one without any kind of hassle that they currently have to go through to meet the letter of the law. I have no problem with them being able to have their bed bank. I was surprised by the fiscal note. I didn't expect it to be that high. Last night I had a discussion on it and the department assumed that 100% would partake in it and from the department's perspective they had too. What basis did they have to go on to say 20% or 50%? So, I'm not faulting the department. There is no question that the urban ones are not going to bank any beds. They have to be out for at least 12 months correct? (Someone talks from audience and is inaudible.) Maybe that has to be clarified. If I transfer a bed to the bank I have to leave it there for 12 months. After 12 months I have to bring it back or leave it there another 12 months up to the 4 years that is in this bill. That is their intent and maybe the language isn't clear and we will have to make sure of that. If we did decide to back it off to 2 years it would say, you put the bed in, you can't touch it for 12 months. At the end of 12 months you can make the decision to bring it back into your home or leave it for the next 12 months. At the end of the 2 years you have to do something with it or it goes away. I wouldn't support their ability to put it in and pull it back in 2 months. The fiscal note isn't going to be that high. If you have to stick it in there for 12 months, there will be beds going in, but the urban ones aren't going to do it. They assume they are still growing and are going to fill those beds. The rural aren't going to put every bed in because they don't want to be caught turning someone away when you have 10 beds sitting in a bank.

Rep. Holman: The other variable here seems to be the 50%. Is that pulled out of the air? That will also be an adjustable number. The fact that the department assumed that every nursing home would take advantage of this for that 18 month period so that is the basis of the fiscal note being so high.

Chairman Weisz: Exactly. From their perspective they couldn't have done it any differently because then we would have grilled them.

Rep. Kilichowski: This setting aside for 12 months, to me that might cause some conflict with them. Wouldn't it be better if they needed it they could pull it back with 6 months?

Chairman Weisz: The conversations I had with long term care and that was their understanding that they are in there for 12 months. They are not advocating that this is like a revolving door. Say one of these small homes that are close to 70%, they know they are not going to have a 30% increase in utilization in the next 12 months. They can make a decision that ok we will bank enough beds to bring us up to 85% leaving the other 15% in the bank. If you make it too easy they will bank 100% of the beds and pull them bank when they need them. This wasn't their intent. This was to help them with long term planning and strategy and not get caught and penalized.

Rep. Paur: Would this bill allow them to take out 4 beds and then 2 years down the road bring them back and then take out another 3 and have it become a revolving door?

Chairman Weisz: It isn't specific to a bed. It is just to their licensed capacity. If they are licensed for 40 beds for example, and fill 20. They will say 10 beds will go into the bank and now we are licensed for 30 beds. At the end of a year and it looks like they need some of the those beds they could pull say 5 back and now licensed for 35. At the end of 2 years and it is apparent they are never going to need those 5 beds, they will either sell them if there is a market or they let them go and they are gone. This is only a one time deal and not an on-going situation.

Rep. Paur: Once they took beds out they wouldn't be able to in the future to take out beds.

Chairman Weisz: They could pull out 10 beds tomorrow and 6 months later put another 10 beds into the bank. Those first 10 beds they put in they can't touch them for 12 months.

Rep. Porter: The moratorium language is back to 4 years and we had already changed it once. I wish we would have talked about this bill prior to 1323. I think this is the bill that the long term care industry needs in order to meet the sufficiency standards and meet the incentive payments they don't have. This is the tool and the last one was a bandaid. We should be paying attention to this one because it allows them get their indirect costs in line to their occupancy. The bandaid approach on the other one where everyone thought it fun to throw a dollar at their rates didn't do anything. This one actually does something. If you would change all the 48 to 24 and have a discussion about the percentage on page 3, line 8, about the maximum amount they can put into this; I think a more realistic number allowing them to de-license would be around 35%. Then on page 3, line 20 if you change the language to say that the re-licensing of a nursing facility bed capacity may not occur more than once in a 24 month period, that would give them that one crack in 12 months in order to do it. Then, I think you would have yourself a pretty good darn piece of legislation.

Chairman Weisz: Personally I would say it could not occur for 12 months or more than once in a 24 month period.

Rep. Porter: I don't disagree with that, but I think the management tool is picking the right number to begin with. If you are at 89%, you are going to pick one and still leave yourself that window of room. If at 70% like a couple of them are, in order to not get the penalty you are going to have to move up a little bit faster. I think inside the way this is written by just allowing not more than once in the period that you put it away, allows that manager the ability to work it best for their facility. I agree there needs to be some limiting language in there.

Chairman Weisz: I think it depends on how you read the language. If they can pull a particular bed out at anytime from 0-24 then it would be at every homes best interest to put 100% of their unoccupied beds in up front. Then whenever they need a bed they can start pulling that out. They are only going to pull that out once. If they are a 40 bed home and at 30 bed capacity. They put all 40 beds in because that meets the 25% rule then a month later they actually need one of those beds so they take the one bed out. Two months later they need 3 beds more. I have an issue with that. I want a plan that says ok, once we put a bed in it is locked for 12 months and then pull it out once in a 24 month period.

Rep. Porter: I don't have a problem with that. I hope you will hold 1323 until after this... (interrupted by the Chairman.)

Chairman Weisz: I'm not going to send it out... (Rep. Porter interrupts.)

Rep. Porter: This is the bill... (interrupted by the Chairman.)

Chairman Weisz: I agree with you that this one from a policy standpoint makes a real difference to the nursing homes in trying to manage their future.

Rep. Louser: I just want to verify. If we change the 48 to 24, would also change the de-licensure? To me in long range planning in 4 years makes sense. Now are we saying after 24 years if that bed is not brought back in, it is gone?

Chairman Weisz: It either has to be transferred or brought back in, that is correct.

Rep. Louser: Everything would be 24 instead of 48.

Chairman Weisz: That is correct. Nothing would prohibit the legislature, the thirteen legislature from saying, ok we like what this is doing and they need more time and now we will give you an extra 2 years. You would have time to do it. You can put it into place prior to the other 2 years expiring.

Rep. Schmidt: I'm trying to put these two bills together. From my perspective on 1323, I don't know why the facilities are not effective or efficient. On 1323 we did not try to develop a process to evaluate why they are inefficient nor did we come up with an idea how assist them to become more efficient. One of the reasons I voted no was because I didn't want to take the dollar away from them because we haven't done anything else to help them become efficient. If this bill helps them to become more efficient so they wouldn't need the dollar, then I would be very much in favor of this. Am I thinking right or am I way off base?

Chairman Weisz: You're right. This bill gives them the chance to take a look at their facility and at the future. Because of the rate structure they really get hammered being under that 90% occupancy.

Rep. Schmidt: What if the fact of the beds being bought or sold is not why they are inefficient?

Chairman Weisz: That isn't necessarily the only cause.

Rep. Schmidt: If they are inefficient now and if nobody is there to help them figure out why they are inefficient, how can we expect selling beds is going to make them efficient? To me it takes more than that to bring those facilities into efficiency. To me it is a combination of things and I honestly don't know what they are. We are not providing that help to help them figure it out.

Rep. Conklin: If we take these beds out and put them in a bank. They are all going to be in a bank and what if someone needs beds?

Chairman Weisz: They can sell them.

Rep. Conklin: Out of the bank?

Chairman Weisz: Nursing home A puts 10 beds in the bank and nursing home B all of sudden wants to buy 5 beds. Nursing home A would make an agreement to sell those beds, but they can't pull them out until there 12 months are up.

Rep. Conklin: That's where the problem is.

Chairman Weisz: Not really. Generally you are not buying beds at the spur of the moment that you need them next month. If you are going to market your beds, you won't put them into the bank right away. If beds in bank, they wouldn't be able to license them until that period of time was up.

Rep. Damschen: I agree with most of the discussion and I think this is a good bill, but I think we have overlooked one thing. The fixed cost. If the homes sell beds, they could have an influx of cash initially, but another year down the road they still have their fixed costs and they got less beds and no potential to increase them probably. Is there a way we can address that in here?

Chairman Weisz: There are two problems with the system we have of capitated rate. This body could change the rate structure to make sure these systems are protected. But, then we have to realize we have not raised the rates for all the private pay in the state. That is the balancing act. We can make sure all the facilities stay open, but now we are increasing the cost for private pay. We need to realize that everything we do here is not just state money.

Rep. Paur: I agree this sounds like a good bill, but the 24 months to me seems short compared to the original. Wondering if Rep. Devlin could (drops sentence).

Chairman Weisz: Shelly as long as you are here, is your association ok with the beds going into the bank you cannot pull them out for 12 months?

Shelly Peterson: Because of Medicare regulations and certification issues we would have to wait for one year to pull that bed back.

Chairman Weisz: So you have to do that anyway. Not even an issue.

Rep. Devlin: What if the de-licensing went from 50% to 25%, what would you say?

Peterson: If that would help this bill pass, yes we would be fine with it.

Rep. Devlin: I'm struggling with the ability to bank the bank the beds, to sell the beds to another facility and then they in turn can sell them to somebody else for another 24 month window. Then you get them back into the 48 month thing that they would be sitting out. I'm really wondering why you want to give them the capacity to sell those beds to somebody else?

Peterson: We have that flexibility right now. The way the bed bank works is we sell beds to somebody and they go into the bank for 48 months and you have to be able to put those beds into service within that 48 month period. The Tribe couldn't put their beds into service so they were able to sell the beds to somebody else within that 48 month period and they put them into service.

Chairman Weisz: Shelley, I believe they were still bound to the 48 months.

Peterson: Absolutely. It is one 48 month period and if no one puts them into service either by selling or moving them around, they go out of the system forever. What we found in MN and other states that have put a bed bank and put beds aside, generally what happens those beds never go back into service because there is an occupancy issues all across the U.S. It gives them the flexibility. If I set 25 beds aside and it looks as though I'm not going to be able to use those, then you have the option of selling them. I have a home in Strasburg that wants to get rid of 5 nursing home beds. The only market we have right now is 3 organizations that want to buy basic care beds. So, the key feature in this bill is also allowing anyone to put them into the bed bank and change them to basic care without going through the licensure process.

Rep. Devlin: I just needed that clarified because I thought someone was said that was said here, that the intent was to allow them additional time on (everyone talking at once and it is inaudible).

Peterson: You can't roll them over. You'd just have games going on and the beds would be in the system forever.

Rep. Holman: Rep. Porter mentioned if someone was 89% on their rating they would park one bed and get to 90% which seems to be the magic number. I played around with a 40 bed nursing home. They could park 9 beds and they would be just over 90%. If that is what the goal is here and that is what I'm hearing, is trying to get yourself into a position

where you aren't penalized. This would be a 40 bed home with 70% occupancy, I forgot that, would need to park 9 beds out of the 40. That is 22.5%. That would fall within that 25%. The smaller home is probably where a lot of our inefficiencies are would enable them to meet the criteria to get back into the bonus situation.

Rep. Schmidt: If we do this one, we don't need 1323?

Rep. Porter: I think that is who you ask.

Rep. Devlin: Mr. Chairman, you are going to see that amendments are drawn for the changes we talked about?

Chairman Weisz: We will get the amendments and discussion them on Monday. Any further amendments you might have, have them for Monday. Meeting adjourned.

2011 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee
Fort Union Room, State Capitol

HB 1325
February 1, 2011
Job #13804

Conference Committee

Committee Clerk Signature

Vicky Crabtree

Minutes:

Chairman Weisz: Called the meeting to order on HB 1325 and hands out amendment.
(See Attachment #1.)

Rep. Porter: I move the amendment.

Rep. Anderson: Second.

Voice Vote: Motion Carried.

Rep. Porter: I move a Do Pass as Amended with re-referral to Appropriations.

Rep. Hofstad: Second.

Chairman Weisz: We will end up asking for a new fiscal note of course which should be half or less than the current one.

VOTE: 13 y 0 n

DO PASS AS AMENDED AND REREFERRED TO APPROPRIATIONS CARRIED

Bill Carrier: Rep. Porter

FISCAL NOTE
 Requested by Legislative Council
 02/17/2011

Amendment to: Reengrossed
 HB 1325

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$679,193		\$899,740
Expenditures				\$1,225,979	\$724,340	\$899,740
Appropriations					\$724,340	\$899,740

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 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 extends the nursing home and basic care moratoriums thru July 1, 2013 and also creates a 24 month bed layaway program for up to 25% of a nursing facility's beds.

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.*

Section 2 of this Bill will allow nursing facilities to de-license beds for up to 24 months. It is assumed that all facilities subject to the 90% occupancy limitation would take advantage of the bed layaway program. In those facilities that take advantage of the bed layaway the nursing facility daily rate, beginning January 1, 2012, will increase for both Medicaid recipients and private pay individuals. The proposed increase to the Medicaid payments for nursing facilities will impact the Upper Payment Limit (UPL) and based on the UPL calculation for the 2011 nursing facility rates, we expect this proposal to exceed the UPL for non-state government owned facilities. This fiscal note is based on 18 months of expenditures for the 11-13 biennium.

If this bill and/or the cumulative impact of legislation passed during the 2011 Legislative Assembly results in the UPL being exceeded for one or more of the facility types, the Department will need to reduce the Medicaid rates to comply with the Upper Payment Limit. Subsequently, because of equalized rates, the rates for the private pay would be reduced as well. If the Department were to reduce rates, we would need guidance from the Legislature about the use of non-federal funds to pay for the portion of costs associated with approved nursing facility rate increases, which exceed the UPL.

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.*

The revenue increase in each biennium is the additional federal funds the state would receive for the higher costs incurred if a bed layaway program is approved and the UPL is not exceeded.

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.*

The costs paid by Medicaid for nursing home care are estimated to increase by \$1,225,979 in the 11-13 biennium, of which \$546,786 would be from the Health Care Trust Fund. The costs for 13-15 biennium are estimated at \$1,624,080, of which \$724,340 would be general fund.

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.*

The amended Bill provides the Department of Human Service with a total appropriation of \$1,225,979 in the 11-13 biennium, of which \$546,786 is from the Health Care Trust Fund and \$679,193 is federal funds.

The Department will need an appropriation increase of \$1,624,080 in the 13-15 biennium, of which \$724,340 would be general fund and \$899,740 is federal funds.

Name:	Debra A. McDermott	Agency:	Department of Human Services
Phone Number:	701-328-3695	Date Prepared:	02/17/2011

FISCAL NOTE
 Requested by Legislative Council
 02/04/2011

Amendment to: HB 1325

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$679,193		\$899,740
Expenditures			\$546,786	\$679,193	\$724,340	\$899,740
Appropriations			\$546,786	\$679,193	\$724,340	\$899,740

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 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 extends the nursing home and basic care moratoriums thru July 1, 2013 and also creates a 24 month bed layaway program for up to 25% of a nursing facility's beds.

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.*

Section 2 of this Bill will allow nursing facilities to de-license beds for up to 24 months. It is assumed that all facilities subject to the 90% occupancy limitation would take advantage of the bed layaway program. In those facilities that take advantage of the bed layaway the nursing facility daily rate, beginning January 1, 2012, will increase for both Medicaid recipients and private pay individuals. The proposed increase to the Medicaid payments for nursing facilities will impact the Upper Payment Limit (UPL) and based on the UPL calculation for the 2011 nursing facility rates, we expect this proposal to exceed the UPL for non-state government owned facilities. This fiscal note is based on 18 months of expenditures for the 11-13 biennium.

If this bill and/or the cumulative impact of legislation passed during the 2011 Legislative Assembly results in the UPL being exceeded for one or more of the facility types, the Department will need to reduce the Medicaid rates to comply with the Upper Payment Limit. Subsequently, because of equalized rates, the rates for the private pay would be reduced as well. If the Department were to reduce rates, we would need guidance from the Legislature about the use of non-federal funds to pay for the portion of costs associated with approved nursing facility rate increases, which exceed the UPL.

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.*

The revenue increase in each biennium is the additional federal funds the state would receive for the higher costs incurred if a bed layaway program is approved and the UPL is not exceeded.

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.*

The costs paid by Medicaid for nursing home care are estimated to increase by \$1,225,979 in the 11-13 biennium, of which \$546,786 would be general fund. The costs for 13-15 biennium are estimated at \$1,624,080, of which \$724,340 would be general fund.

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.*

The Department will need an appropriation increase of \$1,225,979 in the 11-13 biennium, of which \$546,786 would be general fund and \$679,193 is federal funds.

The Department will need an appropriation increase of \$1,624,080 in the 13-15 biennium, of which \$724,340 would be general fund and \$899,740 is federal funds.

Name:	Debra A McDermott	Agency:	Dept of Human Services
Phone Number:	328-3695	Date Prepared:	02/04/2011

FISCAL NOTE

Requested by Legislative Council
01/18/2011

Bill/Resolution No.: HB 1325

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$711,962		\$943,000
Expenditures			\$573,167	\$711,962	\$759,166	\$943,000
Appropriations			\$573,167	\$711,962	\$759,166	\$943,000

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 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 extends the nursing home and basic care moratoriums thru July 1, 2015 and also creates a 48 month bed layaway program for up to 50% of a nursing facility's beds.

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.*

Section 2 of this Bill will allow nursing facilities to de-license beds for up to 48 months. It is assumed that all facilities subject to the 90% occupancy limitation would take advantage of the bed layaway program. In those facilities that take advantage of the bed layaway the nursing facility daily rate, beginning January 1, 2012, will increase for both Medicaid recipients and private pay individuals. The proposed increase to the Medicaid payments for nursing facilities will impact the Upper Payment Limit (UPL) and based on the UPL calculation for the 2011 nursing facility rates, we expect this proposal to exceed the UPL for non-state government owned facilities. This fiscal note is based on 18 months of expenditures for the 11-13 biennium.

If this bill and/or the cumulative impact of legislation passed during the 2011 Legislative Assembly results in the UPL being exceeded for one or more of the facility types, the Department will need to reduce the Medicaid rates to comply the Upper Payment Limit. Subsequently, because of equalized rates, the rates for the private pay would be reduced as well. If the Department were to reduce rates, we would need guidance from the Legislature about the use of non-federal funds to pay for the portion of costs associated with approved nursing facility rate increases, which exceed the UPL.

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.*

The revenue increase in each biennium is the additional federal funds the state would receive for the higher costs incurred if a bed layaway program is approved and the UPL is not exceeded.

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.*

The costs paid by Medicaid for nursing home care are estimated to increase by \$1,285,129 in the 11-13 biennium, of which \$573,167 would be general fund. The costs for 13-15 biennium are estimated at \$1,702,166, of which \$759,166 would be general fund.

- 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.*

The Department will need an appropriation increase of \$1,285,129 in the 11-13 biennium, of which \$573,167 would be general fund and \$711,962 is federal funds.

The Department will need an appropriation increase of \$1,702,166 in the 13-15 biennium, of which \$759,166 would be general fund and \$943,000 is federal funds.

Name:	Debra A. McDermott	Agency:	Dept. Of Human Services
Phone Number:	328-3695	Date Prepared:	01/21/2011

1

Amendments for HB 1325

Page 1, line ~~7~~⁸, replace "2015" with "2013".

Page 2, line 7, replace "2015" with "2013".

Page 3, line 8, replace "fifty" with "twenty-five".

Page 3, line 9, replace "forty-eight" with "twenty-four".

Page 3, line 11, after "than" insert "fifty percent of".

Page 3, line 12, after "of" insert "fifty percent of".

Page 3, line 14, replace "licensed" with "sold".

Page 3, line 15, replace "forty-eight" with "twenty-four".

Page 3, line 16, replace "forty-eight" with "twenty-four".

Page 3, line 20, replace "occur no more than once in a twelve-month period" with "not occur for twelve months from the time of delicensure".

Page 3, line 23, remove "holding".

Date: 2-1-11
Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1325

House HUMAN SERVICES Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Rerefer to Appropriations Reconsider

Motion Made By Rep. Porter Seconded By Rep. Anderson

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ			REP. CONKLIN		
VICE-CHAIR PIETSCH			REP. HOLMAN		
REP. ANDERSON			REP. KILICHOWSKI		
REP. DAMSCHEN					
REP. DEVLIN					
REP. HOFSTAD					
REP. LOUSER					
REP. PAUR					
REP. PORTER					
REP. SCHMIDT					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

*Voice Vote
Motion Carried*

February 1, 2011

YR
2/1/11

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1325

Page 1, line 8, replace "2015" with "2013"

Page 2, line 7, replace "2015" with "2013"

Page 3, line 8, replace "fifty" with "twenty-five"

Page 3, line 9, replace "forty-eight" with "twenty-four"

Page 3, line 11, after "than" insert "fifty percent of"

Page 3, line 12, after "of" insert "fifty percent of"

Page 3, line 14, replace "licensed" with "sold"

Page 3, line 15, replace "forty-eight-month" with "twenty-four-month"

Page 3, line 16, replace "forty-eight-month" with "twenty-four-month"

Page 3, line 20, replace "occur no more than once in a twelve-month period" with "not occur for twelve months from the time of delicensure"

Page 3, line 23, remove "holding"

Renumber accordingly

Date: 2-1-11
Roll Call Vote # 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1325

House HUMAN SERVICES Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Rerefer to Appropriations Reconsider

Motion Made By Rep. Porter Seconded By Rep. Hofstad

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ	✓		REP. CONKLIN	✓	
VICE-CHAIR PIETSCH	✓		REP. HOLMAN	✓	
REP. ANDERSON	✓		REP. KILICHOWSKI	✓	
REP. DAMSCHEN	✓				
REP. DEVLIN	✓				
REP. HOFSTAD	✓				
REP. LOUSER	✓				
REP. PAUR	✓				
REP. PORTER	✓				
REP. SCHMIDT	✓				

Total (Yes) 13 No 0

Absent _____

Floor Assignment Rep. Porter

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

REPORT OF STANDING COMMITTEE

HB 1325: Human Services Committee (Rep. Weisz, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1325 was placed on the Sixth order on the calendar.

Page 1, line 8, replace "2015" with "2013"

Page 2, line 7, replace "2015" with "2013"

Page 3, line 8, replace "fifty" with "twenty-five"

Page 3, line 9, replace "forty-eight" with "twenty-four"

Page 3, line 11, after "than" insert "fifty percent of"

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Page 3, line 20, replace "occur no more than once in a twelve-month period" with "not occur for twelve months from the time of delicensure"

Page 3, line 23, remove "holding"

Renumber accordingly

2011 HOUSE APPROPRIATIONS

HB 1325

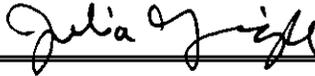
2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB 1325
2/10/11
14365

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact subsection 1 of section 23-09.3-01.1 and section 23-16-01.1 of the North Dakota Century Code, relating to the moratorium on the expansion of basic care and long-term care bed capacity

Minutes:

Chairman Delzer opened hearing on HB 1325 and asked Representative Weisz from the Human Services Committee to educate committee on the bill, specifically the aspect that has to do with the appropriation.

Representative Weisz: What this bill does is starts a two year bed bank for the skilled nursing care facilities. Currently, we have a formula set up stating if you are under 90% occupancy rate, the nursing facilities are penalized. Your facilities have a couple of options. They sell the bed, de-license the bed, or live with the penalty. This bill gives them an option of putting these beds in a bank for 24 months where they can't pull them out for 12 months minimum. They can sell them while they're in there to another facility, but they still stay in the bed bank. If they don't do anything at the end of the 24 months, they lose the bed. By allowing them to put them in the bed bank, they won't get the penalty. The fiscal note is premised on the assumption that everyone will take advantage of it and put all their unused beds into the bed bank. That's the way they had to figure it. Practically, you won't see that, especially in the urban areas. The support is based on seeing a shift in the transformation out in the skilled care industry. We think they deserve that 24 months to figure out what's going to happen in their local communities. For instance, in the western part of the state, they may actually see increased use of their facilities. Now, they may want to put them in the bed bank but actually pull them back and use them. Currently there is no market for skilled beds, but this may change in a couple of years, so they can see whether a market develops so they could sell the beds.

Chairman Delzer: did you get a list of how many beds we're talking about in there?

Weisz: We did have a list of all the facilities. I don't know the total number of beds. The fiscal note was based on how many facilities are under 90% and every one of those beds would go in the bed bank. There are excess beds right now in every facility in the state. It doesn't mean they are under 90%.

Chairman Delzer: How often is it triggered, monthly?

Weisz: It is annually.

Chairman Delzer: is there a snapshot in time of when it is at the end of the fiscal year?

Representative Kreidt: It's based on your cost reports and those are filed around the first of Sept or Oct. Your census for the whole year is listed and it is based on the average for the 12 months so that would determine your annual census and that's when your rate is determined. If you are under the 90%, that's when your rate would be adjusted down.

Weisz: It's June 30 is when the cost reports are due.

Chairman Delzer: Why did you come up with 2 years?

Weisz: the original bill was a four year bed bank. The reality is that any facility can put a bed in at any time so if next month a facility has got 10 beds they think they're not going to need in the next 12 months, they can put them in there and when the report is due, they don't count against them as long as they are in there. It's not limited to June 30th is when you decide to put your bed in.

Chairman Delzer: It's one full year before they could pull it back out of the bank.

Weisz: Currently a facility has 48 months to put a bed into service. If a facility would put their bed in the bed bank and then they wanted to sell it to MedCenter for instance, the bed still has to stay in there for that 12 months. If MedCenter gets the bed in 12 months, they have 48 months from the day the bed went into the bed bank, so they still have 48 months total to put it in service, but in reality they have to get it in service 3 years after the date they got it back. That 48 month window stays. Anybody could buy the bed two days after the bed went into the bed bank, but they can't pull it out and do anything with it for 12 months.

Chairman Delzer: Questions by the committee? Did you ask the department when they built this if they took any consideration into the beds that would go into the bed bank and not be available? I know the budget is built on utilization, but also on beds available.

Weisz: No I didn't. I assume they wouldn't have taken into account because I'm sure they did their budget before this bill came forward.

Representative Kreidt: For your information, there are approximately around 22 facilities under the 90% occupancy, but about half of those are on the 89 point fractions below the 90%. I would assume probably half of those facilities aren't going to put any beds out because they are so close.

Chairman Delzer: Questions?

Weisz: I found the sheet with the information that Representative Kreidt gave. The lowest occupancy we have is at 71.8% (Manor Care of Fargo, ND). Due to this being a new facility, they will likely fill them versus putting them in the bed bank.

Representative Nelson: If a facility would put beds in a bank for that period of time, and they had some increase in utilization, don't they have the ability to shift beds between skilled and basic care within that facility?

Weisz: That is correct. The flexibility remains, but if that bed goes in the bank, it's still locked in for 12 months. They can't switch it to a basic care while it's in the bank.

Representative Williams: I'm surprised that Manor Care's occupancy rate is at 71% (mother in law was in there) in an urban area.

Weisz: They built because there was an expected demand four years ago. It's unlikely that Manor Care has any intention of putting them in the bed bank because I think they see they are going to fill them. The facilities that will use these banks are in rural areas because they aren't sure if they will fill the beds. The reality is that they will probably end up de-licensing them in two years.

Representative Skarphol: How many other facilities are there that are above the 90%?

Weisz: 59 facilities.

Representative Skarphol: You said they can lay away 25% figure so how many beds would that be for Manor Care, for instance?

Weisz: This bill will change the figure from 50 to 25% and if your facility can't bring occupancy up to 90%, taking into account 25% can be put into the bank, then your facility has some tough decisions to make that having a temporary bed bank isn't going to cure.

Chairman Delzer closed hearing on HB 1325 due to no further questions.

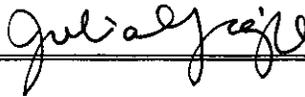
2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

HB 1325
2/15/11
14566

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact subsection 1 of section 23-09.3-01.1 and section 23-16-01.1 of the North Dakota Century Code, relating to the moratorium on the expansion of basic care and long-term care bed capacity

Minutes:

Chairman Delzer opened hearing on HB 1325.

Representative Kreidt explained proposed amendment .02001(see proposed amendments to engrossed house bill no. 1325). The healthcare trust fund is money generated by nursing homes, basic care facilities, some of the assisted living facilities in regards to loan and interest payback to the state of ND. Currently the fund has about \$1.5M in it. The money is to be used for nursing homes and basic care facilities for salary enhancements. In regards to the bill, we've had the opportunity for nursing homes and basic care facilities to be able to sell their beds to other facilities for whatever the market would bare. We've had a number of beds that have been sold. This bill is a mechanism where we will be able to reach a comfortable number of beds in the state of ND for long term care and I would look at this, as probably in the next two years, with this program, as giving the facilities the time to look at whether they will be able to survive or not. Circumstances, sometimes out of the facilities' control, interfere with facilities being able to keep their beds full.

Chairman Delzer: Your amendment changes it from general funds to IGT money.

Representative Kreidt: Correct

Chairman Delzer: How much comes in every year on loan repayment and how long it is supposed to last?

Representative Kreidt: This will continue on and there's about \$1 million a year that comes in it through interest and principle.

Chairman Delzer: Estimated income for 1103 was \$1.107 million.

Representative Kreidt: There are no expenditures

Chairman Delzer: Last time they spent \$4 million

Representative Kreidt: I think ND Dept of Health (NDDOH) took some of the money

Chairman Delzer: No, I think it was Human Services basic care living grant and medical assistance program

Representative Kreidt: That will be coming back because that is subsidized for assisted living and they are not going to go forward with that.

Chairman Delzer: Before you offer the amendment, on the bill itself, did you look at changing the percentage when the penalty kicks in compared to doing it this way?

Representative Kreidt: No. I will move amendment .02001.

Representative Nelson: second

Chairman Delzer: We have a motion and a second. Discussion?

Representative Bellew: This ends at the end of this biennium because the fiscal note says it continues next biennium too.

Representative Kreidt: we could change that.

Chairman Delzer: The amendment goes from 48 to 24 months so that should pull it down to the two years. Further discussion?

Voice vote carries so amendment .02001 adopted to HB 1325

Representative Kreidt: I move a do pass as amendment for HB 1325.

Representative Nelson: second for Do Pass as Amended.

Chairman Delzer: discussion? Seeing none, the clerk will call role for a do pass as amended.

Roll call vote resulted in 21 y, 0 no, and 0 absent, thus motion carried for a committee recommendation for a DPA for 1325. Chairman Delzer assigned **Representative Nelson** to be the carrier of the bill.

Chairman Delzer closed hearing on HB 1325.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1325

Page 1, line 3, after "capacity" insert "; and to provide an appropriation"

Page 4, after line 3, insert:

"SECTION 3. APPROPRIATION. There is appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the sum of \$546,786, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$679,193, or so much of the sum as may be necessary, to the department of human services for the purpose of providing for payments for nursing facilities as provided for in sections 1 and 2 of this Act, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Renumber accordingly

Date: 2/15
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1325

House Appropriations Committee

Legislative Council Amendment Number .02001

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

Motion Made By Rep. Kreidt Seconded By Rep. Nelson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

voice vote carries

Date: 2/15
 Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 1325

House Appropriations Committee

Legislative Council Amendment Number _____

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

Motion Made By Rep. Kreidt Seconded By Rep. Nelson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Nelson	X	
Vice Chairman Kempenich	X		Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson	X		Representative Glassheim	X	
Representative Bellew	X		Representative Kaldor	X	
Representative Brandenburg	X		Representative Kroeber	X	
Representative Dahl	X		Representative Metcalf	X	
Representative Dosch	X		Representative Williams	X	
Representative Hawken	X				
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 21 No 0

Absent 0

Floor Assignment Rep. Nelson

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

REPORT OF STANDING COMMITTEE

HB 1325, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1325 was placed on the Sixth order on the calendar.

Page 1, line 3, after "capacity" insert "; and to provide an appropriation"

Page 4, after line 3, insert:

"SECTION 3. APPROPRIATION. There is appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the sum of \$546,786, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$679,193, or so much of the sum as may be necessary, to the department of human services for the purpose of providing for payments for nursing facilities as provided for in sections 1 and 2 of this Act, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Renumber accordingly

2011 SENATE HUMAN SERVICES

HB 1325

2011 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee
Red River Room, State Capitol

HB 1325
March 14, 2011
15360

Conference Committee

Thompson

Explanation or reason for introduction of bill/resolution:

Relating to the moratorium on the expansion of basic care and long-term care bed capacity; and to provide and appropriation.

Minutes:

One written testimony

Chairman Senator J. Lee opened the hearing on HB 1325.

Representative Kreidt, District 33, introduced HB 1325 explaining that the bill passed the House with an appropriation coming from the Health Care Trust Fund. This bill keeps the moratorium in place for another two years in regard to basic care and skilled beds. He said that this bill was introduced because of the situation that we have with a number of facilities falling under the 90% range of occupancy. What this bill does is allows nursing facilities to layaway 25% of their licensed beds for a maximum of 24 months. During that time they can change them to basic care or sell those beds. After the two year period, if nothing has changed and they haven't brought those beds back on line, the beds will go away. This will give facilities a two year time period to figure out their needs and how many beds they have to have and how many will go away or transfer to basic care. There is some demand for the basic care beds.

Senator Lee asked if they are on layaway, can they also sell them.

Representative Kreidt replied that they have the opportunity to sell them if there is a buyer. He said at the present time there is no market for skilled beds. After the two year period if nothing has happened and the beds aren't in use, they will go away.

Senator Berry asked him to clarify and explain further.

Representative Kreidt answered that after one year they have the option to bring the beds on again, if after one year they want to bring them back on because they see an increase in need they can do that or they can license them as basic care.

Senator Berry asked about the institution that purchased them.

Representative Kreidt said that with the selling of beds you have a forty eight month timeline to put those beds on line, either basic care or skilled care.

Shelly Peterson, President of the North Dakota Long Term Care Association, testified in support of HB 1325. Written testimony #1

Senator Mathern asked if they haven't already had enough years to make this decision change. He asked if this was more a matter of cosmetic than real. He stated, don't they already know that they have been going down in occupancy?

Ms. Peterson replied that sometimes it take a while to recognize that maybe this isn't a slump, maybe this is the way it is going to be. So what this does is allow planning time for that facility to look and they aren't going to get a penalty. That penalty will return after 24 months if they haven't done something with those beds and the occupancy is low. She also commented that the care system is changing and that we all want to stay at home as long as possible. We also have other alternatives like assisted living. There are more opportunities to stay at home but there will always be a demand for long term care.

Senator Uglem asked her to explain the penalty and the fiscal note.

LeAnn Thiel, Department of Human Services, said that in nursing home rate setting they have a ceiling on each one of the cost categories. If the facility is above that limit in their actual cost, we don't recognize that in their rate and they are subject to the limitation. For direct care if their occupancy is below 90% when they submit their cost report they may be subject to limitations based on their occupancy.

Senator Lee asked her to explain the penalty on the skilled care side.

Ms. Thiel replied that the purpose of the limitation either on the occupancy side or rate side is to promote efficiency in the facility. She explained how they came up with the fiscal note figures.

Senator Lee compared this to small schools and their need to take some time to accept the inevitable.

Senator Berry asked Ms. Peterson to explain the three levels of beds.

Ms. Peterson said that they have assisted living facilities, basic care, and skilled nursing and explained each level.

Senator Berry asked how basic care was reimbursed.

Ms. Peterson replied that they have a basic care assistance program which means they are Medicaid qualified. About 44 out of every 100 individuals are on basic care assistance. For skilled facilities Medicaid also pays and about 52 of every 100 are on Medicaid and the rest is private pay and Long Term care insurance.

No opposing testimony.

Senate Human Services Committee

HB 1325

March 15, 2011

Page 3

Senator Lee closed the hearing on HB 1325.

Senator Berry moved a **Do Pass and rerefer to appropriations**.

Senator Uglem seconded the motion.

Roll call vote: 5-0-0. **Motion passed**.

Carrier is **Senator Berry**.

Date: 3-14-11

Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1325

Senate HUMAN SERVICES Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Rerefer to Appropriations Reconsider

Motion Made By Sen. Berry Seconded By Sen. Uglem

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee, Chairman	✓		Sen. Tim Mathern	✓	
Sen. Dick Dever	r				
Sen. Gerald Uglem, V. Chair	✓				
Sen. Spencer Berry	✓				

Total (Yes) 5 No 0

Absent 0

Floor Assignment Senator Berry

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

REPORT OF STANDING COMMITTEE

HB 1325, as reengrossed: Human Services Committee (Sen. J. Lee, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1325 was rereferred to the Appropriations Committee.

2011 SENATE APPROPRIATIONS

HB 1325

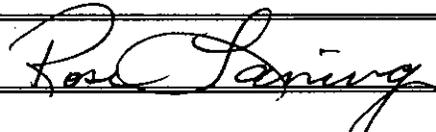
2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

HB 1325
March 22, 2011
Job # 15785

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to the moratorium on the expansion of basic care and long-term care bed capacity.

Minutes:

See attached testimony # 1 - 3.

Chairman Holmberg called the committee hearing to order on HB 1325. Roll call was taken. **Roxanne Woeste** - Legislative Council; **Lori Laschkewitsch** - OMB.

Rep. Kreidt, District 33, State Representative Bill Sponsor

This bill will continue the moratorium of nursing bed care in the state of ND for another two years. In the industry, we're beginning to see some problems in facilities with occupancy problems. If they fall under 90% occupancy, there are reductions in the rates of care given. This will allow a facility to set aside 25% of their licensed beds and this would enable them to bring their facility back up over the 90% rule. There are about 20 facilities that are experiencing this problem. Allowing them to do that, and they can lay these beds away for two years, and during that time, they can look at their situation. We are experiencing some facilities that are closing. Also, we'll give them an opportunity to convert those beds to basic care if it's a skilled facility. They can do as before. If there is a market, they can sell the beds or after a period of one year, if their occupancy is back up, they can bring them back on line again. The main part of this bill is to give these facilities an opportunity to look at their particular situation and make some decisions to position themselves to where they want to be in the future. There is an appropriation taken out of the Health Care Trust Fund of \$546,786 for 2013 and then it increases up to \$724,340 for the 2013-15 biennium.

Senator Kilzer: When a nursing home is fined for being under the 90%, where does that fine money go?

Rep. Kreidt: It's not a fine. It's a reduction in the rates that they experience. They have a rate that is set for the categories that they are in. So it's a reduction in your daily rate, it is not a fine. They would be losing money off their bottom line. It's a formula that it's based on.

Senator Kilzer: But their lesser reimbursement would be of benefit to the general fund?

Rep Kreidt: It would be Medicaid dollars and general fund dollars.

Shelly Peterson, North Dakota Long Term Care Association (Lobbyist #054)

Testified in support of HB 1325

Spoke in support of facility and basic care beds.

Handed out Facilities list (22 facilities that have experienced an occupancy limitation for the June 30, 2011 cost report) – see attached #1

Also handed out information on Licensed beds – see attached #2.

There are two important features in the bill. One is that if you find yourself in the unpleasant experience at the end of your reporting year, which is June 30, that you are below 90% occupancy, the next rate period you will have less reimbursement. Even though you have incurred all those costs, there will be less reimbursement. The only thing you can do at that point in time is sell beds – if you don't want that reduced payment. This legislation gives them another option. It allows them to keep those beds, and not sell them to stay under the 90%, but keep those beds and set them aside not to be used for a year. So you have to agree to not use those beds for a year. Then you can as many beds as you want to get below the 90%. It allows them to not have to be forced into selling to get below the 90%, but take up to 24 months to set those beds aside. We are anticipating that in those 24 months, they will decide if they need those beds. What we have found in other states that have the bed set aside program is, those beds never come back into service.

The second most important feature in this bill is: when you sell your nursing facility beds now, they have to be sold as a nursing facility bed. What we have found when the West Hope facility closed is that there was not much demand at all for nursing facility beds. They wanted to sell them as basic care because we have a need for basic care. The only way you can now sell those as basic care is if you go through the licensure process to become a basic care facility and then sell those beds which is a more complicated process. A couple weeks ago, Strasburg tried to sell five nursing home beds and nobody bid on those. They wanted to sell them as basic care, but it was too much work to go through it. This bill would allow them to sell them as basic care beds.

She went over several examples of various nursing homes and their occupancy percentages. In reference to **Senator Kilzer's** question that if they don't get that money is that a plus to the state? It is a plus to the state because then we don't access the Medicaid dollars, we don't spend the state's general funds, but then it is a loss to the facility because they actually spent that money in their cost report. You put the occupancy penalty into place in the early 1990s and it was to encourage facilities to operate at least at 90%. So the incentive was to get rid of beds. We have probably done a reduction of 800 beds since we put that policy in place.

Senator Grindberg: Using the Manor Care in Fargo with 71% occupancy, if that 70% is going to stay at 70% for 12 or 24 month period, they lost half million dollars, but their operating costs should go down because they have less demand so from a budgeting standpoint, they'd be laying off people, reducing costs to off-set that loss in payment because of population decline. Am I on the right frame of mind knowing that would happen naturally? This just kind of insulates them for a period of time to hold even?

Shelly Peterson: Someone at 71% occupancy, during that period of time, they would have cut back staffing to coincide with the number of residents that you have. In theory you would begin cutting back as a number of facilities have or they would have less contract staff. During this period of time, they had actually incurred those expenses, so their next operating year, it might be less so that half a million that they lost because they cut back, might not be realized but they actually did expend those amount of dollars on their June 30 cost report.

Senator Bowman: When your occupancy is 90%, there is really no loss of revenue to the home. When it drops down to 70%, there is a loss. This bill is trying to make up the difference in that loss indirectly?

Shelly Peterson: In essence, yes. It's trying for a period of time to not have that payment system that would deduct that money from your payment so that you would have up to two more years to operate and not experience that loss. However, at the same time, you'd have to take those beds out of service which means that you could never use them in that 24 month period of time. Then you are not collecting any revenue on those beds. You are downsizing your operation for up to a two year period of time and operating at that reduced occupancy as well as then you don't have that initial penalty of that lost income the first year.

Senator Bowman: But we went from 90 to 70% occupancy and now we've lost that 20% forever. What is the percentage then based on 100% payment to the home.

Shelly Peterson: Gave an example of Northwood. It's really up to a two year reprieve to help them decide what is the right size that I need in my nursing facility bed because now you can only sell your beds.

Senator Warner: How does this work with the big corporate companies? They have the ability to pull beds back to the corporate headquarters and disperse them throughout the system, don't they?

Shelly Peterson: If you own beds as a corporation in ND, you can take beds out of a nursing facility and move them to another facility. You can't just move them back to that facility. In the new location, within 48 months, you have to put them in service. Once they are moved, they really sit in limbo until they are put into service. If they don't put them into service, they lose them forever. You have put them in service in the new location for at least a year before you can move them any other place again. Generally they move them permanently.

Senator Robinson: HB 1325 provides an opportunity for these facilities to buy some time, reassess the market place, and then develop a new business plan based on that reassessment. Answer Yes.

Senator Wardner: On the appropriation, I'm looking at the fiscal note and the bill. From the Health Care Trust Fund, we will get \$546,786 and a sum of \$679,193. According to the fiscal note, it's \$679,193. Does the first part, the \$546,000 come out of the Health Care Trust Fund and then the rest is federal dollars to make it to \$679,000? Chairman Holmberg said he was looking at an older fiscal note and should go by the newest date of 2-17-11.

Maggie Anderson, Dept of Human Services: The \$546,786 comes out of the Health Care Trust Fund. The \$679,193 is the federal matching funds for the Medicaid portion. It's the combination together and the true cost of the change is \$1.2M for the Medicaid population and another \$1.2M for the private pay.

Chairman Holmberg asked about the fiscal notes and **Maggie Anderson** said the 2/04/11 fiscal note should be ignored. Looking at the dollars are the same, the difference in the 2/04 one is that there were still general funds in the fiscal note and the House made the change to use the Health Care Trust Fund, so there are no general fund dollars in there now for 2011-2013.

Senator Wardner: Why wouldn't the \$546,000 be under other funds, then.

Maggie Anderson: On the 2/17/11 fiscal note, the total is \$1.2M and that would be both of them together – the \$679,000 plus the \$546,000.

Senator Wardner: It's not recorded as revenue. Answer is Correct.

Maggie Anderson: The total cost to the Medicaid side of this for 2011-2013 is \$1.2M. The private pay is \$1.6M. That's the cost for 2011-13. It's just that for 2011-13, the general fund match is coming out of the Health Care Trust Fund.

Senator Fischer: How often do you report occupancy?

Shelly Peterson: You have to report year end occupancy on June 30 based on the previous 12 months and then you file that cost report by October 1st.

Maggie Anderson: To summarize then, its \$1.2M. Of that, \$546,000 will come out of the Health Care Trust Fund; \$679,000 would be federal dollars and \$1.1M would be the impact on the private pay for the same rate increase for the biennium.

Senator Christmann: My understanding of Shelly's testimony was that if the fiscal note is correct, you've got to assume that everyone does this, but I understood that she didn't think a number of these would participate in this, so it would cost a lot less. Do you agree with that or would it cost that much.

Maggie Anderson: It's each facilities choice. There is an impact to Manor Care. If Shelly's information is correct, we don't know if they would down size. If they have to put their beds away for a year, we don't know. We tried to determine how many would take advantage of it.

Senator Christmann: Over the years we've usually had a print out of all the 85 facilities and their average daily rates. Did we get that again?

Maggie Anderson: We have that and can provide their low and their high and then the average for the state for each facility. (Nursing Facilities – Rates effective January 1, 2011 – see attached # 3).

Senator Krebsbach: Is there any of this occupancy that has dropped due to the inability to hire help? Answer - Don't know.

Senator Bowman: What would happen if you just paid for the rooms that were occupied and forgot about all of this up and down? There's a fixed cost and somebody's going to pay for that whether that room is occupied or not. Why should the taxpayers pay for something that's not being occupied? It seems like a game being played here. It's how much can we get whether we're occupied or not.

Maggie Anderson: It's the provisions of the bill. Say facility costs are \$1M with 45 beds. It would be \$1M divided by 45 or X dollars. If you only have 30 beds, it will normally cost more, but you'd have to adjust staffing and other expenses. If your occupancy goes down, maybe you adjust your staffing, but it's just splitting them out. Sometimes you do end up paying for an unoccupied space in the formula, but I'll let Lee Ann explain the formula.

Lee Ann Theil, Dept. of Human Services: The 90% occupancy limitation that has been discussed this morning applies to your indirect costs which is your property, your maintenance, and your housekeeping. Your direct care costs – the cost for the staffing and everything to directly care for those workers is not subject to that 90% occupancy limitation. The thought behind that is that the cost of the building, just because the building is not occupied at least by 90%, somebody who is residing in there shouldn't have to pay more for that so that is why the 90% is applied to those fixed costs.

Senator Robinson: If you look at flip side, the problem of staffing, recruiting, retention, etc, comes to play in a hurry and there are so many openings already. It might be a short term thing so you're going to be very reluctant to let staff go when you've worked so hard to get them on in the first place. The cost of recruitment and training; I can see it as a tremendous challenge for a lot of facilities. If it's going to be a permanent adjustment, that's one thing, but if you don't know that, it's a different ball game.

Senator Grindberg: Your comment about fixed and direct care costs. How do you balance a facility that has no mortgage and a new facility that is financed and has debt obligations? Is there a difference in how that's calculated?

Lee Ann Thiel: That's why there is such a difference in rates out there. If you look at some of the newer facilities, there rates are increasing because they have those new buildings and increased fixed costs, whereas older facilities have essentially paid for their building or it's been fully depreciated.

Senator Warner: (for Roxanne Woeste) Can you give me an idea of some of the obligations that we're placing across the system on the Healthcare Trust Fund?

Roxanne Woeste: Currently, this is the only bill that is accessing the Health Care Trust Fund for the 2011-13 biennium.

Senator Warner: What is the balance of that fund?

Roxanne Woeste: Currently, there was approx. \$1.3M available for 11-13 in the Health Care Trust Fund. If this bill were passed, it would be approx. \$800,000 remaining and all the funds were utilized and are appropriated.

Senator Warner: What would be the expected income for the fund?

Roxanne Woeste: There is approx. \$1M of income that is anticipated to be deposited into the Health Care Trust Fund in 2011-13.

Chairman Holmberg closed the hearing on HB 1325.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1325
April 5, 2011
Job # 16365

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to the moratorium on the expansion of basic care and long-term care bed capacity.

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg called the committee hearing to order on HB 1325 and said we don't want to kick the can down the road, but this moves the dates of the beds and has the transfer.

Senator Robinson said the money comes from the health care trust fund.

Senator Erbele moved **Do Pass on HB1325**
Senator Wanzek seconded.

Senator Robinson said the money comes from the health care trust fund.

Chairman Holmberg asked for the status of the health care trust fund. Answer: \$807,000.

A Roll Call vote was taken. Yea: 11 Nay: 2 Absent: 0

The bill will go back to the Human Services committee and Senator Berry will carry the bill on the floor.

Senator Wanzek: The \$807,000 was already figured in

Chairman Holmberg (checking with Legislative Council) agreed.

REPORT OF STANDING COMMITTEE

HB 1325, as reengrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends **DO PASS** (11 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING).
Reengrossed HB 1325 was placed on the Fourteenth order on the calendar.

2011 TESTIMONY

HB 1325

#1

Testimony on HB 1325
House Human Services Committee
January 24, 2011

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. We represent assisted living facilities, basic care facilities and nursing facilities across North Dakota. Thank you for the opportunity to testify on HB 1325. I am here to ask for your support of HB 1325.

Our overall purpose in HB 1325 is to allow nursing facilities two more options in deciding what to do with their beds when they find themselves in the unpleasant, financially difficult situation of open, unoccupied nursing facility beds.

Today a nursing facility can sell their beds but they cannot temporarily set them aside and later put them back in service should demand return. We think this is an important feature. The second feature we are proposing allows a nursing facility bed to be sold as a basic care bed, without going through a re-licensure process.

Thus the two additional options proposed in HB 1325 are:

1. Allows a nursing facility to layaway up to 50% of their beds for a maximum of 48 months. Currently this option is not available. If you find yourself with empty beds and facing an occupancy limitation, you can only sell or transfer your beds to another entity. Once you do this, your beds are gone forever (although another facility can put them in service). The finality of selling your beds does not fit all situations, some believe they are in a temporary decline and it is not wise to permanently sell your beds. This feature would allow nursing facilities/communities to have up to 48 months to set their beds aside and not experience an occupancy limitation during that time.

2. Allows a nursing facility to sell their beds as either nursing facility beds or basic care beds. The type of beds you are selling must be determined at the time you sell them and the purchasing facility must license them as that type of capacity within 48 months of the sale. This allows a nursing facility to sell their beds as basic care without first having to convert and license them as basic care. Today there is little, if any, demand for nursing facility beds and we have some organizations wanting to purchase basic care beds. This would open up the market for entities hoping to purchase basic care beds. It would have been beneficial to have this feature when Westhope Home closed last summer. When they announced closure and were in the process of moving residents to other facilities, helping staff cope with losing their jobs, helping a community understand why they needed to close, they discovered the vast majority of interested organizations didn't want their nursing facility beds, they wanted basic care beds. The only way for Westhope Home to get some value for their beds, was to go through the licensure and survey process to become a basic care facility. They never intended to open or operate as a basic care facility but in order to sell their beds as basic care; they needed to go through an extensive basic care licensure process. Their time could have been better spent dealing with resident relocation issues and helping staff secure other employment. All of their nursing facility beds were eventually sold with the majority as basic care once they completed the additional licensing process.

As I shared with you at the moratorium hearing on HB 1040 we have nursing facility and basic care openings throughout the state, including the four major cities. In the June 30, 2010 cost reporting period, twenty-two nursing facilities reported twelve month occupancy averages at less than 90%. Together they incurred \$1,726,047 in penalty costs. So besides lost revenue because your beds aren't filled, you get a second blow in penalty costs.

In the Senate Appropriations hearing on SB 2012, Maggie Anderson of the Department of Human Services reported based upon the September 30, 2010 occupancy report, twenty-four nursing facilities were below 90% occupancy. The average occupancy for these twenty-four nursing facilities was 78%.

I don't believe all twenty-two nursing facility currently with a penalty will take advantage of this "temporary layaway program."

This past year, we've had two new nursing facilities open in Bismarck, one in West Fargo and one in Fargo. It is not their intent to set beds aside; it is their intent to become fully occupied. The twenty-two nursing facilities with a June 30, 2010 occupancy limit include:

Name of Facility	City	Occupancy
Manor Care of Fargo ND, LLC	Fargo	71.84%
Good Samaritan Society—Arthur	Arthur	74.45%
Good Samaritan Society—Osnabrock	Osnabrock	78.68%
Pembilier Nursing Center	Walhalla	79.15%
Good Samaritan Society—Rock View at Parshall	Parshall	80.23%
Dunseith Community Nursing Home	Dunseith	80.78%
Good Samaritan Society—Devils Lake	Devils Lake	84.07%
Wishek Home for the Aged	Wishek	84.60%
Rolette Community Care Center	Rolette	85.39%
St. Rose Care Center	LaMoure	86.49%
Good Samaritan Society—Park River	Park River	86.95%
St. Gerard's Community Nursing Home	Hankinson	87.54%
Prince of Peace Care Center	Ellendale	87.61%
Manor Care of Minot ND, LLC	Minot	87.75%
Strasburg Care Center	Strasburg	87.91%
Western Horizons Living Center	Hettinger	87.93%
Trinity Homes	Minot	88.01%
Northwood Deaconess Health Center	Northwood	88.34%
Wedgewood Manor	Cavalier	89.29%
Good Samaritan Society—Oakes	Oakes	89.43%
St. Catherine's Living Center	Wahpeton	89.57%
Richardton Health Center	Richardton	89.82%

HB 1325 is very technical and confusing at times. To help understand the provisions of the bill I've attached a summary of each section of the bill that proposes a change.

Thank you for your consideration of HB 1325. HB 1325 keeps intact the moratorium dates you've already passed in HB 1040 and brings forward two important changes we believe will help facilities plan for the future. North Dakota has a growing elderly population, including the highest proportion of individuals over the age of 85. This bill helps facilities during a time when demand is down, while not giving away beds forever. I would be happy to address any questions.

Shelly Peterson, President
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Summary of MORATORIUM changes as proposed in HB 1325

Section 1– Basic Care Moratorium

- Subsection 1: Extends moratorium dates and outlines exemptions
 - Extends moratorium to 2015 (concurrs with HB 1040).
 - Allows for an entity who has purchased beds from a nursing facility to license those beds as basic care without first licensing it as nursing facility bed. It also allows the seller of the nursing facility bed to not have to complete the basic care licensure process prior to selling.

Section 2 –Nursing Facility Moratorium

- Subsection 1: Extends moratorium dates and outlines exemptions
 - Extends moratorium to 2015 (concurrs with HB 1040).
 - Allows beds that are set aside to come back into service.
 - Allows for changing bed capacity once during a 12 month period.
- Subsection 2: Revises the provisions for transferring nursing facility bed capacity to another entity.
 - Allows for transfer of a nursing facility bed as either basic care or nursing facility. Type of bed is determined at the time of transfer and the receiving facility must license as that same type of bed within 48 months of the transfer. This allows a nursing facility to sell nursing facility beds as basic care without the nursing facility first converting them to basic care.
 - Beds sold as basic care can't be licensed as nursing facility beds by the new owner.
 - Adds provisions to allow the new owner to transfer these beds to another entity within the 48 month period established at the time of the original transfer.
 - Deletes obsolete language.
- Subsection 6: Establishes the provisions for a layaway program for nursing facilities.
 - Requires notification to Health Dept of intent to layaway beds
 - Adds a layaway program for nursing facility to delicense excess beds and have 48 months to either relicense, license as basic care beds or sell beds.
 - A facility can layaway no more than 50% of its licensed beds.
- Subsection 7: Identifies what a facility can do with the beds that are laid away
 - Layaway period is for 48 months and all transactions must be completed within that time frame.
 - Facility can use any combination of transactions applicable to delicensed beds at any time during the layaway period but limits relicensure to once in 12 months.
 - Facility can transfer layaway nursing facility beds as either nursing facility beds or basic care beds. Limits licensing of transferred beds to the type of beds transferred and defines the time remaining in the layaway period.
 - Adds provisions to allow a new owner to transfer beds to another entity within the 48 month period established at the time of the original layaway.

Testimony
House Bill 1325 – Department of Human Services
House Human Services Committee
Representative Robin Weisz, Chairman
January 24, 2011

Chairman Weisz, members of the Human Services Committee, I am LeeAnn Thiel, Administrator of Medicaid Payment and Reimbursement Services of the Medical Services Division for the Department of Human Services. I am here today to provide information on the fiscal note for HB 1325.

The fiscal impact was calculated based on the June 30, 2010 nursing facility cost reports. The indirect and property portion of a nursing facility's rates are calculated based on the greater of the facility's actual reported census or census based on 90% occupancy of the facility's licensed beds. For this fiscal note, it was assumed that all facilities that were subject to the 90% occupancy limitation on their 2011 rates would take advantage of the bed layaway program. The estimated fiscal impact to the Medicaid program for eighteen months is \$1,285,129, of which \$573,167 would be general funds. The estimated impact for private pay individuals is \$1,195,390. Nursing facility rates would be affected beginning January 1, 2012.

The Medicaid regulations contain a requirement that Medicaid payments to institutional providers, including nursing facilities, in the aggregate, cannot exceed what Medicare would pay, in the aggregate, for the same care. This is known as the Upper Payment Limit (UPL). The Upper Payment Limit must be calculated yearly for each type of facility: private; state-government owned, and non-state government owned. Historically, the gap between the Medicaid payments and the Upper Payment Limit has been large enough, where this has not been an issue or something the Department needed to

bring to your attention. However, the increases provided by the 2009 Legislature, have resulted in North Dakota approaching the Upper Payment Limit for the private facilities, and actually, for 2011, exceeding the Upper Payment Limit for the non-state government owned facilities. This proposed increase to the Medicaid payments for nursing facilities will impact the UPL and based on the UPL calculation for the 2011 nursing facility rates, we expect this proposal to exceed the UPL for non-state government owned facilities. If this bill and/or the cumulative impact of legislation passed during the 2011 Legislative Assembly results in the UPL being exceeded for one or more of the facility types, the Department will need to reduce the Medicaid rates to comply the Upper Payment Limit. Subsequently, because of equalized rates, the rates for the private pay would be reduced as well. If the Department were to reduce rates, we would need guidance from the Legislature about the use of non-federal funds to pay for the portion of costs associated with approved nursing facility rate increases, which exceed the UPL.

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

1

Amendments for HB 1325

Page 1, line ~~7~~⁸, replace "2015" with "2013".

Page 2, line 7, replace "2015" with "2013"..

Page 3, line 8, replace "fifty" with "twenty-five".

Page 3, line 9, replace "forty-eight" with "twenty-four".

Page 3, line 11, after "than" insert "fifty percent of".

Page 3, line 12, after "of" insert "fifty percent of".

Page 3, line 14, replace "licensed" with "sold".

Page 3, line 15, replace "forty-eight" with "twenty-four".

Page 3, line 16, replace "forty-eight" with "twenty-four".

Page 3, line 20, replace "occur no more than once in a twelve-month period" with "not occur for twelve months from the time of delicensure".

Page 3, line 23, remove "holding".

1

Testimony on HB 1325
Senate Human Services Committee
March 14, 2011

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. Thank you for the opportunity to testify on HB 1325. I am here to ask for your support of HB 1325.

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Thus the two additional options proposed in HB 1325, as amended are:

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Summary of MORATORIUM changes as proposed in HB 1325

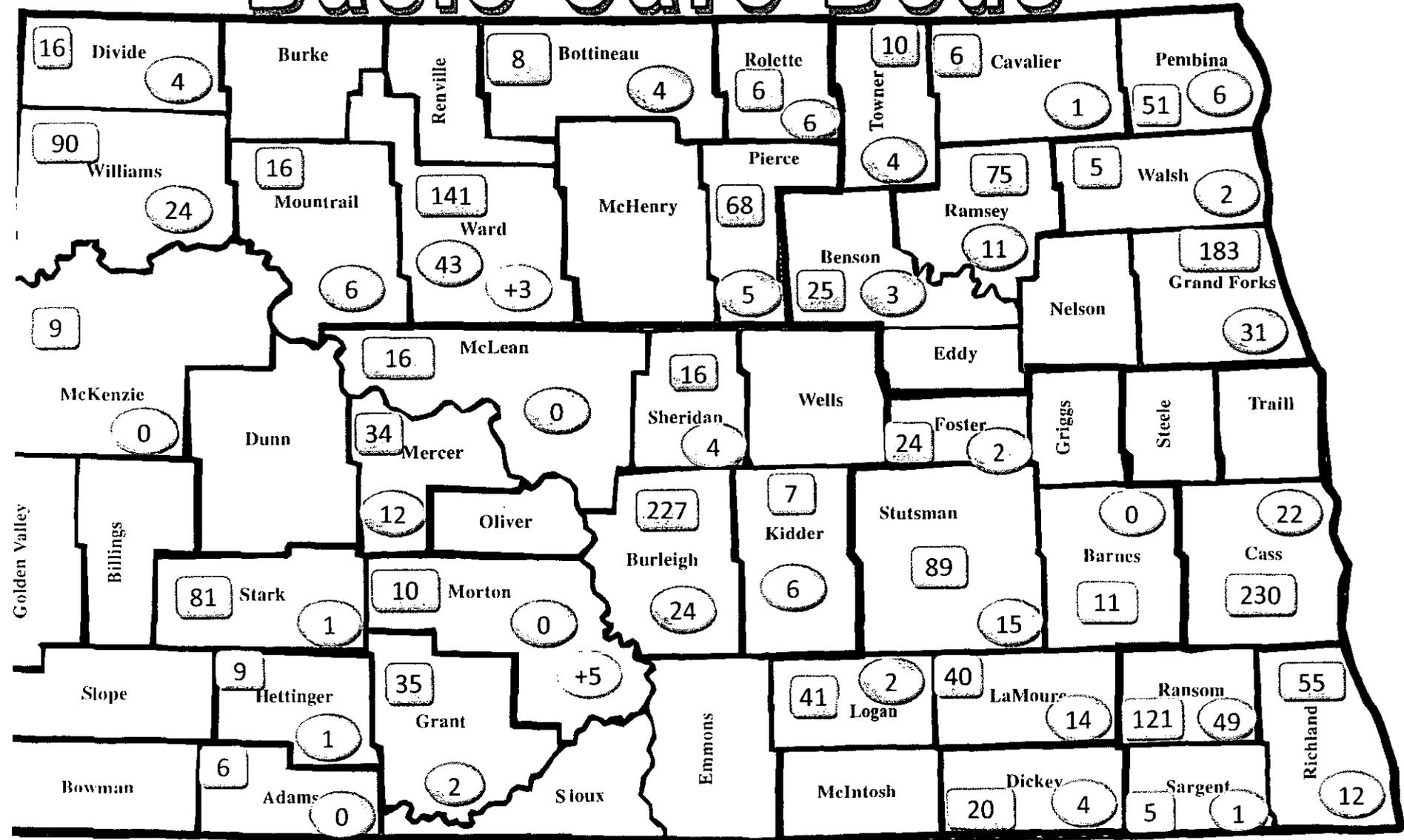
Section 1– Basic Care Moratorium

- Subsection 1: Extends moratorium dates and exemption process.
 - Extends moratorium to 2013 (concurrs with HB 1040).
 - Allows for an entity who has purchased beds from a nursing facility to license those beds as basic care without first licensing it as nursing facility bed. It also allows the seller of the nursing facility bed to not have to complete the basic care licensure process prior to selling.

Section 2 –Nursing Facility Moratorium

- Subsection 1: Extends moratorium dates and outlines frequency of bed changes.
 - Extends moratorium to 2013 (concurrs with HB 1040).
 - Allows beds that are set aside to come back into service.
 - Allows for changing bed capacity once during a 12 month period.
- Subsection 2: Revises the provisions for transferring nursing facility bed capacity to another entity.
 - Allows for transfer of a nursing facility bed as either basic care or nursing facility. Type of bed is determined at the time of transfer and the receiving facility must license as that same type of bed within 48 months of the transfer. This allows a nursing facility to sell nursing facility beds as basic care without the nursing facility first converting them to basic care.
 - Beds sold as basic care can't be licensed as nursing facility beds by the new owner.
 - Adds provisions to allow the new owner to transfer these beds to another entity within the 48 month period established at the time of the original transfer.
 - Deletes obsolete language.
- Subsection 6: Establishes the provisions for a layaway program for nursing facilities.
 - Requires notification to Health Dept of intent to layaway beds
 - Adds a layaway program for nursing facility to delicense excess beds and have 24 months to either relicense, license as basic care beds or sell beds.
 - A facility can layaway 25% of its licensed beds annually.
 - A nursing facility can never lay away more than 50% of their current licensed capacity.
 - Delicensed bed capacity not sold or relicensed at the conclusion of the 24 month holding period cease to exist.
- Subsection 7: Identifies what a facility can do with the beds that are laid away
 - Layaway period is for 24 months.
 - Facility can use any combination of transactions applicable to delicensed beds at any time during the layaway period but limits relicensure to once in 12 months.
 - Facility can transfer layaway nursing facility beds as either nursing facility beds or basic care beds. Limits licensing of transferred beds to the type of beds transferred and defines the time remaining in the layaway period.
 - Adds provisions to allow a new owner to transfer beds to another entity within the 48 month period established at the time of the original layaway.

Basic Care Beds



Forty-five licensed basic care facilities as of March 1, 2011

Purple Box – Number of licensed basic care beds as of March 1, 2011 (total licensed beds = 1,786).

Green Box – Number of vacant licensed basic care beds available on March 1, 2011 (total vacancies = 317).

Green Box – Number of licensed basic care beds expected to increase in the county (purchased or transferred).



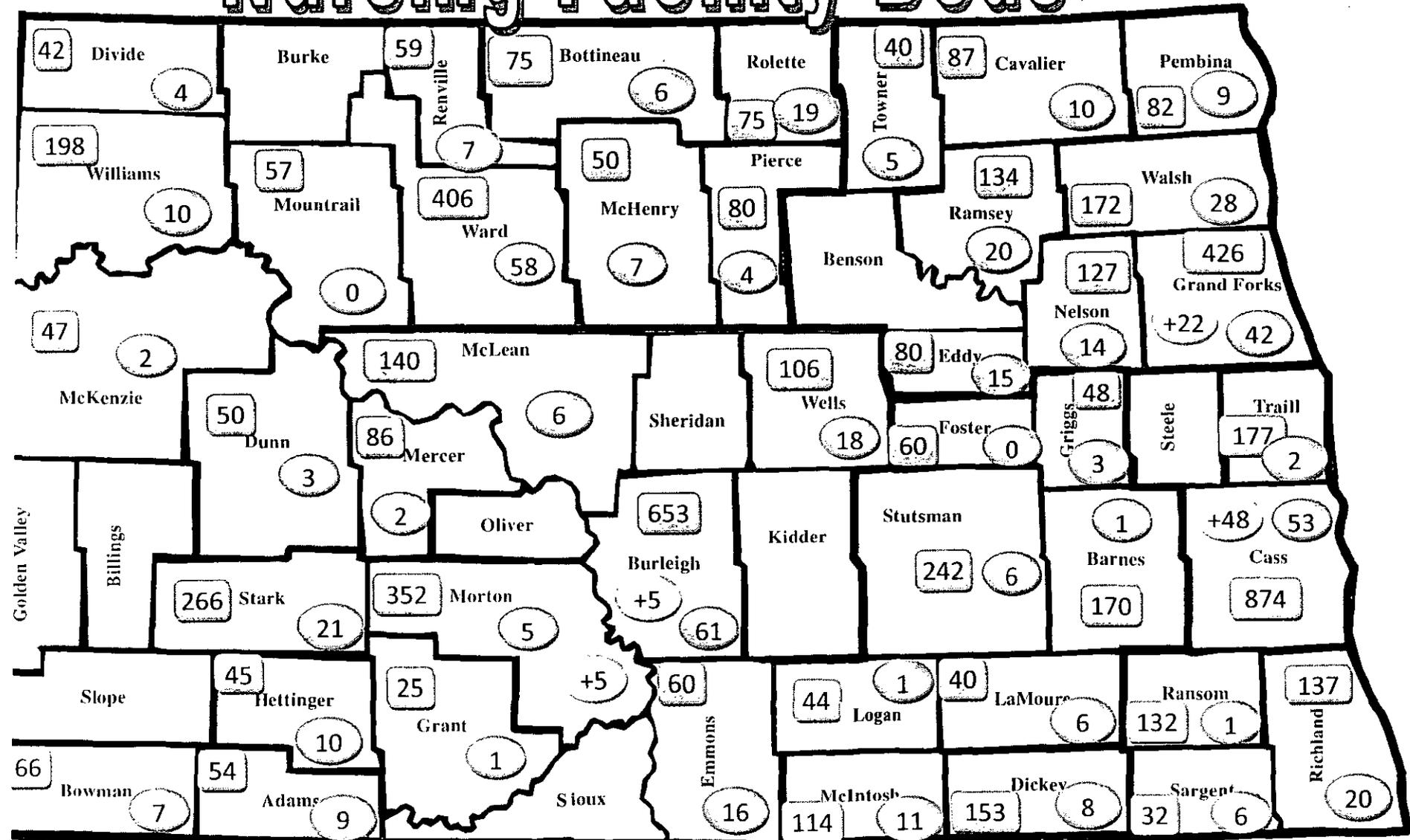
Licensed Basic Care Facility Beds, Locations and Vacancies

City	County	Facility Name	Licensed Capacity 3/5/2010	Number of Vacancies 3/5/2010	Licensed Capacity 3/1/2011	Number of Vacancies 3/1/2011
Arthur	Cass	Prairie Villa	25	4	25	2
Bismarck	Burleigh	Baptist Home, Inc.	10	0	10	0
Bismarck	Burleigh	Edgewood Bismarck Senior Living	73	10	91	16
Bismarck	Burleigh	Good Samaritan Society – Bismarck			18	0
Bismarck	Burleigh	Maple View – East & North	48	4	48	7
Bismarck	Burleigh	The Terrace	40	1	40	0
Bismarck	Burleigh	Waterford on West Century	20	2	20	1
Bottineau	Bottineau	Good Samaritan Society – Bottineau	8	0	8	4
Cando	Towner	St. Francis Residence	10	0	10	4
Carrington	Foster	Holy Family Villa	24	0	24	2
Crosby	Divide	Good Samaritan Society – Crosby	16	5	16	4
Devils Lake	Ramsey	Good Samaritan Society – Devils Lake	10	3	12	3
Devils Lake	Ramsey	Odd Fellows Home	43	0	43	0
Dickinson	Stark	Dickinson Country House LLC	30	3	30	1
Dickinson	Stark	Evergreen	51	0	51	0
Edgeley	LaMoure	Manor St. Joseph	40	1	40	14
Edmore	Ramsey	Edmore Memorial Rest Home	25	14	20	8
Elgin	Grant	Dakota Hill Housing	35	1	35	2
Ellendale	Dickey	Evergreen Place	20	4	20	4
Fargo	Cass	Bethany Towers I and II	33	6	33	1
Fargo	Cass	Edgewood Vista at Edgewood Village	33	1	33	0
Fargo	Cass	Evergreens of Fargo	72	7	54	13
Fargo	Cass	Good Samaritan Society – Fargo	30	0	36	4
Fargo	Cass	Waterford at Harwood Groves	20	0	25	0
Forman	Sargent	Four Seasons Healthcare Ctr Inc.	5	0	5	1
Gackle	Logan	Gackle Care Center	41	1	41	2
Grand Forks	Grand Forks	Maple View Memory Care Community	26	5	36	6
Grand Forks	Grand Forks	Parkwood Place	40	4	40	12
Grand Forks	Grand Forks	St. Anne's Guest Home	54	8	54	10
Grand Forks	Grand Forks	Tufte Manor	40	0	53	3
Hazen	Mercer	Senior Suites at Sakakawea	34	1	34	12
Hettinger	Adams	Western Horizons Care Center	6	4	6	0
Jamestown	Stutsman	Bethel 4 Acres Ltd	16	0	16	1
Jamestown	Stutsman	Rock of Ages, Inc.	53	8	53	13
Jamestown	Stutsman	Roseadele	20	1	20	1
Kenmare	Ward	Baptist Home of Kenmare	60	23	60	41
Lisbon	Ransom	North Dakota Veterans Home	111	43	111	48
Lisbon	Ransom	Parkside Lutheran Home	10	1	10	1
Maddock	Benson	Maddock Memorial Home	25	0	25	3
Mandan	Morton	Dakota Pointe	10	0	10	0
McClusky	Sheridan	Sheridan Memorial Home	16	2	16	4
Minot	Ward	Edgewood Vista Memory Care	22	0	22	0
Minot	Ward	Edgewood Vista Minot Senior Living	31	0	31	0
Minot	Ward	Emerald Court	28	0	28	2

Licensed Basic Care Facility Beds, Locations and Vacancies

City	County	Facility Name	Licensed Capacity 3/5/2010	Number of Vacancies 3/5/2010	Licensed Capacity 3/1/2011	Number of Vacancies 3/1/2011
Mott	Hettinger	Good Samaritan Society – Mott	9	1	9	1
Mountain	Pembina	Borg Pioneer Memorial Home	43	0	43	3
New Town	Mountrail	Good Sam. Society – New Town	16	7	16	6
Osnabrock	Cavalier	Good Samaritan Society – Osnabrock	6	1	6	1
Park River	Walsh	Good Samaritan Society—Park River			5	2
Parshall	Mountrail	GSS – Rock View at Parshall	6	6	CLOSED	
Rolette	Rolette	Rolette Community Care Center			6	6
Rugby	Pierce	Haaland Estates – Basic Care	68	16	68	5
Steele	Kidder	Golden Manor Inc.			7	6
Valley City	Barnes	HI Soaring Eagle Ranch	11	0	11	0
Wahpeton	Richland	St. Catherine's Living Center	16	11	16	10
Wahpeton	Richland	The Leach Home	39	1	39	2
Walhalla	Pembina	Pembilier Nursing Center	10	8	8	3
Watford City	McKenzie	McKenzie Cty HC Systems	9	2	9	0
West Fargo	Cass	Eventide at Sheyenne Crossings	24	2	24	2
Williston	Williams	Bethel Lutheran Nrsng & Rehab Ctr	19	0	19	0
Williston	Williams	Kensington Williston LLC	71	5	71	24
Wilton	McLean	Redwood Village	16	0	16	0
TOTAL			1727	227	1786	321

Nursing Facility Beds

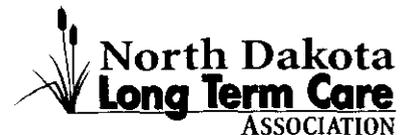


Eighty-five licensed nursing facilities as of March 1, 2011.

Purple Box – Number of licensed nursing facility beds as of March 1, 2011 (total licensed beds = 6,363).

Green Box – Number of vacant licensed nursing facility beds available on March 1, 2011 (total vacancies = 537).

Red Box – Number of licensed nursing facility beds expected to increase in the county (purchased or transferred).



Licensed Nursing Facility Beds, Locations and Vacancies

City	County	Facility Name	Licensed Capacity 3/5/2010	Number of Vacancies 3/5/2010	Licensed Capacity 3/1/2011	Number of Vacancies 3/1/2011
Aneta	Nelson	Aneta Parkview Health Center	39	2	39	0
Arthur	Cass	Good Samaritan Society – Arthur	42	3	42	14
Ashley	McIntosh	Ashley Medical Center	44	1	44	0
Beulah	Mercer	Knife River Care Center	86	0	86	2
Bismarck	Burleigh	Baptist Home, Inc.	141	7	141	12
Bismarck	Burleigh	Good Samaritan Society—Bismarck			48	9
Bismarck	Burleigh	Medcenter One St. Vincent's	101	0	101	0
Bismarck	Burleigh	Medcenter One Subacute Unit	22	5	22	6
Bismarck	Burleigh	Missouri Slope Luth Care Center	250	0	250	2
Bismarck	Burleigh	St. Alexius Medical Center – TCU	19	1	19	8
Bismarck	Burleigh	St. Gabriel's Community			72	24
Bottineau	Bottineau	Good Samaritan Society – Bottineau	73	5	75	6
Bowman	Bowman	Southwest Healthcare Services	66	0	66	7
Cando	Towner	Towner County Living Center	45	0	40	5
Carrington	Foster	Golden Acres Manor	60	5	60	0
Cavaller	Pembina	Wedgewood Manor	50	6	50	4
Cooperstown	Griggs	Cooperstown Medical Center	48	1	48	3
Crosby	Divide	Good Samaritan Society – Crosby	42	0	42	4
Devils Lake	Ramsey	Good Samaritan Society – Devils Lake	62	13	60	16
Devils Lake	Ramsey	Heartland Care Center	74	4	74	4
Dickinson	Stark	St. Benedict's Health Center	164	7	164	12
Dickinson	Stark	St. Luke's Home	84	0	84	9
Dunseith	Rolette	Dunseith Comm. Nursing Home	35	7	35	9
Elgin	Grant	Jacobson Memorial Hosp Cr Ctr	25	0	25	1
Ellendale	Dickey	Prince of Peace Care Center	55	11	53	1
Enderlin	Ransom	Maryhill Manor	54	3	54	1
Fargo	Cass	Bethany on 42nd	50	6	78	0
Fargo	Cass	Bethany On University	192	12	172	1
Fargo	Cass	Elim – A Caring Community	136	16	136	15
Fargo	Cass	Manor Care of Fargo ND, LLC	131	34	131	11
Fargo	Cass	Rosewood On Broadway	111	0	111	1
Fargo	Cass	Villa Maria	140	6	140	5
Forman	Sargent	Four Seasons Healthcare Ctr Inc.	32	1	32	6
Garrison	McLean	Benedictine Living Ctr of Garrison	63	14	52	4
Garrison	McLean	Garrison Memorial Hosp & NF	28	4	28	0
Glen Ullin	Morton	Marian Manor HealthCare Center	86	3	86	2
Grafton	Walsh	Lutheran Sunset Home	104	9	104	6
Grand Forks	Grand Forks	Valley Eldercare Center	176	13	202	30
Grand Forks	Grand Forks	Woodside Village	118	2	118	2
Hankinson	Richland	St. Gerard's Com Nrsng Home	37	4	37	5
Harvey	Wells	St. Aloisius Medical Center	106	10	106	18
Hatton	Traill	Hatton Prairie Village	42	6	42	0
Hettinger	Adams	Western Horizons Care Center	54	8	54	9
Hillsboro	Traill	Hillsboro Medical Center	36	0	36	0
Jamestown	Stutsman	Ave Maria Village	100	0	100	1
Jamestown	Stutsman	Eventide at Hi-Acres Manor	142	5	142	5

Licensed Nursing Facility Beds, Locations and Vacancies

City	County	Facility Name	Licensed Capacity 3/5/2010	Number of Vacancies 3/5/2010	Licensed Capacity 3/1/2011	Number of Vacancies 3/1/2011
Killdeer	Dunn	Hill Top Home of Comfort	50	2	50	3
Lakota	Nelson	Good Samaritan Society – Lakota	49	5	49	9
LaMoure	LaMoure	St. Rose Care Center	40	4	40	6
Langdon	Cavalier	Maple Manor Care Center	63	6	63	4
Larimore	Grand Forks	Good Samaritan Society – Larimore	45	8	45	5
Lisbon	Ransom	North Dakota Veterans Home	38	0	38	0
Lisbon	Ransom	Parkside Lutheran Home	40	1	40	0
Mandan	Morton	Dakota Alpha	20	2	20	2
Mandan	Morton	Medcenter One Mandan Care Center	128	1	128	1
Mandan	Morton	Medcenter One Mandan CC Off Collins	50	0	50	0
Mayville	Traill	Luther Memorial Home	99	6	99	2
McVille	Nelson	Nelson Cty Hlth System Care Ctr	39	1	39	5
Minot	Ward	Manor Care of Minot ND, LLC	114	8	114	12
Minot	Ward	Trinity Homes	292	37	292	46
Mohall	Renville	Good Samaritan Society – Mohall	59	4	59	7
Mott	Hettinger	Good Samaritan Society – Mott	45	1	45	10
Napoleon	Logan	Napoleon Care Center	44	4	44	1
New Rockford	Eddy	Luth Home of the Good Shep NH	80	12	80	15
New Salem	Morton	Elm Crest Manor	68	3	68	0
Northwood	Grand Forks	Northwood Deaconess Hlth Ctr	61	4	61	5
Oakes	Dickey	Good Samaritan Society – Oakes	102	12	100	7
Osnabrock	Cavalier	Good Samaritan Society – Osnabrock	24	5	24	6
Park River	Walsh	Good Samaritan Society – Park River	73	7	68	22
Parshall	Mountrail	GSS – Rock View at Parshall	30	9	CLOSED	
Richardton	Stark	Richardton Health Center	18	0	18	0
Rolette	Rolette	Rolette Community Care Center	46	10	40	10
Rugby	Pierce	Heart Of America Medical Center	80	5	80	4
Stanley	Mountrail	Mountrail Bethel Home	57	3	57	0
Strasburg	Emmons	Strasburg Nursing Home	60	4	60	16
Tioga	Williams	Tioga Medical Center LTC	30	0	30	0
Underwood	McLean	Medcenter One Prairieview	60	5	60	2
Valley City	Barnes	Sheyenne Care Center	170	0	170	1
Velva	McHenry	Souris Valley Care Center	50	0	50	7
Wahpeton	Richland	St. Catherine's Living Center	112	11	100	15
Walhalla	Pembina	Pembilier Nursing Center	37	12	32	5
Watford City	McKenzie	McKenzie Cty HC Systems	47	1	47	2
West Fargo	Cass	Sheyenne Crossings Care Center/TCU			64	6
Westhope	Bottineau	Westhope Home	25	7	CLOSED	
Williston	Williams	Bethel Lutheran Nrsng & Rehab Ctr	168	5	168	10
Wishek	McIntosh	Wishek Home for the Aged	70	11	70	11
TOTAL			6248	450	6363	537

Shelly Peterson
3-22-11
HB 1325

Name of Facility	City	Occupancy
Manor Care of Fargo ND, LLC	Fargo	71.84%
Good Samaritan Society—Arthur	Arthur	74.45%
Good Samaritan Society—Osnabrock	Osnabrock	78.68%
Pembilier Nursing Center	Walhalla	79.15%
Good Samaritan Society—Rock View at Parshall	Parshall	80.23%
Dunseith Community Nursing Home	Dunseith	80.78%
Good Samaritan Society—Devils Lake	Devils Lake	84.07%
Wishek Home for the Aged	Wishek	84.60%
Rolette Community Care Center	Rolette	85.39%
St. Rose Care Center	LaMoure	86.49%
Good Samaritan Society—Park River	Park River	86.95%
St. Gerard's Community Nursing Home	Hankinson	87.54%
Prince of Peace Care Center	Ellendale	87.61%
Manor Care of Minot ND, LLC	Minot	87.75%
Strasburg Care Center	Strasburg	87.91%
Western Horizons Living Center	Hettinger	87.93%
Trinity Homes	Minot	88.01%
Northwood Deaconess Health Center	Northwood	88.34%
Wedgewood Manor	Cavalier	89.29%
Good Samaritan Society—Oakes	Oakes	89.43%
St. Catherine's Living Center	Wahpeton	89.57%
Richardton Health Center	Richardton	89.82%

HB 1325 is very technical and confusing at times. To help understand the provisions of the bill I've attached a summary of each section of the bill that proposes a change.

Thank you for your consideration of HB 1325. HB 1325 keeps intact the moratorium dates you've already passed in HB 1040 and brings forward two important changes we believe will help facilities plan for the future. North Dakota has a growing elderly population, including the highest proportion of individuals over the age of 85. This bill helps facilities during a time when demand is down, while not giving away beds forever. I would be happy to address any questions.

Shelly Peterson, President
North Dakota Long Term Care Association
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	<u>Current</u>	<u>Delicense</u>	<u>W/HB 1325</u>
Licensed Beds	32	-5	27
Actual Census	9,245		9,245
Percent occupancy	79.15%		93.81%
90% Limitation	10,512		8,870
Indirect Rate	49.41		56.18
Property Rate	4.25		4.83
Based on Current actual census:			
Indirect revenue	456,795		519,398
Property revenue	39,291		44,676
Change in revenue			
Indirect			62,602
Property			5,385
Total change		+	<u>67,987</u>

The above change would also reflect the loss of revenue using current regulations

	<u>Current</u>	<u>Delicense</u>	<u>W/HB 1325</u>
Licensed Beds	61	-3	58
Actual Census	19,670		19,670
Percent occupancy	88.34%		92.91%
90% Limitation	20,039		19,053
Indirect Rate Limited	60.60		60.60
Property Rate	25.58		26.06
Based on Current actual census:			
Indirect revenue	1,192,002		1,192,002
Property revenue	503,159		512,598
Change in revenue			
Indirect			0
Property			9,439
Total change		+	<u>9,439</u>

The above change would also reflect the loss of revenue using current regulations, but limited in the case of indirect rate.

The listing for Nursing Facilities reflects the low and high rates for the range of 34 case mix classifications. Rates are only effective as of the date at the top of the page. Please contact the individual facility for current desk rates.

ND Department of Human Services - Division of Medical Services

Nursing Facilities -- Rates effective January 1, 2011

CITY	FACILITY	RATES	
		Low Rate	High Rate
Aneta	Aneta Parkview Health Center-30322	\$146.13	\$331.27
Arthur	Arthur Good Samaritan Center-30058	\$152.50	\$358.06
Ashley	Ashley Medical Center SNF-30188	\$134.05	\$353.83
Beulah	Knife River Care Center-30002	\$191.75	\$408.81
Bismarck	Baptist Home-30003	\$162.71	\$406.51
Bismarck	Bismarck Good Samaritan Society - 30494	\$190.30	\$421.86
Bismarck	Medcenter One St. Vincent's Care Center-30005	\$164.48	\$407.84
Bismarck	Missouri Slope Lutheran Care Center-30004	\$175.81	\$431.33
Bismarck	St. Gabriel's Community-- 30497	\$223.00	\$454.56
Bottineau	Bottineau Good Samaritan Center-30118	\$162.98	\$380.54
Bowman	Southwest Healthcare Services-30403	\$169.99	\$405.79
Cando	Towner County Living Center-30379	\$157.67	\$321.83
Carrington	Golden Acres Manor-30008	\$145.86	\$350.12
Cavalier	Wedgewood Manor-30424	\$166.79	\$385.69
Cooperstown	Cooperstown Medical Center-30095	\$151.75	\$370.95
Crosby	Crosby Good Samaritan Center-30122	\$142.47	\$317.51
Devils Lake	Devils Lake Good Samaritan Center-30115	\$149.03	\$350.73
Devils Lake	Heartland Care Center-30010	\$171.73	\$406.21
Dickinson	St. Benedict's Health Center-30237	\$150.93	\$356.43
Dickinson	St. Luke's Home-30011	\$150.70	\$361.38
Dunseith	Dunseith Community Nursing Home-30052	\$145.54	\$331.94
Elgin	Jacobson Memorial Care Center-30077	\$149.15	\$331.65
Ellendale	Prince of Peace Care Center-30012	\$141.99	\$305.23
Enderlin	Maryhill Manor-30421	\$152.20	\$359.00
Fargo	Bethany Homes-30060	\$172.27	\$411.95
Fargo	Bethany on 42nd Skilled Care-- 30492	\$217.67	\$473.19
Fargo	Elim Home-30051	\$157.86	\$375.74
Fargo	Manorcare Health Services-30478	\$140.34	\$332.16
Fargo	Rosewood on Broadway-30420	\$174.76	\$393.00
Fargo	Villa Maria Healthcare-30419	\$176.26	\$396.50
Forman	Four Seasons Health Care Center-30406	\$123.70	\$258.34
Garrison	Benedictine Living Center of Garrison-30247	\$146.48	\$329.76
Garrison	Garrison Memorial Hospital NF-30134	\$172.03	\$418.57
Glen Ullin	Marian Manor HealthCare Center-30067	\$151.49	\$400.37

CITY	FACILITY	RATES	
		Low Rate	High Rate
Grafton	Lutheran Sunset Home-30016	\$165.30	\$415.62
Grand Forks	Valley Eldercare Center-30017	\$175.19	\$403.91
Grand Forks	Woodside Village-30201	\$178.39	\$405.49
Hankinson	St. Gerard's Community NH-30163	\$146.89	\$344.89
Harvey	St. Aloisius Medical Center-30129	\$148.56	\$356.64
Hatton	Tri-County Retirement & NH-30018	\$176.60	\$414.88
Hettinger	Western Horizons Living Center-30477	\$180.52	\$436.04
Hillsboro	Hillsboro Medical Center NH-30019	\$211.77	\$467.29
Jamestown	Ave Maria Village -30422	\$172.36	\$407.98
Jamestown	Eventide at Hi-Acres - 30498	\$161.16	\$409.86
Killdeer	Hill Top Home of Comfort-30271	\$166.60	\$396.88
Lakota	Lakota Good Samaritan Center-30097	\$142.65	\$322.85
LaMoure	St. Rose Care Center-30119	\$151.34	\$350.64
Langdon	Maple Manor Care Center-30083	\$176.75	\$350.73
Larimore	Larimore Good Samaritan Center-30113	\$152.16	\$339.66
Lisbon	North Dakota Veterans Home-30293	\$177.64	\$433.16
Lisbon	Parkside Lutheran Home-30109	\$177.82	\$411.10
Mandan	Dacotah Alpha-30225	\$363.61	same for all residents
Mandan	Medcenter One Care Center-Off-Collins-30106	\$170.78	\$409.04
Mandan	Medcenter One Mandan Living Center-30288	\$188.07	\$439.43
Mayville	Luther Memorial Home-30024	\$155.73	\$397.41
McVile	Nelson County Health System Care Ctr-30384	\$157.83	\$354.63
Minot	Manorcare Health Services-30479	\$133.73	\$316.01
Minot	Trinity Nursing Home-30028	\$168.92	\$416.26
Mohall	North Central Good Samaritan Center-30173	\$148.30	\$343.10
Mott	Mott Good Samaritan Nursing Center-30142	\$132.58	\$299.96
Napoleon	Napoleon Care Center-30114	\$148.07	\$344.01
New Rockford	Lutheran Home of the Good Shepherd-30029	\$172.13	\$402.55
New Salem	Elm Crest Manor-30116	\$180.81	\$398.99
Northwood	Northwood Deaconess Health Center-30031	\$193.34	\$448.86
Oakes	Oakes Manor Good Samaritan Center-30124	\$125.74	\$288.66
Osnabrock	Osnabrock Good Samaritan Center-30117	\$136.97	\$319.99
Park River	Park River Good Samaritan Center-30154	\$145.51	\$335.37
Parshall	Rock View Good Samaritan Center-30155	\$163.23	\$364.29
Richardton	Richardton Health Center CC-30487	\$183.37	\$438.89
Rolla	Rolette Community Care Center-30466	\$191.46	\$371.14
Rugby	Heart of American Nursing Facility-30135	\$169.99	\$401.19
Stanley	Mountrail Bethel Home-30032	\$163.65	\$394.41
Strasburg	Strasburg Nursing Home-30033	\$147.83	\$368.17
Tioga	Tioga Medical Center LTC-30176	\$159.63	\$382.33

CITY	FACILITY	RATES	
		Low Rate	High Rate
Underwood	Prairieview Nursing Home-30053	\$152.06	\$369.28
Valley City	Sheyenne Care Center-30418	\$154.35	\$387.25
Valley City	Sheyenne Care Center Geropsych-30423	\$216.25	same for all residents
Velva	Souris Valley Care Center-30216	\$140.60	\$308.48
Wahpeton	St. Catherine's Living Center-30034	\$140.54	\$287.78
Walhalla	Pembilier Nursing Center-30035	\$129.03	\$314.79
Watford City	McKenzie County Healthcare-30449	\$170.24	\$415.74
West Fargo	Sheyenne Crossings Care Center - 30496	\$195.19	\$426.75
Williston	Bethel Lutheran Home-30038	\$158.52	\$389.16
Wishek	Wishek Home for the Aged-30039	\$158.04	\$384.84