

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

LONG-TERM CARE COMMITTEE

Thursday, September 18, 2008
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Dick Dever, Chairman, called the meeting to order at 8:30 a.m.

Members present: Senators Dick Dever, Joan Heckaman, Aaron Krauter, Judy Lee, Tim Mathern; Representatives Larry Bellew, Karen Karls, Gary Kreidt, Ralph Metcalf, Vonnie Pietsch, Louise Potter, Gerry Uglem, Benjamin A. Vig, Alon Wieland

Members absent: Representatives Jon Nelson, Clara Sue Price

Others present: Jim W. Smith, Legislative Council, Bismarck

Representative Shirley Meyer and Senator David O'Connell, members of the Legislative Council, were also in attendance.

See attached [appendix](#) for additional persons present.

It was moved by Senator Mathern, seconded by Representative Karls, and carried on a voice vote that the minutes of the previous meeting be approved as distributed.

LONG-TERM CARE STUDY

Mr. David Zentner, Consultant, North Dakota Medicaid Infrastructure Grant, North Dakota Center for Persons with Disabilities, presented information regarding a report on home and community-based services in North Dakota. He said it is estimated that by 2020 the state will have an estimated 150,000 individuals over the age of 65 and 24,300 individuals over the age of 85. He said the report, *At a Crossroad, North Dakota Home and Community Based Services - An Overview and Recommendations*, contains information taken from surveys, data analysis, and discussion groups and includes the following recommendations:

- Each individual needing long-term continuum of care services should receive adequate information to make informed decisions regarding how to access available services through the implementation of assessment and screening tools using a coordinated single point of entry or "no wrong door" process.
- Increase medically needy income levels to at least match the amount received by individuals that receive supplemental security income and permit more access to service payments for elderly and disabled (SPED) funding for individuals who would otherwise have a high recipient liability through the Medicaid program.

- Provide incentives to develop affordable, accessible housing with services for low- and moderate-income elderly and people with disabilities and housing subsidies for affordable, accessible housing with services to low- and moderate-income elderly and people with disabilities.
- Maintain the necessary flexibility in long-term continuum of care programs and services to ensure that consumers receive the needed services to remain in their communities.
- Provide additional ongoing funding in order to attract and retain an adequate number of qualified service providers (QSPs) to meet current and future needs.
- Create a task force that will make recommendations on how best to encourage individuals and agencies to become QSPs by improving recruitment, retention, training, and recognition for this important group of providers.

A copy of the report is on file in the Legislative Council office.

In response to a question from Representative Metcalf, Mr. Zentner said he was not aware of any effort to join QSPs with the North Dakota Long Term Care Association.

Ms. Maggie Anderson, Director, Medical Services Division, Department of Human Services, presented information on the current status of long-term care services, the number of clients, spending, and projections for the remainder of the biennium. She said expenditures for nursing homes for the 2007-09 biennium are currently projected to total \$355.2 million, approximately \$16.3 million less than the appropriated amount of \$371.5 million. Of the variance, she said, \$4.5 million is from the general fund. She said basic care costs are projected to be \$14,500,000, \$400,000 more than the appropriation of \$14,100,000. She said nursing home beds are projected to be 3,332, 162 fewer than budgeted, and basic care beds, projected to be 406, are 52 beds fewer than the 458 beds anticipated. She said home and community-based services expenditures are projected to total \$39,500,000, \$300,000 less than the \$39,800,000 appropriated. A copy of the report is on file in the Legislative Council office.

In response to a question from Representative Metcalf, Ms. Anderson said the reduction in the number of basic care beds projected for the 2007-09

biennium may be a result of the projected increase in home and community-based services.

In response to a question from Representative Metcalf, Ms. Anderson said even though fewer basic care beds are projected for the 2007-09 biennium, basic care costs are projected to be more than appropriated, in part because cost components, such as the personal needs allowance, are more than anticipated.

In response to a question from Representative Potter, Ms. Anderson said an increase in the number of home and community-based services recipients does not always translate into an increase in expenditures because recipients may be receiving fewer services.

Dr. Mariah Tenamoc, Research Lead, Decision Support Services Unit, Department of Human Services, provided information regarding an outline of the department's Aging 2020 plan, long-term care trends, a map of demographics and anticipated service needs, and a report on the number of licensed QSPs by region and areas of the state where the number of providers is inadequate.

Dr. Tenamoc said the Aging 2020 project has two goals:

- To identify, compile, and analyze past and current administrative data as well as census data to show the current status of programs administered by the state.
- To produce comprehensive data documentation for state government policy and program professionals about the intergenerational dynamics of the emerging issues related to eligibility programs and services delivery.

Dr. Tenamoc said the project will be completed in three phases over the course of three years and will coordinate with other departments and advisory groups, including the Department of Commerce, the State Department of Health, the Department of Transportation, the Olmstead Commission, and the Governor's Committee on Aging. She said the first phase is to compile a report that includes the need for the study, solutions (including what other states are doing), a literature review, a review of previous studies and surveys related to the aging population in North Dakota, demographic analyses on aging and disabilities, administrative data analyses across divisions and programs in the Department of Human Services, implications, and recommendations. She anticipates a report on the first phase will be available by midsummer 2009. She said the second phase will include the design, implementation, and study of a survey of working and retired North Dakota adults. She said the survey, the results of which will be available in the spring of 2010, will emphasize demographics, economics, and geography for North Dakotans who have left the workforce, who are caregivers to their aging parents, and who are both working age and older and remain in the workforce. She said the third and final phase will be an intergenerational aging summit to highlight research

and examine how policies and programs may be improved to meet the demands of an aging population. She said it is anticipated that the summit, in the spring of 2010, will include staff from the Governor's office, legislators, other policymakers, state agencies' staff, applied academic researchers, data analysts, and representatives of the target populations. She said the working summit will result in a proceedings document that will include recommendations and will be available in July 2010. She said actions taken by the department include compiling an annotated planning document that itemizes and outlines strategies which expand on programs already in place in the state or are in addition to current programs and plans. She said the department will also collaborate with other state agencies to form a North Dakota government population/program data group to track changes in population dynamics and impacts to programs. She said the group will continue to meet throughout the years of rapid population change. A copy of the report is on file in the Legislative Council office.

Dr. Tenamoc provided demographic maps for 2000, 2010, and 2020. She said that by 2020 the population age 60 and over will exceed 50 percent in 3 counties and 40 percent in 19 counties. She said that in 2007, 7 North Dakota counties ranked in the top 20 counties in the United States by percentage of the population age 85 and over. A copy of the report is on file in the Legislative Council office.

Dr. Tenamoc said the number of licensed QSPs and consumers by region as of September 2008 were as follows:

Human Services Region	Consumers (Unduplicated)	QSPs
Region 1	59	86
Region 2	369	246
Region 3	299	314
Region 4	208	213
Region 5	434	252
Region 6	208	200
Region 7	362	307
Region 8	236	188
Total	2,175	1,806

Dr. Tenamoc said in 10 counties the elderly and disabled population was underserved as identified in the Money Follows the Person grant in 2008. A copy of the report is on file in the Legislative Council office.

Dr. Tenamoc provided information regarding long-term care trends. She said medical assistance-related nursing home beds decreased 11.4 percent from 3,730 in 2002 to 3,305 in 2008, basic care beds decreased 12.9 percent from 456 in 2002 to 397 in 2008, and home and community-based services clients increased 34 percent from 2,078 in 2002 to 2,785 in 2008. A copy of the report is on file in the Legislative Council office.

The Legislative Council staff presented a bill draft [\[90176.0100\]](#) to extend the moratorium on the state's licensed basic care beds and the state's licensed

nursing facility beds from July 31, 2009, to July 31, 2011.

Ms. Shelly Peterson, President, North Dakota Long Term Care Association, presented information regarding the current status of long-term care and basic care beds in the state. She said the association supports extending the moratorium because North Dakota has a high ratio of nursing facility beds per 1,000 elderly individuals. She said the ratio was 65.26 nursing facility beds per 1,000 elderly individuals as of December 2007. She said beds are being redistributed from low-demand areas to high-demand areas of the state. She said within the next two years over 300 nursing facility beds and over 180 basic care beds will have moved from rural to urban North Dakota. She said if the moratorium were allowed to expire, urban areas would experience unprecedented growth in the number of beds resulting in more Medicaid funds being spent for institutional care and available rural nursing home beds would have minimal value. A copy of the report is on file in the Legislative Council office.

In response to a question from Senator Dever, Ms. Peterson said nursing facilities are experiencing difficulties recruiting and retaining staff, especially in rural areas.

Ms. Amy B. Armstrong, Project Coordinator, North Dakota Medicaid Infrastructure Grant, North Dakota Center for Persons with Disabilities, provided information regarding the results of a QSP survey, including information on the new payment levels approved by the Legislative Assembly, usage, availability of services across the state, and plans for organization of QSPs. She said in February 2008 the North Dakota Medicaid Infrastructure Grant project participated in the dissemination of surveys to North Dakota individual and agency QSPs. She said survey responses were compiled into the *Report of Questionnaires Administered to North Dakota Individual and Agency Qualified Service Providers (QSPs)* and used as a resource in the development of *At a Crossroad, North Dakota Home and Community Based Services - An Overview and Recommendations*. She said the survey indicated that most individual and agency QSPs which provide private (nonpublic funded) QSP services indicated that only 10 percent or fewer of their consumers were private pay. She said the survey indicated that time, travel, and reimbursement were most often noted as barriers preventing the QSP from providing additional services when requested. She said when asked what changes are needed in the QSP program to help QSPs do their jobs better, individual responses included less paperwork, increased reimbursement, access to health insurance and benefits, training, travel and mileage reimbursement, flexibility in services and time limits, and more respite care. She said agency responses to the same question included increased staff, less paperwork, increased reimbursement, flexibility in services and time limits, and more state involvement in training. She said over

one-third of both individual and agency QSP responses indicated an interest in participating in a QSP organization. She said the North Dakota Medicaid Infrastructure Grant project has collaborated with the North Dakota centers for independent living to assist in convening regional groups of individual QSPs in three cities and future plans include meetings in additional cities.

Ms. Tammy Theurer, Director of Home Care and Hospice, St. Alexius Medical Center, and Past President of the North Dakota Association for Home Care, and Ms. Sharon Moos, Executive Director, Medcenter One Home Health and Hospice, provided information regarding the new payment levels approved by the Legislative Assembly, usage, and availability of QSP services. Ms. Theurer said a 2006 survey of North Dakota Association for Home Care members found that 17 agencies were providing QSP services with varying levels of reimbursement. She said data obtained from the Department of Human Services indicated an average annual increase in reimbursement of 3.21 percent from January 1994 through January 2006 while the average annual increase in nursing facility rates was 8.92 percent for the same period.

Ms. Theurer said the North Dakota Association for Home Care recently surveyed its members and found that agencies providing QSP services in 2006 continue to provide services; however, personal care services are being limited by many agencies as a result of the cost of travel to rural areas of the state. She said a recent request for services 30 miles from the nearest staff would have resulted in direct costs exceeding \$65.00 and a reimbursement payment of \$19.64. She said although the client desperately needed services, services were unable to be provided due to the low reimbursement rate.

Ms. Theurer said that while the increase in reimbursement provided by the 2007 Legislative Assembly has allowed agencies to continue providing services in areas that may have been eliminated otherwise, the average cost to provide services today is \$27.75 per hour. Increased costs have again made it difficult for agencies to continue to provide services. A copy of the report is on file in the Legislative Council office.

In response to a question from Senator Dever, Ms. Theurer said agencies charge private pay individuals a higher rate to subsidize the lower reimbursement rate.

Ms. Moos said while QSP services and admissions have increased during the past two years, her agency's plan to expand the QSP caseload is limited by the cost of providing QSP services and a growing volume of Medicare home health and hospice patients. She said while the agency is losing more than \$6.00 for each hour of QSP service provided, home health and hospice services for Medicare patients offer a higher payment level. She said while serving individuals that provide the highest payment is not the organization's mission, it must manage its

operation to allow for equipment replacement, staff training, market-competitive salary increases, and quality services. A copy of the report is on file in the Legislative Council office.

Ms. Betty Heuchert, independent qualified service provider, Grand Forks, said she has been a full-time independent QSP for almost 10 years and trains new QSPs entering the program. She said her referrals come from Options Interstate Center for Independent Living, county social services, physicians, and former clients. She said more consistent referrals would be helpful to stabilize income for individual QSPs. She said the 2007 rate increase was a good start, but future increases are necessary considering independent QSPs receive no health insurance, sick leave, vacation, or mileage reimbursement. A copy of the report is on file in the Legislative Council office.

Ms. LaRae Gustafson, Program Manager, Options Interstate Center for Independent Living, provided written testimony from three independent QSPs indicating appreciation for the increased reimbursement, but stressed the need for referrals to maintain an adequate number of clients and provide for full-time employment. A copy of the letters is on file in the Legislative Council office.

Dr. Chandice Y. Covington, Dean of the University of North Dakota College of Nursing and Chair of the North Dakota Nursing Education Consortium, presented information regarding long-term care workforce issues. She said the consortium was established in 2007 pursuant to 2007 Senate Bill No. 2379 to address common concerns in nursing education which produce obstacles in meeting the state's current and future nursing needs, with a focus on the specific needs of rural communities. She said the consortium has developed the following action plan relating to the focus on nursing needs of rural communities:

- Develop "grow-your-own" resources;
- Develop additional rural clinical sites;
- Enhance school nurse resources; and
- Increase simulation laboratory availability for rural students.

A copy of the report is on file in the Legislative Council office.

Ms. Lynette Dickson, Program Director, Center for Rural Health, University of North Dakota School of Medicine and Health Sciences, and Chair of the North Dakota Health Information Technology Steering Committee, presented information regarding the status of activities of the committee, available technology and how it could be used to serve rural North Dakota, and the use of telemedicine to meet psychiatric services needs. She said the steering committee was created pursuant to 2007 House Bill No. 1021 to facilitate the adoption and use of health information technology and exchange to improve health care quality, patient safety, and overall efficiency of health care and public health services in North Dakota. She said the steering committee has completed a survey of all the hospitals in the state and

is compiling the data. She said the steering committee is currently conducting surveys of the long-term care facilities, clinics, local public health units, and workforce in the state to determine the effects of using technology. She said \$10.3 million has been spent to support North Dakota health information technology projects over the past 10 years, including \$1.1 million of nonfederal funds. She said although these funds have made it possible for a number of the rural facilities to implement some technology, systems like electronic medical records modules may cost \$600,000 or more. She said lack of financial resources and well-trained information technology staff are common barriers to the adoption of health information technology. A copy of the report is on file in the Legislative Council office.

Mr. Robert Heidt, Information Technology Director, Pembina County Memorial Hospital and Wedgewood Manor, provided information regarding a Critical Access Hospital Health Information Technology Network Implementation grant received by his facility and its experience implementing an integrated electronic medical records system. He said the grant provided an opportunity to begin the project and to collaborate with other facilities implementing similar projects. A copy of the report is on file in the Legislative Council office.

In response to a question from Senator Mathern, Mr. Heidt said the cost of the system depends on the number and types of modules implemented. He said the total project, which includes the hospital, clinic, and nursing home, will cost approximately \$500,000.

Ms. Nancy Willis, Vice President of Government Relations and Marketing, St. Alexius Medical Center, provided information regarding the provision of telemedicine services to long-term care facilities. She said telemedicine began in 1995, funded by grants that provided for T-1 line connections to hospitals, clinics, and a few nursing homes. She said homeland security grants were received to create a video-capable network connecting all the hospitals in the state that could be used during a disaster. She said St. Alexius Medical Center was given permission to conduct clinical consultations, education activities, and administrative meetings over the hospital connections provided by the homeland security grant which also made it possible for St. Alexius Medical Center to use funds from the earlier grant to connect to additional nursing home networks. She said in North Dakota, telemedicine has been primarily used for specialty services not available in rural areas, with services in psychiatry being used the most. She said early telemedicine regulations did not include nursing homes as sites of service so residents had to be transported to a clinic or hospital for telemedicine appointments. She said St. Alexius Medical Center is currently working with regional Centers for Medicare and Medicaid Services offices to arrange for designated clinic areas in nursing homes to meet regulations, avoid transporting patients, and allow the distant physicians to bill for services. She said a

recently approved change in Medicare regulations identifies nursing homes as Medicare sites of service for telemedicine services beginning January 1, 2009. A copy of the report is on file in the Legislative Council office.

Mr. Michael Fix, Director of the Life and Health Division and Actuary, Insurance Department, presented information regarding the status of the Long-Term Care Insurance Partnership Program authorized by 2007 Senate Bill No. 2124. He said the Long-Term Care Insurance Partnership Program provides that for long-term care insurance policies certified by the Insurance Department as meeting the consumer protection provisions of the 2003 Long-Term Care Insurance Model Act, benefit amounts paid under the insurance policy will increase the asset limit used in determining eligibility for Medicaid benefits. He said to date the Insurance Department has certified 17 companies offering 42 products as eligible for the Long-Term Insurance Partnership Program in North Dakota. He said not all certified products are now available because companies determine when the product is marketed. He said the effective date of the partnership program is January 1, 2007, which means any long-term care policy issued on or after that date is eligible to qualify for certification. A copy of the report is on file in the Legislative Council office.

The committee recessed for lunch at 12:30 p.m. and reconvened at 1:15 p.m.

Mr. Rodger Wetzel, Director, Northland Healthcare Alliance, presented information regarding an update on the progress of implementing the program of all-inclusive care for the elderly (PACE) and the availability of the PACE program to private pay individuals, anticipated costs, and premiums. He said the PACE program has met the Department of Human Services' requirements and has been engaged in community education, including informational meetings, media, and meetings with social workers and county social services boards. He said rates will vary between urban and rural PACE programs--Bismarck, Fargo, and Grand Forks are considered urban and the remainder of the state is considered rural. He said nationally the average age of a nursing home resident is 80 years old. He said if an individual in the PACE program is both Medicare- and Medicaid-eligible, the recipient liability for an urban participant over 75 years old is \$3,790 and the recipient liability for a rural participant over 75 years old is \$3,624. He said if the PACE program were to provide benefits to a private pay individual, the program would be considered a health maintenance organization under current law and, as a result, would be required to maintain a \$1 million reserve. He said maintaining a \$1 million reserve is not possible for a nonprofit organization such as Northland Healthcare Alliance. He said the organization has received a waiver from the Centers for Medicare and Medicaid Services regarding the requirement to serve private pay individuals. A copy of the report is on file in the Legislative Council office.

In response to a question from Senator Heckaman, Mr. Wetzel said the PACE program model has been in existence since 1971, is authorized by the federal Balanced Budget Act, and is a federally recognized health option by the Centers for Medicare and Medicaid Services.

Ms. Linda Wurtz, Associate State Director for Advocacy, AARP North Dakota, provided information regarding a report on state long-term care reform published by the AARP Public Policy Institute. She said the report contains information regarding the Medicaid long-term care spending by state and is a resource of other states' programs for the elderly and adults with disabilities. A copy of the report is on file in the Legislative Council office.

The committee discussed the bill draft to extend the moratorium on the state's licensed basic care beds and nursing facility beds.

It was moved by Representative Kreidt, seconded by Representative Metcalf, and carried on a roll call vote that the Legislative Council staff amend the bill draft to extend the moratorium on the state's licensed basic care beds and the state's licensed nursing facility beds from July 31, 2009, to July 31, 2013. Senators Dever, Heckaman, and Lee and Representatives Bellew, Karls, Kreidt, Metcalf, Pietsch, Potter, Uglem, Vig, and Wieland voted "aye." Senators Krauter and Mathern voted "nay."

It was moved by Representative Kreidt, seconded by Representative Bellew, and carried on a roll call vote that the amended bill draft to extend the moratorium on the state's licensed basic care beds and the state's licensed nursing facility beds be approved and recommended to the Legislative Council. Senators Dever, Heckaman, Krauter, Lee, and Mathern and Representatives Bellew, Karls, Kreidt, Metcalf, Pietsch, Potter, Uglem, Vig, and Wieland voted "aye." No negative votes were cast.

DEMENTIA-RELATED SERVICES STUDY

Legislative Council staff presented a bill draft [\[90159.0200\]](#) regarding dementia-related services. The Legislative Council staff said the bill draft provides that the Department of Human Services contract for a dementia care services program in each area of the state served by a regional human service center. The Legislative Council staff said the bill draft identifies services and provides for an appropriation and a report to the Legislative Council regarding the services.

Ms. Gretchen Dobervich, Director, Eastern North Dakota Center, Alzheimer's Association Minnesota-North Dakota Chapter, expressed support for the bill draft. She said the bill draft creates a program that would improve disease management through personalized care consultation services to North Dakotans diagnosed with a dementia, their caregivers, professional care partners, including primary medical providers, and assisted living and skilled nursing

facilities. She said the education provided through this program would increase the number of residents seeking a diagnosis in the early stages of the disease when treatments are most effective and planning is critical. She said a 19-year study of the benefits of intervention and support showed nursing home placement was delayed 18 months for couples receiving care coordination and support. She said this could result in an estimated savings of \$472 million in public and private health care costs over the 18-month period, based on the 2007 average daily rate of a skilled nursing facility and a 30 percent incidence rate of Alzheimer's in care facilities. She said the primary reasons persons with dementia enter skilled nursing facilities are caregiver exhaustion and lack of resources. A copy of the report is on file in the Legislative Council office.

In response to a question from Senator Dever, Ms. Dobervich said the \$1.2 million estimated budget for dementia services is based on a care consultation model that provides similar services in rural west central Minnesota.

In response to a question from Senator Mathern, Ms. Dobervich said the program would consist of one full-time position in each region to provide direct care services in the form of care consultation, appropriate referrals, caregiver training, and community education. She said the budget includes funds for staff and materials. She said it does not include funds for contracting for services.

Ms. Krista Headland, Director, Western North Dakota Center, Alzheimer's Association Minnesota-North Dakota Chapter, expressed support for the bill draft. She said providing funding for dementia care coordinators would ensure that those suffering from dementia have access to someone near their home to provide support, information, and resources, enabling them to remain in their homes longer. She said in addition to postponing nursing home care for the patient, benefits of this program include improved physical and psychological health of the family caregiver. A copy of the report is on file in the Legislative Council office.

Representative Bellew suggested the Alzheimer's Association Minnesota-North Dakota Chapter present a specific budget for providing the dementia services outlined in the bill draft to the Appropriations Committees during the 2009 legislative session.

Ms. Carol Peterson, Bismarck, expressed support for the bill draft. She said her husband suffers from Alzheimer's and she is his primary caregiver. She said she is fortunate to live in Bismarck where resources are available and the Alzheimer's Association staff has helped her solve problems and provided information on other resources available. She said the support she received has made a difference and she hopes all North Dakotans will have access to the same support regardless of where they live. A copy of the report is on file in the Legislative Council office.

The committee discussed the dementia-related services bill draft.

It was moved by Senator Mathern, seconded by Representative Wieland, and carried on a roll call vote that the bill draft regarding dementia-related services be approved and recommended to the Legislative Council. Senators Dever, Heckaman, Krauter, Lee, and Mathern and Representatives Bellew, Karls, Kreidt, Metcalf, Pietsch, Potter, Uglen, Vig, and Wieland voted "aye." No negative votes were cast.

TRANSITION TO INDEPENDENCE PROGRAM STUDY

The Legislative Council staff presented a bill draft [\[90303.0100\]](#) regarding services for transition-aged youth. The Legislative Council staff said the bill draft provides that the Department of Human Services develop or contract for a program for transition-aged youth at risk. The Legislative Council staff said the bill draft defines transition-aged youth at risk, identifies services, and provides for the use of a wraparound planning process, a transitioned-aged youth at risk pilot project, and an appropriation.

Ms. Wanda Bye, Assistant Director, Vocational Rehabilitation Services, Department of Human Services, provided information regarding an update on the development of plans to improve the coordination and collaboration of children's transitional services in the state. She said the Department of Human Services has cooperated with the Department of Public Instruction and other partners to develop the Transition Community of Practice Advisory Council. She provided a copy of the Transition Community of Practice organizational chart and said the department would be providing technical assistance to each of the eight regions during the next six months. She said a Youth Advisory Council has been established and a Youth Leadership Forum in the summer of 2009 will provide training for 20 youth with disabilities to better advocate for themselves. She identified strategies of the North Dakota Transition Program, including interagency collaboration, professional development and technical assistance, and family training and empowerment. A copy of the report is on file in the Legislative Council office.

Senator Lee suggested the department include the juvenile justice system in the Transition Community of Practice organizational chart. Ms. Bye said the department continues to add partners and will explore adding the juvenile justice system to the model.

Ms. Susan H. Wagner, Human Service Program Administrator, Division of Mental Health and Substance Abuse Services, Department of Human Services, provided additional information on the Youth Advisory Council. She said the council will advise the Department of Human Services, Division of Mental Health and Substance Abuse Services, and other system partners on issues of concern to North Dakota's youth, including underage drinking, transition

to adulthood, and overall health and well-being. She said suicide prevention and substance abuse prevention were the two most important issues identified by the council. She said the department received a \$20,000 grant from the federal Substance Abuse and Mental Health Services Administration Center for Mental Health Services. She said a portion of the grant has been used to establish a transition flex fund to assist youth aged 17 to 21 with expenses related to transition to adulthood. She said the fund supplements other sources of financial support for one-time requests for items, including clothing, food, rent deposits, and rent. She said a portion of the funding will also be used to reimburse youth and a parent or guardian to attend the council meetings. She provided information regarding ND Youth, an advisory group of youth who are or have been in foster care. She said the group is working on educating others about foster care, dispelling myths related to youth in foster care, and helping to mentor each other. She said the group is working on a website that is to serve as a resource to all youth who are transitioning into adulthood and will include links to numerous transitioning resources. A copy of the report is on file in the Legislative Council office.

Mr. Dan Howell, Chief Executive Officer, Anne Carlsen Center for Children, presented information regarding innovative strategies for providing long-term care services to children and adults. He said the Anne Carlsen Center for Children has become increasingly aware of the significant need for services and support outside of the campus. He said a study completed by the North Dakota Center for Persons with Disabilities concluded the following needs exist:

- Services to families' homes;
- In-home support to families;
- Personal and community support; and
- Alternative living supports.

Mr. Howell said the Anne Carlsen Center for Children is equipped to meet these needs and, over the next three years, will establish satellite offices across North Dakota. He said the satellite offices will provide therapy sessions, team meetings, and individual and group training. He said one office is operating in Grand Forks and others are planned for Bismarck, Fargo, and Minot. He said parents desire to keep their children closer to home but, at times, lack the knowledge, skills, and equipment to make this possible. He said the in-home support program has had recent success keeping a family intact. He said the average annual cost for the direct support at 16 hours per week is approximately \$18,000 compared to \$180,000 for the cost of institutional care. He said children benefit from individual services and integration of these services into the community as they make the transition from youth to adulthood. A copy of the report is on file in the Legislative Council office.

Mr. Bruce Murry, Public Policy Advocate, Protection and Advocacy Project, expressed support for the bill draft regarding services for transition-aged

youth. He said the bill focuses on preventing or minimizing future disabilities.

Ms. Kelsey Stoos, Program Development, Fraser, Ltd., presented the testimony of Ms. Sandra Leyland, Executive Director, Fraser, Ltd., regarding an anticipated pilot project. She said the project, currently titled the Circle of Trust, is designed for replication but is community-based and allows for individual communities to build services to meet needs. She said the project will be a partnership between Youthworks and Fraser, Ltd., allowing for more efficient use of space and resources. She said the project will build an alliance between community organizations and businesses to meet the needs of youth and young adults aged 12 to 21 and provide a seamless continuum of services with a focus on prevention programs, therapies, peer support, mentoring, independent living skill development, outreach to youth at risk, social skill activities, and service coordination. She said the project anticipates an annual budget of less than \$450,000. She asked the state of North Dakota to consider funding the staffing costs of approximately \$225,000 annually. A copy of the report is on file in the Legislative Council office.

Ms. Tammy King, University of Mary graduate and parent of children with mental health diagnoses, presented information regarding a study requested by Fraser, Ltd., to determine recommended services, staff, and funding sources for a transition-aged youth program and regarding her experience with children with mental health diagnoses. She said Fraser, Ltd., contacted the University of Mary to enlist the aid of a student consultant group in designing the Circle of Trust project. She said the student consultant group examined 14 agencies and interviewed staff members of several organizations. She said its recommendations to Fraser, Ltd., were based on techniques proven and recommended by industry leaders and included residential programs, peer mentoring, employment opportunities, and outreach activities. She said her children and many others would greatly benefit from the Circle of Trust program. A copy of the report is on file in the Legislative Council office.

Ms. King, Ms. Reshma Shrestha, Mr. Parish Hada, and Mr. Donald Carlsen, Jr., presented information regarding various programs in other states examined as part of the University of Mary study performed for Fraser, Ltd. A copy of the report is on file in the Legislative Council office.

In response to a question from Senator Dever, Mr. Carlsen said it was the consensus of the research group that the pilot program contains the best and most appropriate elements of the programs studied and presented to the committee.

In response to a question from Senator Dever, Ms. Stoos said based on Ms. Leyland's testimony, the appropriation included in the bill draft to fund the pilot program could be reduced to \$450,000 if Fraser, Ltd., were to provide the services and recruit the anticipated volunteers.

Ms. Carlotta McCleary, Executive Director, North Dakota Federation of Families for Children's Mental Health, presented information regarding the wraparound process of providing services. She said the federation supports the wraparound process to meet the need for coordination and collaboration between the various system providers. She said the wraparound process is a planning process that brings together a team of people from the youth's and the family's life. She said a facilitator assists the youth and family team in coordinating the supports necessary to meet the unique needs of the youth and family. A copy of the report is on file in the Legislative Council office.

In response to a question from Senator Mathern, Ms. McCleary said the typical transition age is from 16 to 21. She said she would advocate lowering the starting age for services because it is more important to start the transition services sooner rather than later.

The committee discussed the transition-aged youth services bill draft.

It was moved by Senator Mathern, seconded by Representative Potter, and carried on a voice vote that the Legislative Council staff amend the bill draft regarding services for transition-aged youth to change the definition of transition-aged youth to include children and young adults at risk due to deprivation or other activities resulting in youth being involved with the foster care or juvenile justice system.

It was moved by Senator Mathern, seconded by Senator Krauter, and carried on a voice vote that the Legislative Council staff amend the bill draft regarding services for transition-aged youth to provide that the appropriation may also be used for costs of implementing the program established in Section 1 of the bill draft.

It was moved by Senator Mathern, seconded by Senator Heckaman, and carried on a roll call vote that the amended bill draft regarding services for transition-aged youth be approved and recommended to the Legislative Council. Senators Dever, Heckaman, Krauter, Lee, and Mathern and Representatives Karls, Kreidt, Metcalf, Pietsch, Potter, Uglem, Vig, and Wieland voted "aye." No negative votes were cast.

OTHER COMMITTEE RESPONSIBILITIES

Mr. Bruce Pritschet, Director, Division of Health Facilities, State Department of Health, presented information regarding a report on the department's life safety survey demonstration project pursuant to Section 12 of 2007 House Bill No. 1004. He said the department has received three requests from facilities to participate in the demonstration project. He said two requests have been approved and the third is under consideration. He provided details of the demonstration project visits to date and said survey results of the facilities' level of satisfaction with the demonstration project were good to excellent. He said total demonstration project costs were \$3,918.

He said these costs did not include the cost of plans review or administration of the demonstration project. He said the facilities reimbursed the department \$1,200 and the department provided the remaining \$2,718 for other areas of the department's budget. He said since the demonstration project began, the department has dedicated approximately 250 hours to the development and implementation of the demonstration project, in addition to the time spent on surveys performed by a Life Safety Code surveyor under contract by the department. He said the demonstration project indicated the earlier onsite surveys resulted in fewer issues needing correction later which reduced cost and frustration on the part of both the industry and the department. He said the department is continuing to evaluate the demonstration project with regard to providing the onsite inspections to all construction and renovation projects without regard to size and provider type and charging a fee to the facilities for a portion of the cost. He said one proposal is to charge a fee, based on the project size, for plans review with no additional fee charged for the onsite inspections. A copy of the report is on file in the Legislative Council office.

The legislative budget analyst and auditor presented a bill draft [90160.0100] making the life safety demonstration project a permanent service provided by the State Department of Health.

Ms. Shelly Peterson expressed support for making the demonstration project a permanent service of the State Department of Health, eliminating the minimum project cost of \$3 million, and expanding the department's life safety staff to provide the service to all types of health care facilities. She said by May 2009, there will be 14 major nursing facility and basic care projects in North Dakota, totaling over \$121,000,000, ranging in cost from \$900,000 to \$25,000,000 each. She said the association has worked with the department and has determined, based on time spent on demonstration projects to date, that the department would need two full-time equivalent positions and \$300,000 to provide the service. She said the facilities anticipate paying fees for the service totaling \$100,000--a net cost to the state of \$200,000.

Ms. Patricia Dirk, Administrator, Hillsboro Medical Center, said her facility participated in the demonstration project during the nursing home construction phase of the facility's \$12.5 million construction and remodel project and estimated the construction consultation visits saved \$40,000 to \$65,000 in subsequent corrections and five weeks of time. She said she is concerned about beginning the hospital portion of the remodeling project without the expertise and support provided as part of the demonstration project. She supports expanding the program to include all health care facilities.

Mr. Wade Peterson, Administrator, Medcenter One Care Center, Mandan, said his facility is completing a \$13 million construction project in north Mandan and benefited from the demonstration project. He said a

number of problems were identified and corrected prior to closing the walls and ceilings resulting in cost-savings. He said he is a member of the Life Safety Code Business Processes Engineering Workgroup that has been working with the department to develop an effective program. He supports expanding the program to include all health care facilities.

Ms. Darleen Bartz, Section Chief, Health Resources Section, State Department of Health, said the onsite inspections need to be part of the licensure process to avoid placing the department in conflict with Centers for Medicare and Medicaid Services requirements. She said if one of the department's inspectors performs a voluntary construction consultation for a facility, that inspector may not be involved in the regulatory process at the same facility for two years. She said this creates staffing conflicts. She suggested a progression of various inspections that lead to state licensure, and once licensed, the facility could seek federal certification.

The committee discussed the bill draft to make the life safety demonstration project a permanent service provided by the State Department of Health.

Representative Kreidt suggested amending the bill draft to eliminate the voluntary provisions, include all health care facilities licensed by the Division of Health Facilities of the State Department of Health, and eliminate the \$3 million project limit.

Senator Dever suggested the bill draft be approved without an appropriation. He said funding needs of the department can be considered as part of the appropriations process during the legislative session.

It was moved by Senator Krauter, seconded by Representative Metcalf, and carried on a voice vote that the Legislative Council staff amend the bill draft to make the life safety demonstration project a permanent service provided by the State Department of Health to remove the voluntary-related provisions, include all health care facilities licensed by the Division of Health Facilities of the State Department of Health, remove the \$3 million

project minimum, authorize the State Department of Health to charge a fee based on project size, and remove the continuing appropriation.

It was moved by Representative Uglem, seconded by Representative Metcalf, and carried on a roll call vote that the amended bill draft to make the life safety demonstration project a permanent service provided by the State Department of Health be approved and recommended to the Legislative Council. Senators Dever, Heckaman, Krauter, Lee, and Mathern and Representatives Karls, Kreidt, Metcalf, Pietsch, Potter, Uglem, Vig, and Wieland voted "aye." No negative votes were cast.

It was moved by Representative Kreidt, seconded by Representative Wieland, and carried on a voice vote that the chairman and the staff of the Legislative Council be requested to prepare a report and the bill drafts recommended by the committee and to present the report and recommended bill drafts to the Legislative Council.

It was moved by Representative Kreidt, seconded by Representative Wieland, and carried on a voice vote that the committee be adjourned sine die.

No further business appearing, Chairman Dever adjourned the meeting sine die at 4:45 p.m.

Sheila M. Sandness
Fiscal Analyst

Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:1