

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

BUDGET COMMITTEE ON LONG-TERM CARE

Monday and Tuesday, June 29-30, 1998
Kenmare High School Auditorium
Kenmare, North Dakota

Representative Bill Oban, Chairman, called the meeting to order at 10:00 a.m.

Members present: Representatives Bill Oban, Grant C. Brown, Mike Callahan, Ron Carlisle, James O. Coats, Jeff W. Delzer, Gereld F. Gerntholz, Shirley Meyer; Senators Bill L. Bowman, Aaron Krauter, Evan E. Lips, Harvey Sand, Russell T. Thane

Member absent: Representative Lynn J. Thompson

Others present: See attached appendix

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

Ms. Mary Stroud, Administrator, Baptist Home of Kenmare, welcomed the committee to Kenmare.

Mr. David Zentner, Director, Medical Services Division, Department of Human Services, presented statistical data on institutional and home and

community-based services available to individuals in need of long-term care services. A copy of his presentation is on file in the Legislative Council office.

Mr. Zentner said the highest nursing facility Medicaid occupancy percentage for 1997 was 84.27 percent at the Kenmare Community Nursing Facility and the lowest Medicaid occupancy percentage was 38.13 percent at the North Central Good Samaritan Center in Mohall. He said the state-wide average Medicaid occupancy was 57.17 percent of total occupied beds and 54.6 percent of licensed bed capacity on June 30, 1997. He said the overall average occupancy was 95.47 percent on June 30, 1997. Mr. Zentner reviewed a comparison of appropriations and numbers of clients served for the Medicaid waiver, service payments for elderly and disabled (SPED) program, expanded SPED program, and traumatic brain-injured (TBI) waiver as follows:

	Medicaid Waiver	SPED	Expanded SPED	TBI Waiver
1995-97 biennium appropriation	\$4,243,740	\$7,370,437	\$1,423,266	\$1,745,826
Actual 1995-97 expenditures	\$4,296,156	\$6,576,195	\$1,249,041	\$532,658
1997-99 biennium appropriation	\$5,671,608	\$8,886,923	\$1,522,417	\$1,778,356
1997-99 biennium increase (decrease) from 1995-97 actual expenditures	\$1,375,452	\$2,310,728	\$273,376	\$1,245,698
Number of clients served from August 1995 through May 1996	194	871	248	11
Number of clients served from August 1997 through May 1998	207	1,197	106	12

Ms. Carol K. Olson, Executive Director, Department of Human Services, presented information on the work of the Task Force on Long-Term Care Planning. A copy of her presentation is on file in the Legislative Council office. Ms. Olson said the task force report contains 37 recommendations for consideration by this committee. She said 18 of the 37 recommendations also need to be acted on by the 56th Legislative Assembly. She said the remaining 19 recommendations do not require legislative action. She said the recommendations are designed to foster the development of alternative home and community-based long-term care services and provide incentives for further reductions in the number of nursing facility beds in North Dakota.

Mr. Murray G. Sagsveen, State Health Officer, Department of Health, commented on the work of the Task Force on Long-Term Care Planning. He said if more extensive home health care services existed, local health units could spend less time providing that type of service. He said this would allow local health units to focus their resources on their main purpose.

BASIC CARE RATE EQUALIZATION

Ms. Barb Fischer, Department of Human Services, presented information on the task force recommendations regarding basic care rate equalization. A copy of her presentation is on file in the Legislative Council office. She said the task force recommended that rate equalization for basic care facilities be repealed.

Ms. Fischer said the reason for the recommendation is that the task force considers basic care services as an alternative to nursing facility care. She said with anticipated changes in funding streams for basic care and the impetus to move to alternatives, implementation of rate equalization would have an adverse impact or prevent needed changes in the basic care industry.

The Legislative Council staff presented a bill draft repealing basic care rate equalization. The bill draft also amends the definition of a private pay resident to include managed care entities as being exempt from rate equalization and provides that the rate charged by managed care organizations may not be less than the rate approved for medical assistance recipients in the same classification.

Ms. Shelly Peterson, North Dakota Long Term Care Association, Bismarck, testified in support of the bill draft to repeal basic care rate equalization. She said she also supports the recommendations of the task force which include an operating margin of three percent of direct care costs, subject to an 80th percentile limitation, in the rates established for basic care assistance recipients and the inclusion of property costs as passthrough costs, not subject to limitations, in the rates established for basic care assistance recipients.

In response to a question from Senator Bowman, Ms. Fischer said the recommendation regarding property costs as passthrough costs would cost approximately \$97,000 of general fund moneys, and the recommendation for a three percent operating margin would cost approximately \$50,000 of general fund moneys.

EXPANDED CASE MANAGEMENT SYSTEM PILOT PROJECTS

Ms. Linda Wright, Director, Aging Services Division, Department of Human Services, presented information on the task force recommendation regarding the expanded case management system pilot projects. A copy of her presentation is on file in the Legislative Council office. She said to evaluate the effectiveness of the expanded case management pilot projects, it will be necessary to continue the pilot projects into the next biennium. Ms. Wright said the task force recommended that the Department of Human Services continue to monitor the progress of the pilot projects and prepare a final report on the results no later than June 30, 2000. She said the continued funding is planned to come from within the Department of Human Services budget.

The committee recessed for lunch at 11:55 a.m. and reconvened at 1:00 p.m.

Ms. Gayle Wisnewski, Director, Senior Meals and Services, Inc., Devils Lake, presented information regarding the expanded case management system pilot project in the Lake Region Human Service Center area. A copy of her presentation is on file in

the Legislative Council office. She said the pilot project has received 20 referrals, 15 of which are for persons residing in their own home, four for individuals residing in nursing homes, and one for an individual in a crisis situation. She said there are currently five clients receiving expanded case management services.

In response to a question from Representative Delzer, Ms. Wisnewski said the 15 referrals which are not receiving services under the expanded case management system pilot project are due to the fact that people have the right to choose whether or not they want to receive services under the program.

Senator Krauter asked what needs to be done to implement the task force recommendation relating to reimbursing facilities at rates based on the type of service being provided even if that is not the type of care for which the facility is licensed. Mr. Zentner said there is nothing in the North Dakota Century Code preventing the department from doing this. He said he thinks it could be accomplished through rule-making authority. He said the department could look into changing the current policies to allow nursing facilities to provide and receive payment for other care up to the level of a skilled nursing facility. He said he does not believe it would come under the emergency administrative rulemaking provisions which would allow for it to be accomplished in a six-month process.

Ms. Peterson expressed her support for the provision of options to pay facilities based upon the type of care being provided rather than strictly upon the license of that facility.

In response to a question from Senator Krauter, Ms. Peterson said by providing for that type of reimbursement option, it allows individuals to age within a facility rather than having to move between facilities as their care needs increase.

It was moved by Senator Krauter, seconded by Senator Thane, and carried that the Budget Committee on Long-Term Care support the Task Force on Long-Term Care Planning's recommendation that payment options be provided for nursing facilities and that the Budget Committee on Long-Term Care request that the chairman of the Legislative Council urge the Department of Human Services to make the necessary rule changes to implement the recommendation, and that any necessary rule changes be pursued under the emergency rulemaking authority, and that the Department of Human Services report to the Budget Committee on Long-Term Care at its next meeting on the status of any necessary rule changes regarding the recommendation to provide options for payments to nursing facilities.

Voting "aye" were Representatives Oban, Brown, Callahan, Carlisle, Coats, Delzer, Gernholz, and Meyer and Senators Bowman, Krauter, Lips, Sand, and Thane. No negative votes were cast.

It was moved by Representative Coats, seconded by Representative Callahan, and carried that the Budget Committee on Long-Term Care express its support for the continuation of the expanded case management system pilot projects into the 1999-2001 biennium and that the committee adopt the recommendation of the Task Force on Long-Term Care Planning to have the Department of Human Services continue monitoring the progress of the pilot projects and prepare a report on the results no later than June 30, 2000, and that the continued funding for the pilot projects come from within the Department of Human Services budget. Voting "aye" were Representatives Oban, Brown, Callahan, Carlisle, Coats, Gernholz, and Meyer and Senators Bowman, Krauter, Lips, Sand, and Thane. Voting "nay" was Representative Delzer.

ALZHEIMER'S AND RELATED DEMENTIA POPULATION PILOT PROJECT AND DELIVERY OF ALTERNATIVE SERVICES

Mr. Zentner presented information on the task force recommendations regarding the pilot projects for Alzheimer's and related dementia population. A copy of his presentation is on file in the Legislative Council office. He said due to delays in the start of the pilot projects, it will not be possible to fully evaluate the effectiveness of the projects during the current biennium. He said the task force concluded that the projects need to be extended beyond the current biennium in order to determine if this concept is financially viable and is an appropriate setting for the delivery of services.

Mr. Zentner said the task force recommended that the Department of Human Services be authorized to continue the Alzheimer's and related dementia population pilot projects into the 1999-2001 biennium and that the department be required to monitor the progress of the projects and to prepare a report for the Legislative Assembly that provides conclusions and recommendations regarding the future of these pilot projects. He said the report is to be prepared no later than June 30, 2000. He said in addition, the task force had two recommendations which do not require action by the Legislative Assembly. He said these recommendations were that the Department of Human Services allow other entities the opportunity to develop alternative residential services for Alzheimer's and related dementia or other populations that meet quality and financial standards established by the department. He said the other recommendation is that the funding for these projects come from existing appropriations for the Medicaid home and community-based services waiver or the expanded SPED program.

The Legislative Council staff presented a bill draft to provide for the continuation of the pilot projects and to provide for the Department of Human Services

to monitor the projects and to report to the Legislative Council by June 30, 2000.

Mr. John Vastag, Waterford at Harvard Groves, Fargo, commented in support of the task force recommendation regarding alternative services. He said educating the citizens of North Dakota about long-term care service options is an important aspect of long-term care. He said alternative services can be very cost-effective in comparison to traditional nursing facility care.

The committee recessed and traveled to the Kenmare Community Hospital.

Mr. Verlin Buechler, CEO, Kenmare Community Hospital, welcomed the committee to the Kenmare Community Hospital and provided the committee with a tour of the swing-bed and skilled nursing units of the Kenmare Community Hospital. He said the Kenmare Community Hospital has a total of 42 beds, 26 of which are swing beds, four of which are acute care beds, and 12 of which are nursing home beds.

The committee recessed and traveled to the Baptist Home of Kenmare.

Ms. Stroud welcomed the committee to the Baptist Home of Kenmare and provided the committee with a tour of the assisted living units, basic care facility, and the Alzheimer's pilot project unit. The committee attended the dedication ceremony for the Alzheimer's pilot project unit located at the Baptist Home of Kenmare.

The committee recessed at 4:15 p.m. and reconvened at 9:05 a.m. on Tuesday, June 30, 1998.

ADULT PROTECTIVE SERVICES

Ms. Wright presented information on the task force recommendation on adult protective services. A copy of her presentation is on file in the Legislative Council office. She said the recommendation is that North Dakota Century Code Chapter 50-25.2 be amended to require implementation of the vulnerable adult protective services statute. She said the recommendation also provides that the legislation should permit assignment within the existing administrative structure with clear direction for cooperation and collaboration with existing programs that serve adults in North Dakota.

Ms. Wright said the cost of providing adult protective services on a statewide basis would be approximately \$572,400 per biennium. She said the estimated cost is based on 1,908 complaints per biennium at an average of 12 hours per complaint and a rate of \$25 per hour. She said the cost is less than projected in previous bienniums due to the concept of building adult protective services into existing systems rather than creating a separate system.

Mr. Chester E. Nelson, Jr., Legislative Budget Analyst and Auditor, Legislative Council, presented a memorandum entitled *Actions to Enforce Statutory Provisions*. He said the memorandum provides that an agency may not be relieved from potential liability

because a specific appropriation was not provided for a statutorily mandated program. He said the courts could find that an agency, such as the Department of Human Services, should be able to fund such a program from within its budget.

The Legislative Council staff presented a bill draft relating to the implementation of vulnerable adult protective services.

Mr. Dan Richter, Ward County Social Services, Minot, testified in support of the vulnerable adult protective services program. He said although he supports the concept of a vulnerable adult protective services program, he does not support the bill draft. He said the bill draft is an unfunded mandate and does not give clear direction to the department as to how to implement the program. Mr. Richter said counties are not prepared to provide vulnerable adult protective services within the current structure, and the current structure is not cost-effective for the provision of vulnerable adult protective services.

Ms. Wright said the Aging Services Division of the Department of Human Services would be responsible for the training and education of vulnerable adult protective services staff. She said the human service center director in Minot was very favorable to the vulnerable adult protective services concept. Ms. Wright said the 1,908 cases used as a basis for the cost estimate was derived from existing data received from Cass County and the Devils Lake area.

Mr. Jim Jacobson, Protection and Advocacy Project, Bismarck, testified in support of the task force recommendation regarding vulnerable adult protective services. He said the Protection and Advocacy Project works with other agencies and is currently developing a memorandum of understanding with the Aging Services Division of the Department of Human Services.

HOME AND COMMUNITY-BASED SERVICES AVAILABILITY, QUALIFIED SERVICE PROVIDER TRAINING, AND GEROPSYCHIATRIC SERVICES

Ms. Wright presented information regarding the task force recommendations on home and community-based services availability and qualified service provider training. A copy of her presentation is on file in the Legislative Council office. She said in regard to the service availability portion of the task force report, the recommendation is for the Aging Services Division of the Department of Human Services to contract for an assessment of home and community-based services to determine the extent of the current and future service delivery systems needs for persons aged 60 and older and for persons with physical disabilities ages 18 through 59. Ms. Wright said a request for proposal for an assessment has been drafted. She said the assessment will require a budgetary commitment from the Department of

Human Services to the extent that outside financial participation is not secured.

Ms. Wright said the recommendation of the task force relating to the training of in-home care providers is that the Department of Human Services coordinate with the State Board for Vocational and Technical Education to establish a statewide model curriculum for in-home care certification. She said the task force also recommended the Department of Human Services explore statewide funding options through welfare-to-work programs and Work Force 2000 and monitor the development of the pilot project for training in-home service providers in Benson County. Ms. Wright said the recommendation includes the expansion of the customized training network to make programs available regionally throughout the state.

Ms. Wright said the other recommendations of the task force relating to the training of in-home care providers are that the task force investigate the impact of a formalized in-home care training program on service availability and quality service delivery and that a market analysis be commissioned to determine the financial resources needed to support the in-home care provider system.

Ms. Wright said during the next couple of months, the Aging Services Division will be meeting with the State Board for Vocational and Technical Education, UND-Lake Region, and Bismarck State College to discuss a training curriculum for in-home care providers.

Mr. Fred Larson, State Department of Health, presented information on the task force recommendations relating to geropsychiatric services. A copy of his presentation is on file in the Legislative Council office. He said the task force made two recommendations requiring legislative action. He said the first recommendation relates to a study of the expansion of psychiatric and geropsychiatric training for general practice and family practice physicians at the University of North Dakota School of Medicine and Health Sciences. He said the second recommendation is a provision for an exception to the case mix system of nursing home reimbursement to allow for the establishment of a 14-bed geropsychiatric nursing unit to serve clients who are elderly or physically disabled and severely mentally ill.

Mr. Larson said the task force bill draft presented at this committee's May 21, 1998, meeting relating to the exception to the case mix system for the establishment of a 14-bed geropsychiatric nursing unit failed to establish a limit on the number of such special care units or on the total number of beds that could be established. He presented an amendment to the committee which corrected those items in the bill draft. He said the changes contained in the proposed amendment will make the bill draft consistent with the recommendations of the task force.

Mr. Larson said in addition to the task force recommendations which require legislative action, the task

force also recommended that the Department of Health and the Department of Human Services work to expand the continuing education opportunities in psychiatric and geropsychiatric care for rural North Dakota primary care providers in cooperation with the state's medical, psychiatric, and nursing associations. He said the task force also recommended the expansion of networking models for the provision of services to the elderly, including geropsychiatric services to all human service centers and the integration of the human service centers and the State Hospital into telemedicine networks to enhance access in rural North Dakota to psychiatric and geropsychiatric services. Mr. Larson said the task force also recommended that the Department of Human Services contract with an existing nursing facility for the establishment of a 14-bed geropsychiatric nursing unit.

The Legislative Council staff presented a study resolution providing for a study of the expansion of psychiatric and geropsychiatric training for general practice and family practice physicians at the University of North Dakota School of Medicine and Health Sciences. The Legislative Council staff also presented a bill draft providing for an exception to the case mix system for a geropsychiatric unit to be located within a nursing facility.

Mr. Alex Schweitzer, Administrator, State Hospital, Jamestown, presented information regarding a cost analysis of establishing a geropsychiatric unit in a nursing facility located outside the State Hospital. A copy of his presentation is on file in the Legislative Council office. He said the cost to treat these individuals is approximately \$275 per day when they are treated in a hospital setting. He said if the unit is closed at the State Hospital and moved to a nursing facility located outside the State Hospital, the State Hospital could reduce approximately 26 FTEs. He said the current general fund dollars required for the geropsychiatric unit at the State Hospital are \$1,146,685 per biennium. He said if a geropsychiatric unit is established outside the State Hospital and the nursing facility in which it is established is subsidized to cover the additional cost of the geropsychiatric unit, the additional cost would be approximately \$602,020 per biennium, leaving a general fund savings of approximately \$544,665 per biennium. Mr. Schweitzer said through the use of Medicaid dollars the state could save an additional \$422,000 for a total savings of approximately \$967,000.

In response to a question from Senator Krauter, Mr. Schweitzer said the cost to provide services to these individuals at the State Hospital is approximately \$275 per day compared to \$144 per day for a unit established at the Sheyenne Care Center in Valley City.

Mr. Craig Christianson, Administrator, Sheyenne Care Center, Valley City, presented information regarding the establishment of a geropsychiatric unit outside the State Hospital. He distributed a copy of a

geropsychiatric unit proposal prepared by the Sheyenne Care Center. A copy of the proposal is on file in the Legislative Council office. Mr. Christianson said the Sheyenne Care Center has been trying to establish a geropsychiatric unit for approximately four years. He said it was originally contemplated through an expansion in the number of beds. He said the Sheyenne Care Center would look into employing some of the people currently employed in the geropsychiatric unit at the State Hospital if a unit is established within the Sheyenne Care Center.

Mr. Christianson said the benefit of locating a geropsychiatric unit in Valley City is that it would be close enough to Jamestown to use the expertise provided by professionals at the State Hospital. He said the proposal developed by the Sheyenne Care Center is based on the State Hospital's current geropsychiatric unit.

In response to a question from Senator Bowman, Mr. Christianson said the protection of other residents within the Sheyenne Care Center would be no different from facilities containing an Alzheimer's unit.

It was moved by Senator Lips, seconded by Senator Krauter, and carried on a voice vote that the bill draft presented by the Legislative Council staff relating to the exception to the case mix system for the establishment of a geropsychiatric unit be amended to include a limit of one on the number of geropsychiatric care units which may be established and a limit of 14 on the number of geropsychiatric care beds which may be established.

The committee recessed for lunch at 11:30 a.m. and reconvened at 12:40 p.m.

Representative Oban said it is his understanding there has not been an agreement worked out between the Sheyenne Care Center and the Department of Human Services regarding the establishment of a geropsychiatric unit. He asked what the process would be if this concept is given approval by the Legislative Assembly. Mr. Larson said it would be up to the Department of Human Services as to how it would proceed. He said he would expect that it would proceed with a request for proposals.

Ms. Susan Arneson, North Dakota Association for Home Care, Langdon, presented information regarding home care services. A copy of her presentation is on file in the Legislative Council office. She reviewed information on Medicare-certified agencies, utilization rates, and reimbursement provisions. She said the average number of visits per beneficiary for North Dakota during 1997 was 36, compared to a national average of 60.

Ms. Liz Overlie, North Dakota Association for Home Care, Minot, commented on home care provider rates. She said charges for home care providers are based on the costs of providing the services. She said the reimbursement rates are determined based on the Medicare cost reports.

INCENTIVES FOR FINANCING ISSUES RELATING TO REDUCING THE NUMBER OF LONG-TERM CARE BEDS AND THE DEVELOPMENT OF ALTERNATIVE SERVICES

Ms. Fischer presented information regarding the task force recommendations relating to incentives for financing issues relating to reducing nursing facility beds and information relating to the need for a TBI facility in western North Dakota. A copy of her presentation is on file in the Legislative Council office. She said the task force recommendations for financing issues and reducing the number of nursing facility beds are that the definition of a private pay resident be amended to include managed care entities as payers which are exempt from rate equalization and for a study of an incentive package to assist rural communities and nursing facilities to close or significantly reduce bed capacity and provide alternative long-term care services.

Ms. Fischer said the task force also had the following four recommendations which do not require legislative action:

1. Increase limit rates by two and one-half percent for nursing facilities with high case mix averages and decrease limit rates by two and one-half percent for nursing facilities with low case mix averages.
2. Waive the 90 percent occupancy limitation for facilities delicensing beds before the beginning of, or during, a rate year in which the limitation would apply.
3. Provide an increase of up to three percent of direct care, other direct care, and indirect care rates (subject to limits) for facilities with an annual average length of stay of 200 or fewer days per occupied bed.
4. Discontinue feasibility studies of managed care for long-term care clients until North Dakota has gained experience in managed care for the population at large, alternatives to institutional and long-term care have been more fully developed, and the pilot projects for expanded case management for long-term care clients have been concluded.

Ms. Fischer said the task force is also recommending an exception to the moratorium on basic care facilities. She said the exception would allow for the provision of services in the western part of the state to individuals with traumatic brain injuries who are in need of a supervised or structured living arrangement. She said payment for services provided to TBI individuals would be available under the Department of Human Services TBI waiver.

Ms. Fischer said the High Soaring Eagle Ranch located near Valley City is the only residential TBI facility in the state. She said the waiting list for

admission to the ranch is approximately two to four years.

Ms. Fischer said TBI individuals who have been receiving services at the Dacotah Alpha nursing facility are unable to move to a less restrictive setting because of the lack of alternative residential services. She said some of these individuals who have improved and no longer need nursing facility care cannot make the transition directly into an apartment setting without being at risk. She said a TBI facility in western North Dakota would fill the gap between the nursing facility and total independence.

Ms. Fischer said eight individuals who could benefit from a TBI facility in the western part of the state have been identified. She said the eight individuals are from a limited area surrounding Bismarck and Dickinson with some of the individuals currently residing at Dacotah Alpha. She said it is possible that individuals from other parts of the state could also use this residential service.

Ms. Fischer said TBI-waivered services cost on average \$2,200 per month as compared to the TBI services being provided at Dacotah Alpha which are approximately \$7,300 per month. She said basic care services are currently payable at a maximum of \$1,300 per month including room and board.

The Legislative Council staff reviewed a bill draft presented earlier providing for a change in the definition of private pay resident to include a managed care organization as being exempt from rate equalization. The bill draft also provides that rate charges by managed care organizations may not be less than the rate approved for a medical assistance recipient in the same classification. The Legislative Council staff also presented a bill draft to provide an exception to the basic care bed moratorium for the establishment of a 10-bed TBI facility in the western part of North Dakota. The Legislative Council staff also presented a study resolution providing for a study of the possibility of creating an incentive package to assist rural communities and nursing facilities in closing or significantly reducing bed capacity and providing alternative long-term care services.

Chairman Oban told the committee members that the recommendations of the task force will be reviewed again at the September meeting, and at that time the committee will need to decide which recommendations it wishes to accept and which recommendations, if any, it wishes to reject.

Mr. Zentner presented information on the task force recommendations regarding the development of alternative services, including the expansion of care coordination for individuals at risk of nursing facility placement and the need to further study the use of swing-bed hospital services in the delivery of long-term care services. A copy of his presentation is on file in the Legislative Council office. He said the task force recommendations relating to the development of alternative services are as follows:

- Repeal existing law relating to the definition of assisted living facilities and the definition, regulatory oversight, and payment requirements for basic care facilities.
- Define a new category of residential facility that includes facilities formally classified as basic care facilities or assisted living facilities to include facilities that provide 24-hour health, social, or personal care services to five or more individuals who are not related by blood or marriage to the owners or operators.
- Require the development of a fire safety standard for the above-defined group of facilities.
- Require the development of rules that will designate the state agency responsible for the enforcement of the above standards.
- Require the Department of Human Services to develop rules, policies, and procedures that will establish minimum standards for the delivery of personal care services to individuals residing in residential facilities, including regulatory remedies for noncompliance subject to approval by the 57th Legislative Assembly.
- Require the Department of Human Services to develop payment rules, policies, and procedures that will allow program payments to follow eligible clients irrespective of the housing options chosen.
- When feasible, allow clients to select the care provider of their choice to provide personal care services in the various available housing options.
- Require the Department of Human Services, the Department of Health, the long-term care industry, and consumers of the long-term care industry to develop, during the period July 1, 1999, through December 31, 2000, payment rules, policies, and procedures necessary to implement the proposed changes in the current delivery system for alternative long-term care services.

Mr. Zentner said the task force recommendation relating to case management is that any individual eligible for the Medicaid program must, prior to entering a nursing facility or accessing other long-term care services, obtain a preadmission needs assessment to determine the type of services necessary to maintain the individual and to determine what long-term care alternatives, if any, could meet those needs. He said the task force also recommended that the Department of Human Services be authorized to implement a targeted case management program for elderly and disabled individuals at risk of entering a nursing facility or needing other long-term care services. Mr. Zentner said the final recommendation relating to case management is for the monitoring of the results of these programs to determine if the

above policy should be extended to all individuals wishing to enter nursing facilities.

Mr. Zentner said the task force recommendation relating to funding sources is that the task force did not consider any restructuring of the Department of Human Services due to the current study of the department being conducted by the Legislative Council's Budget Committee on Human Services.

Mr. Zentner said the task force recommendation relating to swing-bed facilities is for a study of the swing-bed process to determine if any changes are necessary in the current requirements for providing services for swing-bed residents.

Mr. Zentner said the cost of the case management recommendation would be approximately \$980,000 per biennium of which \$294,000 would be from the general fund. He said this estimate is based on 1,400 individuals per year qualifying for case management services and receiving 10 hours of service at a cost of \$35 per hour. He said it is anticipated that approximately 40 percent of the individuals would ordinarily receive case management services under the SPED or expanded SPED programs. He said based on that assumption, the general fund offset for those services would be approximately \$274,000, leaving an estimated cost to the general fund of approximately \$20,000.

The Legislative Council staff presented a bill draft to remove basic care and assisted living from the North Dakota Century Code and to create an adult residential care facility definition. The bill draft also provides that the Department of Human Services may pay for any service provided to an eligible beneficiary out of any source of funds available to the department unless expressly precluded from doing so by law. The bill draft provides that the repeal of basic care and assisted living and the creation of adult residential care facilities are effective July 1, 2001.

The Legislative Council staff presented a bill draft providing that targeted case management services for disabled and elderly individuals at risk of entering nursing facilities or hospital swing-bed facilities be provided by the Department of Human Services to ensure the individual's care alternatives are evaluated and considered. The bill draft also provides that each nursing facility and hospital swing-bed facility shall ensure that each individual requiring an assessment receives that assessment before admission and that the assessment must be used to determine the type of services necessary to maintain each individual and to determine which long-term care alternatives, if any, can meet those needs. The bill draft provides that the assessment may not be used as a condition of admission to a long-term care facility.

The Legislative Council staff presented a study resolution providing for a Legislative Council study of the swing-bed process to determine if changes are necessary in the current requirements for providing services to swing-bed residents, including the need

for a standard assessment process and whether any limits, such as length of stay or number of available swing beds, should be implemented.

Mr. Greg Armitage, Administrator, Hill Top Home of Comfort, Inc., Killdeer, presented testimony opposing the task force recommendation for a disincentive program for low case mix facilities. A copy of his presentation is on file in the Legislative Council office. He said Hill Top Home of Comfort, Inc., has a five-year plan to develop alternative services, including outpatient therapy, home health, meals on wheels, multigeneration day care, and hospice programming. He said the development of these alternative services agrees with the Department of Human Services goals. He said if revenues are reduced by the disincentive program, Hill Top Home of Comfort, Inc., will not have sufficient revenues to establish these alternative services. Mr. Armitage said because a facility has a low case mix does not mean the cost of services are lower. He said staff costs are shifted from nursing to activities and social services as the staff is challenged to help the residents find ways to attain their highest level of functioning. He said costs related to the basic necessities, such as food and shelter, clean clothes, and living facilities, do not necessarily decrease in relation to the individual's case mix level.

Mr. Kirk Greff, Administrator, Dacotah Alpha, Mandan, presented information regarding the need for an additional residential facility to serve TBI individuals. A copy of his presentation is on file in the Legislative Council office. He said he surveyed basic care facilities regarding available beds for a TBI facility in western North Dakota. He said he received no responses from facilities regarding open beds. Mr. Greff said Dacotah Alpha's goal would be to keep the facility as noninstitutional as possible. He said it would differ from a basic care facility because it would offer a training component which is not offered at basic care facilities.

Mr. Greff said Dacotah Alpha currently has a case manager position funded by a Developmental Disabilities Council grant. He said the position serves the southwest portion of the state and has identified 79 individuals with brain injuries. He said of the 79 individuals, 53 are Medicaid or Medicare recipients. Mr. Greff said this number does not include residents at Dacotah Alpha. He said the case manager has identified eight individuals who would be immediate candidates for this type of facility.

In response to a question from Representative Oban, Mr. Greff said he would be willing to contact the TBI support group in the Bismarck/Mandan area and coordinate that group coming to the next meeting of this committee and talking about the need for a TBI facility in western North Dakota.

Mr. Steve Skauge, Executive Director, HIT, Inc., Mandan, distributed comments regarding the need for a TBI facility in western North Dakota. A copy of his

handout is on file in the Legislative Council office. He invited the committee to tour the Dacotah Alpha facility during its next meeting.

SENIOR CITIZENS' MILL LEVY MATCH FUNDING

Mr. Brian Arett, Project Director, Fargo Senior Commission, Inc., presented information regarding the task force recommendation on the senior citizens' mill levy match funding. A copy of his presentation is on file in the Legislative Council office. He said the task force recommended a Legislative Council study on the use and effectiveness of the senior citizens' mill levy match funds to determine whether the program should be expanded as a means of enhancing home and community-based service availability. He said the recommendation recognizes the importance of the senior citizens' mill levy match funding as an integral part of the continuum of long-term care services in the state of North Dakota.

The Legislative Council staff presented a study resolution providing for a Legislative Council study of the mill levy match program for senior citizens to determine if the program could be expanded to enhance home and community-based service availability.

AMERICAN INDIAN LONG-TERM CARE NEEDS

Mr. Larson presented information regarding the task force recommendation concerning the American Indian long-term care needs issues. A copy of his presentation is on file in the Legislative Council office. He said the task force was to study American Indian long-term care and case management needs, access to services, and the functional relationship between state service units and the American Indian reservation service systems. The task force was unable to establish a committee comprised of representatives of each reservation and non-American Indians to study these issues. He said because a different approach is called for, the task force has directed him to attempt to establish a working group on each of the reservations to carry out the study during the next interim.

The Legislative Council staff presented a study resolution calling for a Legislative Council study of American Indian long-term care and case management needs, access to appropriate services, and the functional relationship between state service units and the North Dakota American Indian reservation service systems.

Representative Gerntholz presented a bill draft relating to requirements for family foster homes for adults. He said the bill relates to an issue Representative Wentz brought to this committee at one of its earlier meetings.

Chairman Oban said because this was the first meeting at which this bill draft was heard, the committee would hold the bill draft until the next

meeting and include it on the agenda for the September meeting.

Representative Coats suggested that the committee express its appreciation to Mr. Greg Haugland, Superintendent of Schools, Kenmare Public Schools, and Ms. Mary Stroud, Administrator, Baptist Home of Kenmare, for all the work they did to host this committee meeting. Chairman Oban indicated that he had thanked both of those individuals on behalf of the committee.

The committee adjourned at 3:15 p.m.

Paul R. Kramer
Senior Fiscal Analyst

Chester E. Nelson, Jr.
Legislative Budget Analyst and Auditor

ATTACH:1