

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1196

2001 HOUSE HUMAN SERVICES

HB 1196

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1196

House Human Services Committee

Conference Committee

Hearing Date January 17, 2001

Tape Number	Side A	Side B	Meter #
Tape 1	X		0 to 6000
Tape 1		X	0 to 6000
Tape 2	X		0 to 1000
Tape 3	X		390 to 630
Tape 3	X		1120 to 1200
Committee Clerk Signature <i>Connie Easton</i>			

Minutes:

Chairman Price, Vice Chairman Devlin, Rep. Dosch, Rep. Galvin, Rep. Klein, Rep. Pollert, Rep. Porter, Rep. Tieman, Rep. Weiler, Rep. Weisz, Rep. Cleary, Rep. Metcalf, Rep. Niemeier, Rep. Sandvig.

Lt. Governor Dalrymple: Governor Hoen was responsible for suggesting any revisions to Governor Schafer's budget, and as he looked at figures for nursing homes it became clear it wasn't going to be possible in a couple of days time to determine proper amounts to propose for the different areas that nursing facilities would need for additional financial support, whether it would be for wages, or facilities, or loans. Obviously, putting together any real numbers on short notice was impossible. The Hoen administration is committed to working with the legislature and working with this committee to provide the appropriate services to the people who need care in their homes or at a long term care facility. Nursing homes, especially in rural areas, are

experiencing increasing costs and severe decline in their client numbers. The Hoeven administration will be fully supportive in regard to employee's salaries, and is also supportive in providing low-cost financing for appropriate nursing home renovations. Administration also is aware and supportive of technology as a part of our statewide plan to provide a network throughout our state. We agree with the Devlin-Solberg bill that we need to study the issue of how to efficiently provide the appropriate level of service, including where and how bed numbers should be arranged. In summary, this bill does provide the most appropriate vehicle to institute these changes. We would suggest that you proceed with that bill and, consequently, ask that HB 1179 would be withdrawn.

Vice Chairman Devlin: Thanked Lt. Governor Dalrymple for his cooperation the interim committee has with the Governor's Office.

Chairman Price: Because HB 1179 has already been scheduled, I'm going to ask if there are any objections from the committee if I go to the floor this afternoon and ask that this bill be withdrawn and we will only proceed forward with the second bill HB 1196. Any objections? (No objections from committee). Then that is our intent. As a result of that, members of the audience we will not have a hearing on HB 1179. Those of you who want to testify on HB 1196 we are going to pen for that, but the procedure will be that I will talk to the Speaker and just request that HB 1179 will be withdrawn, it will never be heard and it will never be voted on. At this point I will open the hearing on HB 1196.

Vice Chairman Devlin: I am here today to open the testimony on HB 1196. I urge your support and a DO PASS recommendation on this bill. This bill is one of the most critical pieces of legislation this session. (See written testimony.)

Minority Leader Merle Boucher: This may not be a perfect bill or perfect legislation in front of you, but the process of getting this bill here was American democracy at its best. You had legislators, community people, industry people, and also state government people sitting down together and putting a lot of effort in putting forth what you have in front of you today. Long term care is one of the most fragile and one of the most important parts of our total population. You can always measure the quality of a society at how well they take care of their elderly and the young people of their society. We have concerns with over capacity, making transitions in long term care, and the wage issues.

Senator Solberg: In an earlier meeting with the communities of Dunseith and McVille, it was discussed what was happening with the IGT. We put together a task force to get some understanding of the process. We did this. We worked in close harmony with the task force, the Legislative Council, and the Governor's Office. We developed communication with the community, the industry, and government. This bill is a vehicle we can use to provide services to the people of North Dakota, and certainly the senior citizens of North Dakota.

Rep. Severson: HB 1196 is probably the most comprehensive bill, to my knowledge, that deals with problems with long term care in North Dakota. I have about 150 letters from constituents in my district that say we need HB 1196. In my opinion, HB 1196 is a starting point. I encourage this committee to provide a DO PASS recommendation.

Shelly Peterson: President of the North Dakota Long Term Care Association. She read Senator Tom Fischer's written comments. She also addressed two issues of concern on this bill: What is the federal government's position on the IGT transfer, and the staffing crisis. (See her written testimony.)

Darwin Lee: Chairman of the North Dakota Long Term Care Association. Specifically addressed IGT funding. He stated there is a tremendous and widespread need across the state, and that HB 1196 is fundamentally and ethically right. (See written testimony.)

Vice Chairman Deylin: I think some of our freshman committee members maybe wouldn't understand fully why it is important that we have the up front cash money. Can you explain the time table of reimbursement before you actually give money back?

Darwin Lee: The way our payment system works, is that the cost we have during this 12 month period, those costs are the basis for the rates that we charge in a 6 month period starting 6 months after the end of this 12 months. In order to make significant improvement in wages and benefits for our employees, which is about 70 to 75% of our costs, it would take cash flow money to do that because that wouldn't get into our rate out here. It would create a financial crunch and cash flow short comings that most nursing companies couldn't stand. It would get us cash flow broke before we got out there. The other thing that relates to this is the limits that are currently set when our rates are determined, and that would have to be dealt with right along with these other considerations - our limits have to be adjusted upward.

Rep. Niemeier: It says this would have to be built into rates - does this mean the reimbursement rates or the resident rates resulting in a general fund increase? I need that explained to me.

Darwin Lee: The intent of the IGT funding HB 1196 would provide the cash to make these salary adjustments. That would take care of the additional expense for this biennium, however, when we get to the next biennium those costs then would be established in this category and then would become part of the inflated costs, from here to here, in the next biennium. That money comes out of money from the general fund through the department. Is it key for me to ask Dave Zentner to help?

Dave Zentner: Director of Medical Services for the Department of Human Services. What this bill would do would basically in the first 6 months would put about \$2,000,000 of the general fund into the overall rates. Plus the 70% additional federal money into the process. So you are looking at about \$10 a day increase in rates, and that will be layered on to the upper limits that are in effect right now. So we would add that to the process. Those \$10 will be basically passed on. The last 6 months of the biennium there would be another \$2,000,000 to maintain this process. There would be about a \$10 a day raise in everybody's rates. Medicaid would pay that additional dollars out, and also the private pay would also pay. To maintain that we would have to continue to put the additional general dollars into the rates, because this \$6,000,000 is coming out of the IGT fund.

Jim Opdahl: Administrator of Nelson County Health System. (See written testimony.) The successful passage of HB 1196 is essential, if not critical, to ensure not only our future, but the future of all long-term care providers in providing for the long-term needs of the people and the communities serviced.

Rep. Niemeier: Are your staffing problems as a result of low wages or of the availability of qualified employees?

Jim Opdahl: I think it would probably be both. We didn't give any raises this year. I believe that by giving a living wage it is going to be a very positive thing. I am concerned if we don't have the funds we simply won't be able to hire the people to provide the care. If you make \$6.00 per hour, it is pretty hard to raise a family. We have some wonderful people out there that are going a great job, but the resources of the facility just can't pay them what they deserve to be paid.

Rep. Porter: What is going to happen in a community like yours where you have hospital and clinics and nursing facilities, when you're going to spot raise within the skilled nursing facility

for those employees but not have any increase reimbursement coming for the same type of position in the hospital setting?

Jim Opdahl: You essentially go back to a cost-based reimbursement system. We are designated as one. By passage of this, adding the emergency clause there, we feel that we can do both for both facilities. We would not be able to do that if we did not have critical access hospital designation.

Rep. Porter: Do you see that for other communities in the same situation that haven't chosen to go to the critical access hospital scenario, that this will also force them into going to critical access status because they won't be able to capture on a cost basis of the hospital side?

Jim Opdahl: I can't answer that. I can only respond for our situation.

Chairman Price: Rep. Porter, that topic has come this past summer because there are other communities that have institutions in that situation, and there has been a question from the ND Health Care Association. There may be amendments forthcoming, because that is one area that is going to be discussed.

Jerry Peak: Administrator of the Dunseith Community Nursing Home. (See written testimony.) Spoke on focusing on relieving any frustration and focus on the needs of important players. Focus on the needs of the old and frail members of our society and of the State of North Dakota. Focus on the good that can come through your support of HB 1196.

Jerry Jurena: CEO of Heart of America Medical Center. I was asked by Senator Solberg to submit a proposal regarding a bed reduction process. I proposed to Senator Solberg to purchase beds back at one half of the value of an annual rate at the lowest level. After discussion we settled on an amount of \$15,000. (See written testimony.)

Arnold Thomas: President of the North Dakota Health Care Association. In 1996, 1997, and 1998 there was a significant amount of discussion about the issue of long term care. The nursing home community was under extraordinary pressure to come with solutions to address the issues. The only alternative they saw was bed reduction with no access to capital. We need capital access whether it be in grants or loans in order to readjust services in our organizations to accommodate the changes. What you have in front of you is an opportunity to establish a capital trust fund. Please keep in mind the capital needs that your institutions have with respect from getting from point A to point B.

Wade Peterson: Administrator for Med-Center One in Mandan. Skilled nursing facilities care for chronically ill and the work that people do in these facilities is hard, it is heavy lifting. They deal with many difficult residents and situations, including new diseases.

Jessica McDowell: Certified Nurses Assistant at Med-Center One Care Center in Mandan. Discussed diseases CNA's are exposed to. Discussed lifting and dealing with combative residents.

The bill is a huge benefit to herself and other people in the profession.

Rep. Niemeier: How long and how extensive was your training?

Jessica McDonnell: I went through a class that lasted about a month. I had to take a test, and then the Board of Nursing test. You are required to get a 100% on the test.

Sue Fastener: CNA at Med-Center One Care Center. I work two jobs to make ends meet. Doesn't have enough time to spend with her child.

Rep. Cleary: Just wanted to thank the CNA's for the hard work they do.

Peg Dailey: Nursing home employee. We deserve something.

Rep. Niemeier: Have you had raises beyond the cost of living increases?

Peg Dailey: Cost of living.

Gary Kreidt: Farmer from New Salem and nursing home administrator. As many years as I've been in the business I've never seen my staff members as excited as they are right now. They see a light at the end of the tunnel. Maybe we are going to be able to have health insurance. Maybe we're going to see a significant impact on their needs. Many of the staff are the main bread winners in their household. They need these dollars. I ask for your support on HB 1196 and help for all nursing home employees across the state of North Dakota to make this a profession instead of a stepping stone.

Chairman Price: I am going to take the right as a chairman to make a couple of comments at this point. I would like to express my thanks that we have one bill to look at as opposed two that this bill is going to be the vehicle we're going to move forward on. The legislature in 1999 had no idea the amount of money that was going to come in the IGT. Obviously, we went based on the projections that were given us and we moved forward a bill based on that. In hindsight we would have done a lot of things different given that opportunity or given the information. The legislators that I have talked to, some members of this committee, some senators and those on Human Service subsection on appropriations we view this as our one chance to do some meaningful proactive things in the long term care industry. It is our intention to be very careful, and maybe we are going to move a little slower than some people want to, but we do not want to make a mistake with these dollars. We do not want to use them unwisely. We want to look at all the areas and we would ask that this not be the last contact we have with most of you, that as you have ideas you contact us. Spread that message among your industry. We'd like to use it, obviously, for the wages that we're looking at. We also would like to look at ways to cut your cost. Some things that have been brought to me are can we use technology to cut windshield

