2009 HOUSE HUMAN SERVICES

HB 1433

# 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1433

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: January 26, 2009

Recorder Job Number: 7700

Committee Clerk Signature Vicky Crabtree

Minutes:

**Chairman Weisz called hearing to order on HB 1433.**

**Rep. Shirley Meyer sponsored and introduced the bill: See Testimony #1.**

**Rep. Porter:** What do you do with the other nursing homes that are fewer than 31 licensed filled beds that are functioning fine under the existing structure that has been established?

**Rep. Meyer:** This is a unique circumstance. Basically this is here to save St. Joseph's so we can have a hospital in Dickinson. Maggie will give you answers concerning that. This is a specific case that ended up with a critical access designation being less than 35 miles apart and in order for St. Joseph's to continue and operate, it is critical they get this critical access designation. Richardton has indicated to us that unless we can help them, they aren't going to release this designation.

**Rep. Wald from District 37:** Asked the committee to support the bill.

**Rep. Nancy Johnson from District 37: See Testimony #2**

**Chairman Weisz:** Any idea how much difference it would make for the Dickinson hospital in dollars?

**Rep. N. Johnson:** Not sure what those were. With the assistance from the BC/BS that made some of the impact, but wasn't enough to put is in the black. (Inaudible) hospitals helped us by about $2,000,000.

**Maggie Anderson, Director of Medical Services for DHS:** Gave information only. **See Testimony #3.**

**Chairman Weisz:** (Inaudible) scenario costs that fund that $124,000.

**Maggie Anderson:** It is my understanding, but the city has a sales tax in place currently that helps provide some revenue to the hospital (inaudible) share and those dollars would be brought into the department and we would use those to match the federal dollars and draw them down. Make one full payment back to Richardton.

**Rep. Porter:** Where did they get the beds from?

**Maggie Anderson:** Ten beds came from Wishek; six came from Williston, other four from Grand Forks.

**Chairman Weisz:** (Talked at same time as Rep. Porter said something about 20 beds.)

**Maggie Anderson:** That (inaudible) over 20 bed facility. The bill says 31 because we cannot curb any kind of Medicaid program (inaudible) facility. We have concurred a Medicaid program for small rural non-state government owned facilities and decided (inaudible).

**Chairman Weisz:** How many facilities of any kind do we have with 31 or less beds?

**Maggie Anderson:** Don't know.

**Jim Opdahl, Administrator for Richardton Health, Center, Richardton, and Jacobson Memorial Hospital Care Center, Elgin:** Testified in support. **See Testimony #4.**

**Chairman Weisz:** Would you have the figure of how much difference (inaudible) is going to make?

**Jim Opdahl:** $1.3 million last numbers I heard.

**Rep. Conrad:** Would you continue to do medical care or just nursing home?

**Jim Opdahl:** Right now we are a 25 bed hospital and we also own and manage a rural health clinic. One of the issues we have to deal with, is (inaudible) skilled nursing facility, state law does not allow physicians and hospice employed physicians to own and operate clinic. We are in the process right now to work with ND Medical Examiners on a concept to set up a separate corporation to managed and operated by (inaudible) health center that isn't governed by physicians.

**Rep. Conrad:** You are saying physicians have to won 51% of the clinic?

**Jim Opdahl:** That's my understanding. What can change that situation is licensure.

**OPPOSITION:**

**Shelly Peterson, President of ND Long Term Care Association:** Testified in opposition.

**See Testimony #5.**

**Rep. Potter:** In trying to do for all of the facilities, what do want us to look at?

**Shelly Peterson:** The only solution that thought might be fairer is how we set limits right now. The indirect levels right now are set at the medium plus 10%. The other two limits are set at medium plus 20%. So would it be better that we set all three limits at the medium plus 20%? That would then help more people with that indirect limit problem. Look at the expenses that are in indirect, the theory use to be, indirect is easiest to control (inaudible) spending. But, when you look at physical plans and building all your heating and cooling a facility they are expensive. Your heating and cooling, general liability insurance, and your property insurance.

**Rep. Conrad:** How many would that help then what would be the cost?

**Shelly Peterson:** We ran those figures. Look at the sheet. I think we add $5.00 to the limit. (Named a bunch of facilities). It would help those facilities and add on around $45 a day. If you change that limit, it impacts the efficiency incentive. That's calculated on how low you are in

that indirect limit. The lower you are in your administrative indirect costs, the greater opportunity to get incentive payment.

**Rep. Conrad:** Twenty is the number they are going for right?

**Shelly Peterson:** Yes, twenty. Five facilities under 31 beds.

**Chairman Weisz:** It's six.

**Shelly Peterson:** (Inaudible). Westhope, Jacobson Memorial, Garrison Hospital, Richardton, Kenmare.

**Chairman Weisz closed hearing.**

# 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1433

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: February 11, 2009

Recorder Job Number: 9271 (starts at 33min.)

Committee Clerk Signature Vicky Crabtree

Minutes:

**Chairman Weisz:** 1433. I had some discussions with the department on this bill. Line 17, take out "capacity limit" so it would be open to any non-state government unit and owned by same. Currently we have (inaudible) in the state, Dunseith, McVille, and Richardton.

**Rep. Kilichowski:** By changing this does this have any effect on Steele?

**Chairman Weisz:** No.

**Rep. Kilichowski:** Wasn't the bill originally put in so that they could (inaudible)?

**Chairman Weisz:** That was part of it, but Richardton will be losing their designation (inaudible). Only way can keep their designation is by refunding all the money they spent. I wasn't supportive of this at first, but no risk to state. It's an opportunity for small communities to possibly keep their nursing home.

**Rep. Porter:** Why do we need $28,761?

**Chairman Weisz:** I was going to delete Section 2.

**Rep. Porter:** Will department then accept the other funds? The funds language is in there. And have the ability to spend the other funds and the new federal funds that this would (drops sentence).

**Chairman Weisz:** Maybe the department can answer that.

**Maggie Anderson, Dept. of Human Services:** No, we would not. We need Section 2 in order to collect the money from the city, in this case Richardton, and drop the federal dollars down and then pay back to the Richardton board.

**Rep. Porter:** General funds stuff can go.

**Chairman Weisz:** Right.

**Rep. Porter:** The other concern I have is the whole school of consolidation issue. That you have a nursing home that isn't making it and becomes a property tax burden to the community. Rather than close it, they keep it open on the backs of the property tax owners. The only place to get money to get increase in supplemental payment is either sales or property tax.

**Chairman Weisz:** That's in the hands of the political subdivision and if they are willing to do it, they will do it.

**Rep. Porter:** Not everyone that pays property taxes gets a vote. If you'd put that provision in there, you'd be working towards my support.

**Rep. Conrad:** If they don't have a commercial district in that town, that's a lot of sales tax. Their property tax is not going to generate enough money to make a difference to keep a nursing home going.

**Rep. Porter:** There's nothing that precludes the county from owning it.

**Rep. Conrad:** Even in Dunn Co. they generate $20,000 from the whole county. They don't have the cash out there to do it. I think this is a very good solution.

**Rep. Conrad: Motion to accept amendments:**

**Rep. Frantsvog: Second.**

**Rep. Kilichowski:** Your amendment takes out the $28,000?

**Chairman Weisz:** Line 17, page 1 it takes out "capacity of 31 beds".

On page 2 lines 12 -13 "not otherwise appropriate, the sum of $28,762, or so much of the sum as may be necessary".

**Maggie Anderson:** There are federal funds in the second part that are tied to the $28,000 and you would want to remove that line also.

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

**MOTION CARRIED ON DO PASS TO ACCEPT AMENDMENTS.**

**Rep. Porter:** If county takes over the nursing home and they have money to put 20 mils towards nursing home, they could technically do that without a vote from the people?

**Chairman Weisz:** Correct.

**Rep. Porter: Motion to offer an amendment that if political subdivision uses general funds they have to get a vote.**

**Rep. Nathe: Second.**

**Rep. Conrad:** Are you saying it has to be a non-state?

**Chairman Weisz:** No, it has to be a government entity. The amendment would say that the city would have to have a vote before general funds could be used.

**Rep. Holman:** Leave it up to the city.

**Rep. Conrad:** Inaudible).

**Chairman Weisz:** Home rule.

**Rep. Conrad:** (Inaudible) home rule (inaudible).

**Chairman Weisz:** People have to have approval from people if general funds are used.

**Rep. Kilichowski:** Anything they do under home rule can be referred. Doesn't make sense to put that in.

**Rep. Frantsvog:** It doesn't have to be under home rule to refer. Any action can be referred.

**Rep. Porter:** The whole issue of property taxes is a political hotbed. People think the state sets the property taxes. Without giving the people a voice, you give political subdivision the freedom to raise property taxes.

**Roll Call for DO PASS on added amendment: 8 yes, 5 no, 0 absent.**

**MOTION CARRIED DO PASS.**

**Rep. Conrad: Motion for a DO PASS on amended bill.**

**Rep. Frantsvog: Second.**

**Rep Uglem:** Like to know what this might do to the moratorium?

**Chairman Weisz:** (Inaudible) beds could increase the value of beds potentially instead of (inaudible) use. (Inaudible).

**Rep. Uglem:** It's still each licensed bed?

**Chairman Weisz:** Yes. (Inaudible) currently getting on the Medicaid patient.

**Maggie Anderson:** Based on Medicaid bed occupancy.

**Rep. Uglem:** Concern the county trying to force rural area to support it by property taxes.

**Chairman Weisz:** That's the reason for amendments.

**Rep. Hofstad:** These are wrong kinds of messages we send small communities. We know what it takes. I will vote no on this.

**Roll Call Vote for a DO PASS as amended: 9 yes, 4 no, 0 absent.**

**MOTION CARRIED ON DO PASS.**

**BILL CARRIER: Rep. Pietsch**

# FISCAL NOTE

**Requested by Legislative Council**
03/20/2009

Amendment to: Engrossed HB 1433

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

| | 2007-2009 Biennium | | 2009-2011 Biennium | | 2011-2013 Biennium | |
|---|---|---|---|---|---|---|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| **Revenues** | | | | $386,127 | | $409,603 |
| **Expenditures** | | | $28,761 | $386,127 | $30,510 | $409,603 |
| **Appropriations** | | | | $49,013 | | |

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

| 2007-2009 Biennium | | | 2009-2011 Biennium | | | 2011-2013 Biennium | | |
|---|---|---|---|---|---|---|---|---|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | | $124,665 | | | $132,245 | |

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

This Bill provides for a supplemental payment for rural, at-risk, non-state government owned nursing homes. It also provides an appropriation, a contingent effective date of April 16, 2009 and an expiration date.

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

Section 1 of this Bill provides for a supplemental payment to rural, at-risk, non-state government owned nursing homes.

The fical impact includes the supplemental payment and the difference in reimbursement of a known facility going from swing beds to nursing home beds.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The additional revenues reflected in the fiscal note are for the additional Medicaid and local funds the Department will access for these payments.

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

The expenditures reflect the grant costs for the supplemental payments and the cost of the difference in reimbursement of the known facility going from swing beds to nursing home beds.

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

HB 1433 contains a general fund appropriation of $28,761. Therefore, no additional general fund appropriation is needed in HB1012.

HB1433 also contains an other funds appropriation of $337,114; this is $49,013 less than the estimated fiscal impact. Therefore, the other funds appropriation in HB 1012 would need to be increased by $49,013.

| | | | |
|---|---|---|---|
| **Name:** | Debra A. McDermott | **Agency:** | Human Services |
| **Phone Number:** | 328-3695 | **Date Prepared:** | 03/23/2009 |

# FISCAL NOTE

**Requested by Legislative Council**
02/19/2009

Amendment to: HB 1433

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

| | 2007-2009 Biennium | | 2009-2011 Biennium | | 2011-2013 Biennium | |
|---|---|---|---|---|---|---|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| **Revenues** | | | | $508,097 | | $538,988 |
| **Expenditures** | | | $28,761 | $508,097 | $30,510 | $538,988 |
| **Appropriations** | | | $28,761 | $508,097 | $30,510 | $538,988 |

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

| 2007-2009 Biennium | | | 2009-2011 Biennium | | | 2011-2013 Biennium | | |
|---|---|---|---|---|---|---|---|---|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | | $169,769 | | | $198,206 | |

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

This Bill provides for a supplemental payment for rural, at-risk, non-state government owned nursing homes.

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

Section 1 of this Bill provides for a supplemental payment to rural, at-risk, non-state government owned nursing homes, of which there are currently 3 in the state.

The fiscal note reflects the cost of supplemental payments for 1 of the existing facilities as it is currently exceeding the limits. It also includes the supplemental payment and the difference in reimbursement of a known facility going from swing beds to nursing home beds.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The additional revenues reflected in the fiscal note are for the additional Medicaid funding the Department will be able to access for these payments.

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

The expenditures reflect the grant costs for the supplemental payments and the cost of the difference in reimbursement of the known facility going from swing beds to nursing home beds.

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

The Executive Budget for 2009-2011 would need to be increased by $536,858, with $28,761 being general funds to accomodate this bill.

| **Name:** | Debra A. McDermott | **Agency:** | Human Services |
|---|---|---|---|

| Phone Number: | 328-3695 | Date Prepared: | 02/21/2009 |
|---|---|---|---|

# FISCAL NOTE

**Requested by Legislative Council**
01/16/2009

Bill/Resolution No.: HB 1433

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

| | 2007-2009 Biennium | | 2009-2011 Biennium | | 2011-2013 Biennium | |
|---|---|---|---|---|---|---|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| **Revenues** | | | | $386,127 | | $409,603 |
| **Expenditures** | | | $28,761 | $386,127 | $30,510 | $409,603 |
| **Appropriations** | | | | | $30,510 | $409,603 |

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

| 2007-2009 Biennium | | | 2009-2011 Biennium | | | 2011-2013 Biennium | | |
|---|---|---|---|---|---|---|---|---|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | | $124,665 | | | $132,245 | |

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

This Bill provides for a supplemental payment for small, rural, at-risk non-state government owned nursing homes.

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

Section 1 of this Bill provides for a supplemental payment to small, rural, at-risk non-state government owned nursing homes. The fiscal note reflects the cost of such a payment and includes the cost of the difference in reimbursement of the known facility going from swing beds to nursing home beds.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The additional revenues reflected in the fiscal note are for the additional Medicaid funding the Department will be able to access for these payments.

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

The expenditures reflect the cost of these payments and the cost of the difference in reimbursement of the known facility going from swing beds to nursing home beds.

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

No additional appropriation is needed since the Bill contains an appropriation for the provisions contained in the Bill.

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|---|---|---|---|
| **Name:** | Debra A. McDermott | **Agency:** | Human Services |
| **Phone Number:** | 328-3695 | **Date Prepared:** | 01/22/2009 |

Adopted by the Human Services Committee
February 12, 2009

VK
2/13/09

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1433

Page 1, line 2, after the second semicolon insert "to provide legislative intent;"

Page 1, line 17, remove "has a capacity of fewer than thirty-one"

Page 1, line 18, remove "licensed beds and which"

Page 2, line 11, remove "out of any moneys in the"

Page 2, remove line 12

Page 2, line 13, remove "of the sum as may be necessary, and"

Page 2, line 14, replace "$386,127" with "$337,114"

Page 2, after line 16, insert:

"**SECTION 3. LEGISLATIVE INTENT.** It is the intent of the legislative assembly that before a political subdivision may provide local matching funding for the special care rate for qualifying nursing homes, the governing body of the political subdivision shall submit the question for approval of the funding from the general fund of the political subdivision to the qualified electors of the political subdivision."

Renumber accordingly

Date: 2-11-09

Roll Call Vote #: 1

**2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 1433

House HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By Rep. Conrad Seconded By Rep. Frantsvog

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| CHAIRMAN ROBIN WEISZ | | | REP. TOM CONKLIN | | |
| VICE-CHAIR VONNIE PIETSCH | | | REP. KARI L CONRAD | | |
| REP. CHUCK DAMSCHEN | | | REP. RICHARD HOLMAN | | |
| REP. ROBERT FRANTSVOG | | | REP. ROBERT KILICHOWSKI | | |
| REP. CURT HOFSTAD | | | REP. LOUISE POTTER | | |
| REP. MICHAEL R. NATHE | | | | | |
| REP. TODD PORTER | | | | | |
| REP. GERRY UGLEM | | | | | |
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Total (Yes) 13 No 0

Absent 0

Bill Carrier _____

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

to accept amendments

Date: 2-11-09

Roll Call Vote #: 2

**2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 1435

House HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended

Motion Made By Rep. PORTER Seconded By Rep. Nathe

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| CHAIRMAN ROBIN WEISZ | ✓ | | REP. TOM CONKLIN | ✓ | |
| VICE-CHAIR VONNIE PIETSCH | ✓ | | REP. KARI L CONRAD | | ✓ |
| REP. CHUCK DAMSCHEN | ✓ | | REP. RICHARD HOLMAN | | ✓ |
| REP. ROBERT FRANTSVOG | | ✓ | REP. ROBERT KILICHOWSKI | | ✓ |
| REP. CURT HOFSTAD | ✓ | | REP. LOUISE POTTER | | ✓ |
| REP. MICHAEL R. NATHE | ✓ | | | | |
| REP. TODD PORTER | ✓ | | | | |
| REP. GERRY UGLEM | ✓ | | | | |
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Total (Yes) 8 No 5

Absent 0

Bill Carrier _____

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

Motion carried to accept amendment requiring cities to vote on use of general funds

Date: 2-11-09
Roll Call Vote #: 3

**2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 1433

House HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended

Motion Made By Rep. Conrad Seconded By Rep. Frantsvog

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| CHAIRMAN ROBIN WEISZ | ✓ | | REP. TOM CONKLIN | ✓ | |
| VICE-CHAIR VONNIE PIETSCH | ✓ | | REP. KARI L CONRAD | ✓ | |
| REP. CHUCK DAMSCHEN | | ✓ | REP. RICHARD HOLMAN | ✓ | |
| REP. ROBERT FRANTSVOG | ✓ | | REP. ROBERT KILICHOWSKI | | ✓ |
| REP. CURT HOFSTAD | | ✓ | REP. LOUISE POTTER | ✓ | |
| REP. MICHAEL R. NATHE | ✓ | | | | |
| REP. TODD PORTER | | ✓ | | | |
| REP. GERRY UGLEM | ✓ | | | | |
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Total (Yes) 9 No 4

Absent 0

Bill Carrier Rep. Pietsch

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

Motion Carried
DO PASS
as amended

## REPORT OF STANDING COMMITTEE

**HB 1433: Human Services Committee (Rep. Weisz, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). HB 1433 was placed on the Sixth order on the calendar.

Page 1, line 2, after the second semicolon insert "to provide legislative intent;"

Page 1, line 17, remove "has a capacity of fewer than thirty-one"

Page 1, line 18, remove "licensed beds and which"

Page 2, line 11, remove "out of any moneys in the"

Page 2, remove line 12

Page 2, line 13, remove "of the sum as may be necessary, and"

Page 2, line 14, replace "$386,127" with "$337,114"

Page 2, after line 16, insert:

> "**SECTION 3. LEGISLATIVE INTENT.** It is the intent of the legislative assembly that before a political subdivision may provide local matching funding for the special care rate for qualifying nursing homes, the governing body of the political subdivision shall submit the question for approval of the funding from the general fund of the political subdivision to the qualified electors of the political subdivision."

Renumber accordingly

2009 SENATE HUMAN SERVICES

HB 1433

# 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1433

Senate Human Services Committee

☐ Check here for Conference Committee

Hearing Date: 3/4/09

Recorder Job Number: 10148

Committee Clerk Signature Mary K Monson

Minutes:

**Senator J. Lee** opened the hearing on HB 1433 relating to nursing home rates.

**Representative Shirley Meyer** (District 36) introduced HB 1433. Attachment #1

**Senator Dever** asked if the House amendments were friendly amendments.

**Rep. Meyer** replied they were.

**Rep. Nancy Johnson** (District 37) testified in support of HB 1433. Attachment #2

**Senator Dever** asked if we can assume that by the willingness of Richardton to give up their designation they are not economically viable.

**Rep. Johnson** deferred to others.

**Senator Dever** asked if there are people from Dickinson being transferred to the hospital in Richardton because of the difference in the level of service.

**Rep. Johnson** didn't think there were. Most of the people are going to Dickinson for hospital services.

There was a short discussion on the numbers of beds in Dickinson now. To be a critical access they have to be fewer than 25. When they reach the 25 they need to send people someplace else. They have talked to Bismarck hospitals who will take patients.

**Senator George Nodland** (District 36) spoke in support of HB 1433. He emphasized how critical and important this is to their communities. Dickinson servicing area needs a hospital.

**Representative Robin Weisz** (District 14) reported that when HB 1433 left the House it had been expanded to the point of allowing any community (county or city) wanting to own could own a facility and apply for these federal supplemental dollars. They were very comfortable with the fact that there is no liability from the states perspective. If the community does not fund the cost share, they do not get the federal dollars. The federal rules are very clear; it has to be a non state owned government entity. It's very clear that the state is not liable. Currently, there are three communities that would qualify: Dunseith, McVille, and Richardton. It's clear that they can't just own it, they have to operate it.

**Senator J. Lee** asked about the nursing home beds. If they are converting to skilled care, where are the beds coming from.

**Rep. Weisz** answered that they got a federal grant and they purchased beds. They have all twenty beds at this point. There is no moratorium issue on this bill.

**Senator Dever** referred to the emergency clause on the bill. The legislative intent calls for an election. Also in the legislative intent it says the governing body of the political subdivision shall submit the question for approval. As part of legislative intent does it have the force of law?

**Rep. Weisz** replied that legislative intent doesn't have the force of law but it makes it clear what the intent is.

**Senator J. Lee** asked if there was a reason they did it as legislative intent instead of just another section of statute.

**Rep. Weisz** said there wasn't strong enough support to require it but to make it clear they better have the public support.

**Jim Opdahl** (Administrator, Richardton Health Center) testified in support of HB 1433. Attachment #3

**Senator Dever** asked if the fiscal facility lends itself to the nursing home as well as the hospital.

**Mr. Opdahl** said right now it does.

**Senator Dever** – are there physical changes that need to take place to satisfy health dept. requirements.

**Mr. Opdahl** – no, the biggest issue is that the majority cost for the renovation was meeting ADA requirements.

Discussion followed on operating a skilled nursing facility and also providing some level of acute care to provide more of a continuum of services for the rural communities.

There was no opposing testimony.

**Maggie Anderson** (Dept. of Human Services) provided information on the fiscal note and offered an amendment. Attachment #4

**Senator J. Lee** asked if by putting the 31 beds back in it eliminates the fourth facility.

**Ms. Anderson** – yes.

**Senator J. Lee** – there's no indication at this point that that facility is interested in doing it?

**Ms. Anderson** – not aware of it.

More discussion followed on leaving the 31 in.

**Senator Dever** asked about the term non state government owned.

**Ms. Anderson** – explained it was a definition in federal law. Government owned but not owned by the state.

There was discussion on the conversion money which was not included in the dept.'s executive budget.

**Senator J. Lee** asked Shelly Peterson to address whether Dunseith was interested.

**Ms. Peterson** – Dunseith is interested.

The hearing on HB 1433 was closed.

**Senator Dever** said the language in the legislative intent seemed awkward to him.

There was some general discussion on the legislative intent, the vote of the people, and the use of sales tax.

# 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1433

Senate Human Services Committee

☐ Check here for Conference Committee

Hearing Date: 3/16/09

Recorder Job Number: 11010 (Meter 03:48 – 10:40), 11032

Committee Clerk Signature Mary K Monson

Minutes:

**Senator J. Lee** brought the committee to order for committee work. All members were present. General discussion took place to determine which bills needed action. HB 1433 was specifically addressed (meter 3:50 – 10:40).

**Senator J. Lee** shared an idea that the money would go to Richardton but if they haven't transferred the critical access hospital designation by April 15 they don't get it.

**Darlene Bartz** from the Department of Health said the target date is April 30 - May 1.

**Senator J. Lee** pointed out that they need to know by the end of the legislative session. They have requested an extension and have already had an extension. They have also obtained additional federal funds. She emphasized that the transfer needs to be done before the legislative session is over.

**Ms. Bartz** explained what needs to take place from the health department's perspective before they can drop it. They need to change from one category facility to another which means a construction inspection. That is scheduled for the end of April. She said this is the first time she had heard there is an additional extension.

**Senator J. Lee** said the reimbursement would continue but the idea would be that there is an irrevocable commitment to transferring the designation. She talked about the additional federal dollars and the requested extension and the reason for it (meter 7:40).

The transition process was discussed.

**Senator Dever** asked for clarification that they were talking about giving up the designation not closing the hospital.

**Senator J. Lee** replied they are just converting.

The beds were discussed. They purchased beds from different locations so they own beds they will be putting into operation.

**Job #11032**

**Senator J. Lee** opened discussion on HB 1433 and asked Darlene Bartz from the health department to share more information with the committee.

**Ms. Bartz** reported that she had talked to Jim Opdahl who confirmed that they were on target for the same date and the intent was for the turnover to take place April 30-May 1.

**Senator J. Lee** asked if he had told her about the additional funds they got.

**Ms. Bartz** said he didn't. She went on to say that the department will need to survey the facility and find it in compliance with the long term care licensure rules before they drop the critical access hospital. They are on target with that for April 30 – May 1.

Discussion continued on the target date.

**Senator J. Lee** said they need to have the commitment that the critical access hospital designation is released with no more concessions and no strings attached.

**Ms. Bartz** said her concern was the residents. If they wind up with a facility that loses a category before it can be placed in another, those residents are going to have to move.

The requested extension was discussed. Ms. Bartz said they had not been informed of another extension.

**Senator J. Lee** pointed out that she didn't want anything to happen to interfere with this moving over so Dickinson can begin its process of being a critical access hospital.

**Ms. Bartz** said they did get the application for Dickinson so that side is starting to move forward.

**Senator J. Lee** asked if they could move up the date for going on site with Richardton.

**Ms. Bartz** talked about why that wouldn't work and if there were physical plant corrections needed the department would have to go out again.

**Senator Dever** was confused with the urgency of the survey. He asked if they are still able to operate as a hospital until they convert to a nursing home if they give up their critical access designation.

**Ms. Bartz** said they could.

Discussion followed on designations, being licensed as a hospital, and reimbursements.

**Senator Erbele** moved to adopt amendments .0201.

Second by **Senator Dever**.

**Roll call vote 6-0-0. Amendment adopted.**

**Senator Erbele** moved a **Do Pass as Amended and rerefer to Appropriation**.

Second by **Senator Dever**.

Discussion on the special care rate – it would go on until it is removed from the century code. It would be available to any municipality or county owned facility of 31 beds.

A sunset was considered and thought to be a good idea.

**Senator Erbele** withdrew his motion of a Do Pass as Amended and rerefer to Appropriations.

**Senator Dever** moved to further amend to include a 2 year sunset on subsection 3 of section 1 ending June 30, 2011.

Second by **Senator Erbele.**

**Roll call vote 6-0-0. Amendement adopted.**

**Senator Erbele** moved a **Do Pass as Amended and rerefer to Appropriations.**

Second by **Senator Dever.**

**Roll call vote 6-0-0. Motion carried.**

**Carrier is Senator Dever.**

Prepared by the Legislative Council staff for
Senator J. Lee
March 13, 2009

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1433

Page 1, line 18, after "that" insert "has a capacity of fewer than thirty-one licensed beds, was not previously a hospital with critical access designation after May 31, 2009, and"

Page 2, after line 10, insert:

"d. The matching funds for the special care rate must be from municipal or county funds."

Page 2, line 11, after "appropriated" insert "out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $28,761, or so much of the sum as may be necessary, and"

Page 2, after line 20, insert:

"**SECTION 4. CONTINGENT EFFECTIVE DATE.** This Act is contingent on the state department of health certifying to the legislative council, before April 16, 2009, that Richardton memorial hospital has notified the state department of health that the hospital is releasing the hospital's critical access designation."

Renumber accordingly

Date: 3/16/09

Roll Call Vote #: 1

**2009 SENATE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** HB 1433

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .0201

Action Taken ☐ Do Pass ☐ Do Not Pass ☐ Amended ☐ Rerefer to Appropriations

☒ Adopt Amendment ☐ Reconsider

Motion Made By Sen. Erbele Seconded By Sen. Dever

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

Total (Yes) 6 No 0

Absent 0

Floor Assignment

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

Date: 3/16/09

Roll Call Vote #: 2

**2009 SENATE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** HB 1433

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended ☒ Rerefer to Appropriations

☐ Adopt Amendment ☐ Reconsider

Motion Made By Sen. Erbele Seconded By Sen. Dever

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

Withdrawn

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Adopted by the Human Services Committee
March 17, 2009

3/17/09

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1433

Page 1, line 2, after the third semicolon insert "to provide an effective date; to provide an expiration date;"

Page 1, line 18, after "that" insert "has a capacity of fewer than thirty-one licensed beds, was not previously a hospital with critical access designation after May 31, 2009, and"

Page 2, after line 10, insert:

"d. The matching funds for the special care rate must be from municipal or county funds."

Page 2, line 11, after "appropriated" insert "out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $28,761, or so much of the sum as may be necessary, and"

Page 2, after line 20, insert:

"**SECTION 4. CONTINGENT EFFECTIVE DATE.** This Act is contingent on the state department of health certifying to the legislative council, before April 16, 2009, that Richardton memorial hospital has notified the state department of health that the hospital is releasing the hospital's critical access designation.

**SECTION 5. EXPIRATION DATE.** Section 1 of this Act is effective through June 30, 2011, and after that date is ineffective."

Renumber accordingly

Date: 3/16/09

Roll Call Vote #: 3

**2009 SENATE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** HB 1433

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number Further Amend - 2 yr. Sunset

Action Taken ☐ Do Pass ☐ Do Not Pass ☐ Amended ☐ Rerefer to Appropriations

☒ Adopt Amendment ☐ Reconsider

Motion Made By Sen. Dever Seconded By Sen. Erbele

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| | | | | | |
| Senator Judy Lee, Chairman | ✓ | | Senator Joan Heckaman | ✓ | |
| | | | | | |
| Senator Robert Erbele, V.Chair | ✓ | | Senator Richard Marcellais | ✓ | |
| | | | | | |
| Senator Dick Dever | ✓ | | Senator Jim Pomeroy | ✓ | |
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Total (Yes) 6 No 0

Absent 0

Floor Assignment

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

Date: 3/16/09

Roll Call Vote #: 4

**2009 SENATE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** HB 1433

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 90723.0202

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended ☒ Rerefer to Appropriations

☐ Adopt Amendment ☐ Reconsider

Motion Made By Sen. Erbele Seconded By Sen. Dever

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| | | | | | |
| Senator Judy Lee, Chairman | ✓ | | Senator Joan Heckaman | ✓ | |
| | | | | | |
| Senator Robert Erbele, V.Chair | ✓ | | Senator Richard Marcellais | ✓ | |
| | | | | | |
| Senator Dick Dever | ✓ | | Senator Jim Pomeroy | ✓ | |
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Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Dever

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

## REPORT OF STANDING COMMITTEE

**HB 1433, as engrossed: Human Services Committee (Sen. J. Lee, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1433 was placed on the Sixth order on the calendar.

Page 1, line 2, after the third semicolon insert "to provide an effective date; to provide an expiration date;"

Page 1, line 18, after "that" insert "has a capacity of fewer than thirty-one licensed beds, was not previously a hospital with critical access designation after May 31, 2009, and"

Page 2, after line 10, insert:

"d. The matching funds for the special care rate must be from municipal or county funds."

Page 2, line 11, after "appropriated" insert "out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $28,761, or so much of the sum as may be necessary, and"

Page 2, after line 20, insert:

"**SECTION 4. CONTINGENT EFFECTIVE DATE.** This Act is contingent on the state department of health certifying to the legislative council, before April 16, 2009, that Richardton memorial hospital has notified the state department of health that the hospital is releasing the hospital's critical access designation.

**SECTION 5. EXPIRATION DATE.** Section 1 of this Act is effective through June 30, 2011, and after that date is ineffective."

Renumber accordingly

2009 SENATE APPROPRIATIONS

HB 1433

# 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1433

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 03-24-09

Recorder Job Number: 11480

Committee Clerk Signature Alice R Dilzer

Minutes:

**Chairman Holmberg** called the committee hearing to order at 10:15 am in reference to HB 1433 in regards to nursing home rates; to provide an appropriation; to provide legislative intent; and to declare an emergency.

**Representative Shirley J. Meyer, District 36** testified in favor of HB 1433 and provided written testimony #1. This bill would allow the Department of Human Services to provide a special care rate to be paid to a nursing home which is owned and operated by a non-state governmental unit. (06.30)

**Maggie Anderson, Department of Human Services** The fiscal note is actually restored to the initial fiscal note. In the House the bill was amended to remove the words "31" which is in reference to less than 31 beds and then the Senate put those words back so we are back to the original fiscal note which means this supplemental payment would now only impact the Richardton facility or be available to the Richardton facility because at this time the department is not aware of any other nursing facilities that are under 31 beds that are non-state government owned. And non-state government owned means that they are government owned but not owned by the state. They have to be owned by a municipality or a private county. The fiscal note does contain the dollars both to transition Richardton from the current swing bed facility that they are to a nursing facility and it also contains city and federal dollars

for the supplemental payment. There are no general fund dollars in the supplemental payment. The proposal of the supplemental payment is totally a commitment on the part of the city of Richardton to put forth the city dollars. The department will then draw down the federal matching dollars for that supplemental payment and make one payment to Richardton from our hospital for the entire supplemental. That is how that will work and we plan to do that on a quarterly basis. (7.37)

**Senator Wardner** The Senate Human Services amended the bill. Section 5 where it says section 1 of this act is effective through June 30th, 2011 and after that date is ineffective. Do you see a problem with that?

**Maggie** My understanding is they put that sunset on there because they would like this issue to come back to be discussed in future sessions. That would need to be revisited in next session. I think also for the department in securing approval from CMS for it's two year payment of the supplemental program but if the sunset remains in there and it would come to pass then the supplemental payment would end at the end of the next biennium . (8.53)

**Senator Wardner** If it wasn't there it would continue on. He was told that was correct.

**Senator Krauter** Just to continue with that description would Richardton facility be considered a new nursing home under Section 1 3C?

**Maggie** Yes they would. That was why that specific language was drafted because they are currently a hospital and so they would be in the nursing home so we would have to establish that interim special care parameter.

**Senator Krauter** The parameters of that, the time line in there are 10 months to 18 months. So I am talking in a real world, Things never happen tomorrow , it will be later down the road, so what if this all got finalized and put together and construction and reconstruction took place

and it finally could get things going and on February 1st of 2010 you couldn't offer if to them because it did not go into the 18 month plan.

**Maggie** They are still shooting for a May 1, April 30. transition time to go from a hospital to a nursing home and even if that were to be delayed for some life safety or certification requirement, they wouldn't be delayed extensively that would cause a problem because the next cost report would be turned in well within the 18 months that is allowed in Section C. We did Section C to make sure they had enough time. (10.53)

Further discussion followed regarding the sunset clause and expiration date.(12.14)

**Senator Kilzer** Can you go over the numbers for me on the bed size. Do they have swing beds now?

**Maggie** They have a Critical Access Hospital Designation but essentially have been operating as a swing bed for many years. Quite a few of their clients have been residents of the hospital for multiple years and they currently have somewhere between 15 or 18 residents. They have 20 nursing home beds that they have purchased and they use the dollars that they receive from a federal grant to purchase those beds and they were purchased from Wishek, Williston and Grand Forks.

**Senator Kilzer** So they do have the ability to have 20 nursing home beds now. He was told yes. Was it skilled or basic care. He was told they are skilled nursing home beds. He then asked if this bill passes and everything goes through will they will retain 20.

**Maggie** Yes. I guess whether this bill passes or not Richardton is scheduled to become a nursing home on May 1st. This is part of their financial liability. This bill will help them. They will be a nursing home.

**Senator Kilzer** There is no problem with the bed situation.

**Maggie** There is no problem with the Richardton facility and this bill in terms of nursing home beds.

**Senator Warner** This is a 31 bed unit with 20 beds, could you explain that more.

**Maggie** Medicaid cannot set up a supplemental payment and say this is for Richardton. We have to go the federal government and say we are creating a supplemental payment for small rural at-risk non-state government owned nursing facilities and they say define that. So we had to define small, which is less than 31 beds. We had to define rural at-risk non-state government owned. We have to define all of that and we picked the 31 just because we figured that would be a number that CMS would agree would be considered small.

**Senator Warner** How many other nursing facilities do we have in the state that small? Is this likely to be a sustainable effort? (16.46)

**Maggie** Just quick looking through the list around 8 or 9 facilities, that doesn't include Richardton. We are not aware that any meet that criteria but then we have the different limits for direct care, indirect care, and other. Then often times it is more than just size, that indicates whether someone may or may not exceed those limits and so, for example, we have 2 facilities that are exceeding all three limits. One of them has 12 beds, and one has 38 beds. We also have a facility with 142 beds exceeding the limits. Sometimes it is location, and how easy it is to hiring staff, there is a multitude of reasons why facilities may or may not be under their limits. There is no easy calculation.

**Chairman Holmberg** we do have a subcommittee that will be putting together an entire package that being the Human Service one. So we will consign this bill to them.

Discussion followed regarding subcommittee hearings and maybe passing the bill out.

**SENATOR WARNER MOVED A DO PASS. SECONDED BY SENATOR KRAUTER.** (23.00)

**Chairman Holmberg** It certainly sounded like this is one of the situations that nobody wanted it but it is reality. But you can't do the hospital and make it work.

**Senator Wardner** This has been negotiated and hammered out. Senator Krauter was in on the meetings, the delegation, again, people from both communities and they all felt it will be good for both communities. It is common sense.

**Senator Mathern** The background is kind of unfortunate. However, I am concerned that we if don't have some kind of involvement here, Dickinson hospital may shut down. This Richardton deal makes the deal work for Dickinson as far as I am concerned. We have to support it.

**Senator Wardner** First of all the Dickinson community is looking ahead to see what they are going to have to do. They're not going to be without medical services. They are looking at options, and looking out into the future, and there is a lot of discussion going on. And the other thing is when you have an entity that is not in the community that's running the hospital, you sometimes are at their mercy. You are right, Senator, I think there were some things that happened but the community is engaged in this too. This is the first step in kind of helping to keep the medical community alive in the community.

**Senator Krauter** I think the Richardton facility would work hard to make sure they'd cash flow, but I am concerned about cash flow for the Dickinson facility. This is just one of the things we have to put some faith in and hopefully it will go in the right direction.

**Senator Kilzer** I must disclose I work there part time, have for more than 10 years, and watching the debt build up on both institutions, it means that something has to be done. The Dickinson Hospital has cut back very much on the medical things that they provide. Their psychiatric unit is completely closed, they still have quite a bit of dept, they have some provider problems. Even though I worked there for a long time I won't keep on doing it for a long time. That is not a permanent answer for getting coverage, as far as I can see on the bill and the

poor administrators during the 10 years I have been working there, this is about as much as the Legislature can do. The community is 100% behind the keeping it open and running I very much favor the bill as we see it today.

**Chairman Holmberg** How much OBGYN is there out west of the river. Does the Dickinson Hospital have this service?

**Senator Kilzer** Yes, they have obstetrics and GYN and surgery. They don't always 100% coverage but they do have family doctors who do deliveries. In that way they always do have coverage for routine deliveries and first caesarians. So if they run into a situation where they need an emergency caesarian that service is available.

**A ROLL CALL VOTE WAS TAKEN ON A DO PASS ON HB 1433 RESULTING IN 12 YEAS, 0 NAYS, AND 2 ABSENT. SENATOR DEVER FROM HUMAN SERVICES WILL CARRY THE BILL.**(29.27)

**Chairman Holmberg** closed the hearing on HB 1433.

Date: 3-24-09

Roll Call Vote # 1

**2009 SENATE STANDING COMMITTEE ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 1433

Senate **Senate Appropriations** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken ☑ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By Warner Seconded By Krauter

| Senators | Yes | No | Senators | Yes | No |
|---|---|---|---|---|---|
| Sen. Ray Holmberg, Ch | ✓ | | Sen. Tim Mathern | ✓ | |
| Sen. Tony S. Grindberg, VCh | A | | Sen. Aaron Krauter | ✓ | |
| Sen. Bill Bowman, VCh | ✓ | | Sen. Larry J. Robinson | ✓ | |
| Sen. Randel Christmann | ✓ | | Sen. John Warner | ✓ | |
| Sen. Rich Wardner | ✓ | | Sen. Elroy N. Lindaas | ✓ | |
| Sen. Ralph L. Kilzer | ✓ | | Sen. Tom Seymour | A | |
| Sen. Tom Fischer | ✓ | | | | |
| Sen. Karen K. Krebsbach | ✓ | | | | |
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Total Yes 12 No 0

Absent 2

Floor Assignment Ht Services

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

## REPORT OF STANDING COMMITTEE

**HB 1433, as engrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed HB 1433, as amended, was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

HB 1433

#1

# HB 1433

Richardton Memorial Hospital currently has the designation as a Critical Access Hospital. Federal laws prohibit another hospital within 35 miles from also receiving this designation.

Dickinson St. Joe's has been experiencing financial difficulties and identified securing the Critical Access Hospital designation as a critical component of ensuring they can continue to provide health care services to the residents of southwest North Dakota.

In the spring of 2008, a Health Care Task Force was formed to assist the two facilities in developing a solution. The Task Force consisted of staff from Governor John Hoeven's office, staff from each of the congressional delegation offices, city officials from both Dickinson and Richardton, the Department of Health, the Department of Human Services, and representatives from Richardton Memorial Hospital and Catholic Health Initiatives (owners of Dickinson St. Joe's).

The Task Force met throughout the summer of 2008 and their work resulted in a solution that allows Richardton Memorial Hospital to transition to a skilled nursing home. This ensures the facility will remain as an employer and health care provide for the city of Richardton and the solution will also result in Dickinson St. Joe's being able to receive the Critical Access Hospital designation.

House Bill 1433 is one component of the overall solution. This bill will allow Richardton Memorial Hospital,

Operating as a skilled nursing facility, to receive Medical supplemental payment. Without this supplemental payment, the board of Richardton Memorial Hospital has stated that they cannot operation a financially viable nursing facility.

There are others here who can provide more details regarding specifics of the transition and the supplemental payment. In addition, Maggie Anderson with the Department of Human Services is here and will provide information on the calculation of the fiscal note.

**Testimony for HB 1433**
**House Human Services Committee**
**January 26, 2009**
**Representative Nancy Johnson**

Good morning Chairman Weisz and members of the House Human Services Committee. My name is Nancy Johnson. I'm a state representative from District #37 – Dickinson.

HB 1433 is designed to help the hospital in Richardton convert to a nursing home facility. When that is accomplished it will relinquish its designation as a Critical Access Hospital (CAH).

Let me explain why this is important. I chaired the hospital board in Dickinson for several years. During that time we were losing between $200,000 and $500,000 per month. Our corporate owner was keeping us alive by using its resources to cover our losses but was also charging us interest on the amount we were in essence "borrowing." They were keeping us afloat for awhile, but we had no assurance that it would continue forever.

As you can imagine we were trying to figure out any number of ways to keep our doors open because Dickinson is the largest hospital in the Southwest region and especially because of the emergency services. We cut costs where we could find them. We closed the cancer center. We closed the mental health unit. We laid off employees. We downsized wherever we could and we were still not in the black.

During this time with the help of a new CEO we came to realize that we really should be a Critical Access Hospital (CAH). A CAH has a different reimbursement rate that would be beneficial to our hospital. Our acute care bed counts were at that level and had been since sometime in the 90's. Unfortunately, we realized this after the Centers for Medicare and Medicaid Services (CMS) had closed the window on any hospital applying for the designation. To its credit, the board at Richardton's facility opted to apply and became a CAH.

In the Federal legislation there is a clause that after the window closed no facility may apply for the CAH designation if it is within 35 miles of another CAH facility. Richardton and Dickinson are roughly 25 miles apart. It became clear that we would need a congressional act to change this.

We worked with Senators Conrad and Dorgan and Representative Pomeroy to get an exception - without any success. They then worked with CMS Administrator Kerry Weems to try to find a solution. At one point we had our congressional delegation, administrator Weems and others from his office and members from our board and community in Dickinson to discuss options. We were in discussions with the Richardton board. We had the assistance of Governor Hoeven and Carol Olson, Director of the State Department of Human Services, in our search to find a resolution.

So where do we stand? To date, the CMS has reopened a pilot project for rural hospitals. Our hospital applied and was granted some funding assistance for 2 years while we strive to get the CAH designation.

Our Congressional Delegation has found a way to get some federal dollars to the Richardton hospital through legislation at the federal level.

Blue Cross/ Blue Shield of North Dakota helped with some increases in reimbursement rates for 3 hospitals of similar size to us in North Dakota.

And this bill is part of the solution. With the help of the Governor's office and the Department of Human Services we are trying to get some assistance to Richardton for its transition to a nursing home facility. When it makes that transition it will relinquish the CAH designation and the Dickinson hospital could apply for it. We have already had assurances from the CMS that they would expedite that process.

It's a domino affect. The Congressional Delegation, the CMS, the Governor, the Department of Human Services, Blue Cross/Blue Shield, and the Richardton hospital are all working to help Richardton redefine its mission so that the hospital in Dickinson can obtain CAH designation and remain a viable operation.

So fellow legislators, this is a really important bill for accessible health care in southwestern North Dakota. With our increase in oil and related activity we need to keep a hospital with emergency room services (and obstetrics) open.

Thank you and I'll respond to your questions.

#3

**Testimony**
**House Bill 1433 – Department of Human Services**
**House Human Services Committee**
**Representative Robin Weisz, Chairman**
**January 26, 2009**

Chairman Weisz, members of the Human Services Committee, I am Maggie Anderson, Director of the Medical Services Division for the Department of Human Services. I am here today to provide information regarding the fiscal note for House Bill 1433.

I represented the Department of Human Services on the Health Care Task Force that met throughout the summer of 2008. The purpose of the Task Force was to find a solution that would result in Richardton Memorial Hospital (RMH) releasing its designation as a Critical Access Hospital, which is necessary in order for Dickinson St. Joe's to acquire the designation.

RMH cited the current payment limits on nursing facility services as a barrier in transitioning to a skilled nursing facility. The Department offered the idea of a Medicaid supplemental payment. The supplemental payment was included as a dependency in the memorandum of understanding that was signed between Catholic Health Initiatives (the owner of Dickinson St. Joe's) and RMH. The Medicaid regulations allow supplemental payments, up to the Medicare upper payment limit.

The fiscal note for HB 1433 consists of two components.

(1) The first component is for the estimated costs related to paying the supplemental payment. Medicaid cannot single out a specific provider for this type of payment; however, Medicaid can provide a supplemental payment for specific types of providers of a certain size. The supplemental payment proposed in

HB 1433 is only for licensed nursing facilities that are **non-State government owned** and have fewer than 31 beds. Non-State government owned means city or county owned and the Department is only aware of RMH being interested in meeting this requirement. Therefore, the fiscal note for HB 1433 is solely for RMH. The Medicaid supplemental payment would only be for the Medicaid-eligible individuals in the Richardton nursing home. The supplemental payment would be exempt from the "equalized rate" provisions that govern the regular nursing facility rate setting process. The estimated cost of the supplemental payment for 2009-2011 is $337,114, of which $124,665 are other (**city**) funds and $212,449 are federal funds. There are no general funds being used to support the supplemental payment.

(2) The second component of the fiscal note is to cover the estimated cost of RMH transitioning to a skilled nursing home. Currently RMH is primarily providing swing-bed services. The average cost of swing-bed services for 2009-2011 is $164.51 per day and the estimated daily nursing facility rate for RMH is $172.12. The total impact of this component is $77,774, of which $28,761 are general funds, and $49,013 are federal funds.

In order to implement the supplemental payment, the Department would need to secure approval from the Centers for Medicare and Medicaid Services (CMS). The CMS Regional Administrator also participated on the Health Care Task Force and his office has been helpful during the development of the supplemental payment estimates.

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

#4

# HB 1433

**Testimony of Jim Opdahl**
**Richardton Health Center, Richardton, ND**

Chairman Weisz and members of the ND House Human Services Committee, my name is Jim Opdahl. I currently serve as administrator for Richardton Health Center, Richardton, and Jacobson Memorial Hospital Care Center, Elgin, ND. I am here to testify in support of HB 1433.

HB 1433 provides a special care rate for government-owned nursing homes with less than 31 beds to partially offset lost reimbursement due to the facility being over one or more of the cost limits under the current nursing home payment system. Under the current payment system smaller sized facilities are more at risk of being over the limits. It's my understanding that the special rate is calculated by taking the lesser of the nursing home's allowable rate or the standard rate for ND nursing homes, subtracting this amount from the nursing home's calculated rate (no limits), and then multiplying this difference by the total number of Medicaid resident days for the facility. Local dollars contributed by the government entity are matched with federal dollars to provide the funding. No state dollars are involved. The formula is consistent with the percentage of state dollars matched by federal dollars to fund the various Medicaid programs.

The Bill was conceptualized and developed by the ND Department of Human Services and represents one of several initiatives that came about due to the efforts of a special Hospital Taskforce organized by Senator Kent Conrad to find a solution to address the critical financial issues facing Richardton Health Center and St. Joseph's Hospital and Health Center in Dickinson. These initiatives were developed and are being actively pursued to successfully transition Richardton Health Center from a Critical Access Hospital to a 20-bed Skilled Nursing Facility on or around May 1, 2009. Upon becoming a Skilled Nursing Facility, St. Joseph's Hospital will be able to apply for and obtain the Critical Access Hospital designation.

The Hospital Taskforce consisted of representatives from the ND Congressional Delegation, ND Governor's Office, ND Department of Health, ND Department of Human Services, Center for Medicare and Medicaid Services, Mayors from Dickinson and Richardton communities, Stark County Commission, Stark County Development, Catholic Health Initiatives, St. Joseph Hospital board and administration, Richardton Health Center board and administration, and others. The Hospital Taskforce was chaired by Dr. Terry Dwelle, ND State Health Officer. Other major initiatives of the Hospital Taskforce include:

1. Health Resources Services Administration (HRSA) Grant. The Congressional Delegation was successful in passing federal legislation to provide up to $1,000,000 grant to small at risk Critical Access Hospitals to transition to Skilled Nursing or Assisted Living Facilities. Richardton Health Center was approved for a $991,700 HRSA Grant in September 2008. Funds are being used to purchase 20 licensed beds (goal accomplished); alteration and renovation project to meet Skilled Nursing Facility physical plant, life safety and ADA requirements (set to begin with ND Department of Health approval); upgrade resident care and other equipment (in process); and acquire financial, legal, management, and other resources for the transition (in process).

2. St. Joseph's Hospital Grant and Loan Forgiveness. $500,000 grant to the recently created Richardton Healthcare Foundation for planning and development of new services; includes 5% local match for the HRSA Grant plus forgiveness of debt owed by Richardton Health Center. Approximately $50,000 will be made available for the HRSA Grant local match; with $450,000 becoming available to the Foundation upon St. Joseph's Hospital acquiring the Critical Access Hospital designation.

3. ND Department of Commerce. Provide up to $200,000 to address ADA issues within the current Richardton Health Center facility; or the forgiveness of $150,000 working capital loan. The ND Department of Commerce is currently reviewing the City of Richardton's request to forgive the $150,000 loan.

4. Pending Federal Legislation. Pending legislation to provide a sum between $250,000 to $850,000 to be used for construction and related purposes.

5. Agreement by ND Governor's Office, ND Department of Health, Centers for Medicare and Medicaid Services and others to do what they can to prioritize and facilitate the licensure and certification processes for Skilled Nursing and Critical Access Hospital conversion for both organizations.

6. Memorandum of Agreement. An agreement entered into by Richardton Health Center and St. Joseph's Hospital agreeing to the initiatives set forth by the Hospital Taskforce and Richardton Health Centers agreement to terminate Critical Access Hospital designation.

It's important to understand that the primary issues involve the Critical Access Hospital designation, as well as the important social and economic roles played by these two organizations throughout the greater Dickinson and Richardton communities. By becoming a Critical Access Hospital, St. Joseph's Hospital will be able to receive cost-based reimbursement from the Medicare program to address the serious inadequacies of the present Medicare Prospective Payment System. This is a major initiative being pursued by St. Joseph's Hospital to turn their difficult financial situation around. For Richardton Health Center we recognize that we cannot financially sustain ourselves continuing as a Critical Access Hospital. We see transitioning to a Skilled Nursing Facility as our best option to maintain, strengthen and grow the health care continuum for the greater Richardton community. Current federal law doesn't allow a Critical Access Hospital to be within a 35-mile distance from another Critical Access or Acute Care Hospital. Since Richardton is only a 25-mile distance St. Joseph's cannot become a Critical Access Hospital unless Richardton Health Center terminates its Critical Access Hospital designation.

The passage of HB 1433 is critical for Richardton Health Center to successfully transition to a 20-bed Skilled Nursing Facility. Additionally, it will serve as an important financial option for other rural nursing homes and communities who are experiencing declining occupancies and being affected by the cost limitations with the current nursing home payment system. Richardton Health Center estimates that it will exceed the indirect cost limits and possibly the direct cost limits by a combined total of $120,000. Richardton Health Center would find it difficult if not impossible to financially sustain the operation of the Skilled Nursing Facility. To benefit from this special care rate, the City of Richardton would become the owner of the nursing home and enter into a management and operating agreement with Richardton Health Center. A 1.5% city sales tax is currently in place and generating approximately $40,000 annually. These dollars would be used for local funds to be matched by federal funds with a total special care rate of approximately $79,000 and total benefit (remaining sales tax dollars added) of $94,000.

Addressing the critical issues facing St. Joseph's Hospital and Richardton Health Center has required a true "working partnership" involving our respective communities, health care organizations, all levels of government and many others. Much has been accomplished and much more needs to be done to achieve a successful transition and position both organizations for the future. I am hopeful that HB 1433 will be passed and signed into law with an emergency clause to be effective when the Richardton Health Center becomes licensed and certified as a Skilled Nursing Facility.

Thank you so very much for this opportunity. Jim Opdahl

#5

# Testimony on HB 1433
# House Human Services Committee
# January 26, 2009

Good Morning Chairman Weisz and members of the House Human Services Committee. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. I am here this morning on behalf of our skilled nursing facility members. I wish to express concern regarding HB 1433, as it is proposing to help a few selected facilities. The purpose of HB 1433 is to infuse some extra revenue into a very narrow group of nursing facilities.

Today, we have well over one-third of nursing facilities experiencing a limit problem. If you are going to create a solution for one, please consider helping everyone.

The new rates that nursing facilities received this month have just been rebased and still facilities are spending $3.7 million over limits. To best understand our payment and limit issues I would like to walk you through a series of handouts:

1. Nursing Facility Payment System
2. January 1, 2009 Rates and Limits
3. January 1, 2009 Lost Reimbursement
4. How Limits are Established – Based Upon June 30, 2006 Cost Report
5. 2009 Rates Ranked
6. Why Costs Vary Between Nursing Facilities

In conclusion as you consider helping a new nursing facility that is hoping to open in April of 2009, please don't address the financial viability of one without addressing the limit issues affecting over one-third of the facilities in North Dakota. Is HB 1433, a fair and equitable public policy for all nursing facilities in North Dakota?

Thank you for considering our concerns as you evaluate HB 1433. I would be happy to answer any questions you may have.

Shelly Peterson, President
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# NURSING FACILITY PAYMENT SYSTEM

## MINIMUM DATA SET FOR PAYMENT

The state adopted the Minimum Data Set (MDS) for its payment system on January 1, 1999. The MDS provides a wide array of information regarding the health status of each resident. The payment system has thirty-four rates. Each resident is evaluated at least quarterly and the intensity of their needs determines their rate classification.

## EQUALIZATION OF RATES

The legislature implemented equalization of rates between Medicaid residents and self pay residents for nursing facilities in 1990. Equalization of rates requires all residents be charged the same rate for comparable services. Minnesota and North Dakota are the only states in the nation with equalization of rates. Nursing facilities are the only providers/private business subjected to an equalization rate system in the State of North Dakota.

## RATE CALCULATIONS

The determination of rates is the sum of **four components**: direct care, other direct care, indirect care and property. Today's rates and limits are calculated based on the **June 30, 2006 cost report** and inflated each year. The 2007 legislature directed that rates and limits would be increased by 4% in 2008 and 5% in 2009.

Limits (the maximum that will be paid) are set for all rate components by utilizing the **2006** cost report of all Medicaid nursing facilities, arraying the facilities from least expensive to most expensive, selecting the facility at mid-point (median facility) and then adding either 10% or 20% to the cost of that median facility. The **direct care** and **other direct care** limit is established by adding **20%** to the cost of that median facility. The **indirect care** limit is established by adding **10%** to the cost of that median facility.

**Direct Care Rate.** Costs in the Direct Care Category include: nursing and therapy salaries and benefits, OTC drugs, minor medical equipment and medical supplies. On January 1, 2009 the direct care limit was set at $109.23 per day. Eight nursing facilities currently exceed this limit. The eight nursing facilities over the limit are spending at least $1,022,621 in nursing that will never be recouped.

**Other Direct Care.** Costs in the Other Direct Care Category include: food, laundry, social service salaries, activity salaries and supplies. On January 1, 2009 the other direct care limit was set at $20.70 per day. Seven nursing facilities currently exceed this limit. The seven nursing facilities exceeding the limit are spending at least $103,772 in costs that will never be recouped.

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**Indirect Care.** Costs in the Indirect Care Category include: Administration, pharmacy, chaplin, housekeeping salaries, dietary salaries, housekeeping and dietary supplies, medical records, insurance, and plant operations. On January 1, 2009 the indirect limit was set at $52.28 per day. Twenty-five nursing facilities currently exceed this limit. The twenty-five nursing facilities exceeding the limit are spending at least $2,021,461 in indirect care expenses. These costs will never be recouped.

**Property** rate includes depreciation, interest expense, property taxes, lease and rental costs, start-up costs and reasonable and allowable legal expenses. The property limit was rebased with the July 1, 2007 rates. The average property rate is $11.58 per resident per day, with a range of $2.00 to $54.18.

**Occupancy Limitation** – In the June 30, 2008 cost reporting period, fourteen rural nursing facilities reported twelve month occupancy averages at less than 90%. Together they incur $575,060 in penalty costs because they operate under 90% occupancy.

**Incentives** - A reward is provided to nursing facilities who are under the limits in indirect care. The incentive is calculated for each facility based upon their indirect costs compared to indirect limits. Facilities are able to receive .70 cents for every dollar they are below limits up to a maximum of $2.60 per resident day. In 2009, 44 nursing facilities received an incentive, with the average per day incentive at $1.94. Of the 44 nursing facilities receiving an incentive, they ranged from $0.20 to $2.60 per resident per day. Thirty-five nursing facilities are not eligible for the incentive.

**Operating Margin** - All nursing facilities receive an operating margin of three percent based on their historical direct care costs and other direct care costs (up to limits). The operating margin provides needed cash flow to cover up front salary adjustments, replacement of needed equipment, unforeseen expenses, and dollars to implement ever increasing regulations. The operating margin covers the gap between the cost report and the effective date of rates (this can be up to 18 months). In 2009, the average operating margin is $3.12 per resident per day.

**Inflation** - Rates are adjusted for inflation annually. Inflation is a rise in price levels, generally price levels long term care facilities can not control. Examples of price level increases include the 9.7% increase in health insurance and significant increases in fuel. To attract and retain adequate staff nursing facilities need to offer salary and benefit packages that reward people. Approximately 75% of a nursing facility's budget is dedicated to personnel costs. Adequate inflation adjustments are critical for salary and benefits so nursing facilities can compete in the market place. Turnover of certified nurse assistants, the largest pool of employees was 66% in 2000. In 2003, CNA turnover was at 35%. Today CNA turnover is reported at 51%. We need to offer competitive wages or turnover will continue on an upward path.

Annual inflationary adjustments are set every legislative session.

**Rebasing** – A limit is establish on the maximum that will be paid in each cost category. The 2005 legislature enacted legislation requiring that rates be rebased and updated at least every four years. The 2009 limits are based upon the June 30, 2006 cost report and was inflated forward to 2009. The next time limits will be rebased is January 1, 2013 using the June 30, 2010 cost report.

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[redacted] out #2

BASED ON RATES [redacted] BEGINNING JANUARY 1, 2009

| | Provider Name | Provider No. | City | Census | 90% | Licensed Beds | ACTUAL Direct | ACTUAL Other Direct | ACTUAL Indirect | Case-Mix Direct Rate | Other Direct Rate | Indirect Rate | Property Rate | Incentive | Operating Margin | Total Rate | $109.23 DIRECT | $20.70 OTHER DIRECT | $52.28 IN-DIRECT | # of LIMITS | ONE LIMIT | TWO LIMITS | THREE LIMITS | DIFFERENCE Direct | DIFFERENCE Other Direct | DIFFERENCE Indirect |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Kenmare Community Hospital | 30459 | Kenmare | 4,224 | 3,953 | 12 | $115.13 | $26.73 | $87.60 | 109.23 | 20.70 | 52.28 | 12.25 | - | 8.60 | 198.06 | | 1 | 1 | 3 | | | 1 | $5.90 | $6.03 | $35.32 |
| | North Dakota Veterans Home | 30293 | Lisbon | 13,687 | 12,517 | 138 | $138.68 | $23.06 | $74.60 | 109.23 | 20.70 | 52.28 | 9.76 | - | 3.40 | 195.37 | | 1 | 1 | 3 | | | 1 | $29.45 | $2.36 | $22.32 |
| | Ashley Medical Center | 30188 | Ashley | 13,718 | 14,494 | 44 | $85.66 | $23.17 | $56.00 | 85.66 | 20.70 | 52.28 | 5.94 | - | 2.77 | 167.35 | | 1 | 1 | 2 | | 1 | | | $2.47 | $3.72 |
| | Tri County Health Center | 30018 | Hatton | 14,573 | 13,835 | 42 | $94.27 | $21.20 | $74.49 | 94.27 | 20.70 | 52.28 | 16.74 | - | 3.27 | 187.26 | | 1 | 1 | 2 | | 1 | | | $0.50 | $22.21 |
| | Southwest Healthcare Services | 30403 | Bowman | 21,726 | 20,093 | 61 | $113.16 | $17.19 | $57.27 | 109.23 | 17.19 | 52.28 | 16.89 | - | 3.42 | 199.01 | 1 | | 1 | 2 | | 1 | | $3.93 | | $4.99 |
| | Wedgewood Manor | 30194 | Cavalier | 18,840 | 19,764 | 60 | $93.37 | $20.80 | $58.06 | 93.37 | 20.70 | 52.28 | 8.38 | - | 3.33 | 178.06 | | 1 | 1 | 2 | | 1 | | | $0.10 | $5.78 |
| | Northwood Deaconess Health Center | 30031 | Northwood | 21,495 | 20,093 | 61 | $103.25 | $20.78 | $56.06 | 103.25 | 20.70 | 52.28 | 17.13 | - | 3.51 | 196.87 | | 1 | 1 | 2 | | 1 | | | $0.08 | $3.78 |
| | Westhope Home for the Aged | 30037 | Westhope | 8,591 | 8,235 | 25 | $97.33 | $20.85 | $64.31 | 97.33 | 20.70 | 52.28 | 10.85 | - | 3.22 | 184.38 | | 1 | 1 | 2 | | 1 | | | $0.15 | $12.03 |
| | Hillsboro Medical Center | 30019 | Hillsboro | 12,014 | 11,858 | 36 | $113.22 | $19.69 | $55.84 | 109.23 | 19.69 | 52.28 | 54.18 | - | 3.23 | 238.61 | 1 | | 1 | 2 | | 1 | | $3.99 | | $3.56 |
| | Missouri Slope Lutheran Care Center, Inc. | 30004 | Bismarck | 91,236 | 82,350 | 250 | $110.07 | $19.92 | $50.41 | 109.23 | 19.92 | 50.41 | 10.52 | 0.20 | 3.67 | 193.95 | 1 | | | 1 | 1 | | | $0.84 | | |
| | Towner County Medical Center | 30379 | Cando | 15,685 | 14,823 | 45 | $70.91 | $19.60 | $57.95 | 70.91 | 19.60 | 52.28 | 23.06 | - | 2.83 | 168.68 | | | 1 | 1 | 1 | | | | | $5.67 |
| | Heartland Care Center | 30010 | Devils Lake | 29,698 | 26,987 | 88 | $113.91 | $19.13 | $51.54 | 109.23 | 19.13 | 51.54 | 7.58 | - | 3.87 | 191.35 | 1 | | | 1 | 1 | | | $4.68 | | |
| | Jacobson Memorial Hospital Care Center | 30077 | Elgin | 8,625 | 8,235 | 25 | $82.98 | $17.19 | $64.32 | 82.98 | 17.19 | 52.28 | 7.87 | - | 2.95 | 163.27 | | | 1 | 1 | 1 | | | | | $12.04 |
| | Garrison Memorial Hospital Nursing Home | 30134 | Garrison | 10,166 | 9,223 | 28 | $101.71 | $14.57 | $53.91 | 101.71 | 14.57 | 52.28 | 13.46 | - | 3.05 | 185.07 | | | 1 | 1 | 1 | | | | | $1.63 |
| | Aneta Parkview Health Center | 30322 | Aneta | 12,895 | 12,847 | 39 | $92.64 | $16.27 | $54.10 | 92.64 | 16.27 | 52.28 | 10.42 | - | 2.91 | 174.52 | | | 1 | 1 | 1 | | | | | $1.82 |
| | Arthur Good Samaritan Center | 30058 | Arthur | 16,215 | 15,482 | 47 | $82.35 | $14.83 | $54.32 | 82.35 | 14.83 | 52.28 | 10.39 | - | 2.84 | 162.69 | | | 1 | 1 | 1 | | | | | $2.04 |
| | Baptist Home | 30003 | Bismarck | 50,680 | 46,445 | 141 | $110.51 | $19.50 | $44.95 | 109.23 | 19.50 | 44.95 | 3.91 | 2.60 | 3.61 | 183.80 | 1 | | | 1 | 1 | | | $1.28 | | |
| | Crosby Good Samaritan Center | 30122 | Crosby | 15,125 | 13,835 | 42 | $81.53 | $14.74 | $57.20 | 81.53 | 14.74 | 52.28 | 7.90 | - | 2.73 | 159.18 | | | 1 | 1 | 1 | | | | | $4.92 |
| | Dunseith Community Nursing Home | 30052 | Dunseith | 11,629 | 11,529 | 35 | $75.90 | $19.06 | $57.80 | 75.90 | 19.06 | 52.28 | 4.78 | - | 2.64 | 154.66 | | | 1 | 1 | 1 | | | | | $5.52 |
| | Hi-Acres Manor Nursing Center | 30021 | Jamestown | 47,606 | 46,775 | 142 | $113.65 | $17.78 | $46.47 | 109.23 | 17.78 | 46.47 | 11.38 | 2.60 | 3.60 | 191.06 | 1 | | | 1 | 1 | | | $4.42 | | |
| | Osnabrock Good Samaritan Center | 30117 | Osnabrock | 7,466 | 7,906 | 24 | $72.90 | $15.97 | $55.40 | 72.90 | 15.97 | 52.28 | 7.58 | - | 2.74 | 151.47 | | | | 1 | 1 | | | | | $3.12 |
| | Rock View Good Samaritan Center | 30155 | Parshall | 12,376 | 12,517 | 38 | $94.78 | $18.40 | $61.67 | 94.78 | 18.40 | 52.28 | 10.59 | - | 3.27 | 179.32 | | | | 1 | 1 | | | | | $9.39 |
| | Mountrail Bethel Home | 30032 | Stanley | 19,901 | 18,776 | 57 | $102.83 | $17.63 | $54.03 | 102.83 | 17.63 | 52.28 | 7.99 | - | 3.28 | 184.01 | | | | 1 | 1 | | | | | $1.75 |
| | McKenzie County Healthcare System | 30449 | Watford City | 16,982 | 15,482 | 47 | $105.70 | $18.21 | $54.11 | 105.70 | 18.21 | 52.28 | 4.29 | - | 3.34 | 183.82 | | | | 1 | 1 | | | | | $1.83 |
| | Manorcare of Fargo ND, LLC | 30478 | Fargo | 37,666 | 35,905 | 109 | $84.58 | $15.04 | $52.41 | 84.58 | 15.04 | 52.28 | 10.22 | - | 3.47 | 165.59 | | | | 1 | 1 | | | | | $0.13 |
| | Knife River Care Center | 30002 | Beulah | 30,834 | 28,328 | 86 | $98.00 | $19.13 | $52.80 | 98.00 | 19.13 | 52.28 | 37.93 | - | 3.40 | 210.74 | | | | 1 | 1 | | | | | $0.52 |
| | Heart of America Medical Center | 30135 | Rugby | 28,347 | 26,352 | 80 | $105.75 | $20.23 | $53.30 | 105.75 | 20.23 | 52.28 | 10.37 | - | 3.69 | 192.32 | | | | 1 | 1 | | | | | $1.02 |
| | Parkside Lutheran Home | 30109 | Lisbon | 14,311 | 13,176 | 40 | $86.07 | $16.48 | $56.78 | 86.07 | 16.48 | 52.28 | 7.92 | - | 2.81 | 165.56 | | | | 1 | 1 | | | | | $4.50 |
| | Hill Top Home of Comfort, Inc. | 30271 | Killdeer | 16,011 | 16,470 | 50 | $98.79 | $19.98 | $53.73 | 98.79 | 19.98 | 52.28 | 13.70 | - | 3.66 | 188.41 | | | | 1 | 1 | | | | | $1.45 |
| | Presentation Medical Center | 30466 | Rolette | 11,341 | 15,152 | 46 | $76.71 | $18.93 | $47.01 | 76.71 | 18.93 | 47.01 | 4.15 | 2.46 | 3.05 | 152.31 | | | | | | | | | | |
| | St. Rose Care Center | 30119 | LaMoure | 13,486 | 14,494 | 44 | $78.04 | $15.35 | $50.93 | 78.04 | 15.35 | 50.93 | 10.67 | - | 2.89 | 157.88 | | | | | | | | | | |
| | Bethel Lutheran Home | 30038 | Williston | 56,342 | 57,316 | 174 | $94.05 | $19.28 | $43.78 | 94.05 | 19.28 | 43.78 | 11.09 | 2.60 | 3.10 | 173.90 | | | | | | | | | | |
| | Four Seasons Health Care Center, Inc. | 30406 | Forman | 9,964 | 10,541 | 32 | $61.68 | $14.79 | $43.87 | 61.68 | 14.79 | 43.87 | 11.81 | 2.60 | 2.30 | 137.05 | | | | | | | | | | |
| | Prince of Peace Care Center | 30012 | Ellendale | 17,778 | 18,117 | 55 | $67.89 | $11.71 | $51.29 | 67.89 | 11.71 | 51.29 | 13.12 | - | 2.45 | 146.47 | | | | | | | | | | |
| | Pembilier Nursing Center | 30035 | Walhalla | 11,832 | 12,188 | 37 | $80.50 | $12.19 | $46.52 | 80.50 | 12.19 | 46.52 | 2.82 | 2.60 | 2.49 | 147.12 | | | | | | | | | | |
| | Souris Valley Care Center | 30216 | Velva | 16,242 | 16,470 | 50 | $79.51 | $16.85 | $51.35 | 79.51 | 16.85 | 51.35 | 8.27 | - | 2.83 | 158.81 | | | | | | | | | | |
| | Mott Good Samaritan Nursing Center | 30142 | Mott | 16,781 | 16,799 | 51 | $75.77 | $16.48 | $46.09 | 75.77 | 16.48 | 46.09 | 5.79 | 2.60 | 2.57 | 149.30 | | | | | | | | | | |
| | Maple Manor Care Center | 30083 | Langdon | 20,747 | 20,752 | 63 | $81.16 | $15.93 | $42.16 | 81.16 | 15.93 | 42.16 | 5.83 | 2.60 | 2.72 | 150.40 | | | | | | | | | | |
| | Medcenter One St. Vincent's Care Center | 30005 | Bismarck | 36,837 | 33,269 | 101 | $101.26 | $15.93 | $42.86 | 101.26 | 15.93 | 42.86 | 11.67 | 2.60 | 3.65 | 177.97 | | | | | | | | | | |
| | Golden Acres Manor Nursing Home | 30008 | Carrington | 21,368 | 19,764 | 60 | $86.43 | $17.64 | $42.55 | 86.43 | 17.64 | 42.55 | 12.45 | 2.60 | 2.87 | 164.54 | | | | | | | | | | |
| | Cooperstown Medical Center | 30095 | Cooperstown | 16,680 | 15,811 | 48 | $100.74 | $16.71 | $48.12 | 100.74 | 16.71 | 48.12 | 16.82 | 1.73 | 3.19 | 187.31 | | | | | | | | | | |
| | Marian Manor Healthcare Center | 30067 | Glen Ullin | 31,401 | 28,328 | 86 | $96.52 | $15.82 | $37.72 | 96.52 | 15.82 | 37.72 | 5.51 | 2.60 | 3.10 | 161.27 | | | | | | | | | | |
| | St. Gerard's Community Nursing Home | 30163 | Hankinson | 13,154 | 12,188 | 37 | $83.48 | $18.79 | $50.09 | 83.48 | 18.79 | 50.09 | 3.21 | 0.41 | 2.75 | 158.73 | | | | | | | | | | |
| | Western Horizons Living Center | 30477 | Hettinger | 17,469 | 16,963 | 62 | $97.52 | $13.62 | $52.10 | 97.52 | 13.62 | 52.10 | 12.36 | - | 3.16 | 178.76 | | | | | | | | | | |
| | Nelson County Health System Care Center | 30384 | Mcville | 14,025 | 12,812 | 39 | $78.61 | $20.63 | $49.69 | 78.61 | 20.63 | 49.69 | 16.34 | 0.67 | 2.77 | 168.71 | | | | | | | | | | |
| | Trinity Home | 30028 | Minot | 99,830 | 96,185 | 292 | $107.21 | $17.49 | $49.47 | 107.21 | 17.49 | 49.47 | 11.78 | 0.82 | 3.63 | 190.40 | | | | | | | | | | |
| | Medcenter One Golden Manor | 30106 | Steele | 17,364 | 16,470 | 50 | $97.62 | $18.05 | $47.12 | 97.62 | 18.05 | 47.12 | 6.57 | 2.39 | 3.29 | 175.04 | | | | | | | | | | |
| | Strasburg Care Center | 30033 | Strasburg | 21,239 | 19,764 | 60 | $100.59 | $18.79 | $38.53 | 100.59 | 18.79 | 38.53 | 2.00 | 2.60 | 2.97 | 165.48 | | | | | | | | | | |
| | Tioga Medical Center | 30176 | Tioga | 10,629 | 9,882 | 30 | $83.60 | $19.34 | $48.23 | 83.60 | 19.34 | 48.23 | 9.18 | 1.65 | 2.94 | 164.94 | | | | | | | | | | |
| | Prairieview Home-Medcenter One | 30053 | Underwood | 21,849 | 19,764 | 60 | $89.35 | $17.92 | $41.93 | 89.35 | 17.92 | 41.93 | 3.58 | 2.60 | 2.92 | 158.30 | | | | | | | | | | |
| | Wishek Home for the Aged | 30039 | Wishek | 26,200 | 24,376 | 74 | $97.38 | $18.85 | $49.62 | 97.38 | 18.85 | 49.62 | 3.22 | 0.72 | 3.19 | 172.98 | | | | | | | | | | |
| | Bottineau Good Samaritan Center | 30118 | Bottineau | 27,142 | 26,681 | 81 | $100.47 | $17.89 | $51.10 | 100.47 | 17.89 | 51.10 | 9.76 | - | 3.28 | 182.50 | | | | | | | | | | |
| | Devils Lake Good Samaritan Center | 30115 | Devils Lake | 22,303 | 21,740 | 66 | $95.52 | $14.76 | $47.08 | 95.52 | 14.76 | 47.08 | 6.67 | 2.42 | 3.27 | 169.72 | | | | | | | | | | |
| | St. Benedict's Health Center | 30237 | Dickinson | 58,384 | 54,022 | 164 | $83.45 | $19.06 | $42.05 | 83.45 | 19.06 | 42.05 | 9.44 | 2.60 | 3.06 | 159.66 | | | | | | | | | | |
| | St. Luke's Home | 30011 | Dickinson | 30,358 | 27,670 | 84 | $98.11 | $19.66 | $47.92 | 98.11 | 19.66 | 47.92 | 5.11 | 1.86 | 3.45 | 176.11 | | | | | | | | | | |
| | Maryhill Manor | 30108 | Enderlin | 19,018 | 17,788 | 54 | $93.55 | $15.73 | $49.91 | 93.55 | 15.73 | 49.91 | 9.37 | 0.53 | 2.90 | 171.99 | | | | | | | | | | |
| | Bethany Home | 30060 | Fargo | 69,584 | 63,245 | 192 | $101.27 | $20.39 | $50.08 | 101.27 | 20.39 | 50.08 | 8.70 | 0.42 | 3.52 | 184.38 | | | | | | | | | | |
| | Elim Home | 30051 | Fargo | 47,846 | 44,798 | 136 | $90.80 | $18.52 | $46.67 | 90.80 | 18.52 | 46.67 | 5.82 | 2.60 | 3.44 | 167.85 | | | | | | | | | | |
| | Rosewood on Broadway | 30015 | Fargo | 40,053 | 36,563 | 111 | $95.04 | $18.81 | $49.35 | 95.04 | 18.81 | 49.35 | 22.29 | 0.90 | 3.62 | 190.01 | | | | | | | | | | |

Purple: Exceeds 3 Limits
Yellow: Exceeds 2 Limits
Blue: Exceeds 1 Limit
*/Pink: Occupancy Limitation

Handout #2

BASED ON RATES SET BEGINNING JANUARY 1, 2009

| Provider Name | Provider No. | City | Census | 90% | Licensed Beds | ACTUAL Direct | ACTUAL Other Direct | ACTUAL Indirect | Case-Mix Direct Rate | Other Direct Rate | Indirect Rate | Property Rate | Incentive | Operating Margin | Total Rate | $109.23 DIRECT | $20.70 OTHER DIRECT | $52.28 IN-DIRECT | # of LIMITS | ONE LIMIT | TWO LIMITS | THREE LIMITS | DIFFERENCE Direct | DIFFERENCE Other Direct | DIFFERENCE Indirect |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Villa Maria Healthcare | 30086 | Fargo | 45,501 | 45,457 | 138 | $92.11 | $18.57 | $52.20 | 92.11 | 18.57 | 52.20 | 28.74 | - | 3.28 | 194.90 | | | | | | | | | | |
| Benedictine Living Center of Garrison | 30247 | Garrison | 21,434 | 20,752 | 63 | $82.37 | $20.44 | $49.04 | 82.37 | 20.44 | 49.04 | 10.59 | 1.11 | 2.90 | 166.45 | | | | | | | | | | |
| Lutheran Sunset Home | 30016 | Grafton | 34,693 | 34,258 | 104 | $99.60 | $18.13 | $50.73 | 99.60 | 18.13 | 50.73 | 5.67 | - | 3.30 | 177.43 | | | | | | | | | | |
| Central Dakota Village | 30020 | Jamestown | 35,676 | 32,940 | 100 | $107.41 | $16.28 | $45.63 | 107.41 | 16.28 | 45.63 | 22.51 | 2.60 | 3.50 | 197.93 | | | | | | | | | | |
| Lakota Good Samaritan Nursing Home | 30097 | Lakota | 16,641 | 16,141 | 49 | $83.06 | $15.92 | $42.70 | 83.06 | 15.92 | 42.70 | 13.47 | 2.60 | 2.70 | 160.45 | | | | | | | | | | |
| Larimore Good Samaritan Center | 30113 | Larimore | 16,155 | 14,823 | 45 | $76.14 | $14.62 | $49.39 | 76.14 | 14.62 | 49.39 | 11.08 | 0.88 | 2.49 | 154.60 | | | | | | | | | | |
| Medcenter One Care Center | 30288 | Mandan | 43,449 | 39,528 | 120 | $97.95 | $16.21 | $40.86 | 97.95 | 16.21 | 40.86 | 38.62 | 2.60 | 3.47 | 199.71 | | | | | | | | | | |
| Luther Memorial Home | 30024 | Mayville | 33,781 | 32,611 | 99 | $100.56 | $16.37 | $51.89 | 100.56 | 16.37 | 51.89 | 7.81 | - | 3.22 | 179.85 | | | | | | | | | | |
| North Central Good Samaritan Center | 30173 | Mohall | 20,190 | 19,435 | 59 | $89.84 | $16.99 | $50.20 | 89.84 | 16.99 | 50.20 | 8.38 | 0.34 | 3.05 | 168.80 | | | | | | | | | | |
| Napoleon Care Center | 30114 | Napoleon | 14,888 | 14,494 | 44 | $87.05 | $15.00 | $51.55 | 87.05 | 15.00 | 51.55 | 9.17 | - | 2.68 | 165.45 | | | | | | | | | | |
| Lutheran Home of the Good Shepherd | 30029 | New Rockford | 27,917 | 26,352 | 80 | $97.29 | $17.08 | $45.36 | 97.29 | 17.08 | 45.36 | 6.51 | 2.60 | 3.28 | 172.12 | | | | | | | | | | |
| Elm Crest Manor | 30116 | New Salem | 22,350 | 20,423 | 62 | $91.83 | $16.78 | $45.00 | 91.83 | 16.78 | 45.00 | 7.60 | 2.60 | 3.03 | 166.84 | | | | | | | | | | |
| Oakes Manor Good Samaritan Center | 30124 | Oakes | 35,511 | 33,599 | 102 | $78.38 | $14.05 | $40.66 | 78.38 | 14.05 | 40.66 | 7.51 | 2.60 | 2.59 | 145.79 | | | | | | | | | | |
| Park River Good Samaritan Center | 30154 | Park River | 26,855 | 25,034 | 76 | $80.71 | $16.93 | $44.09 | 80.71 | 16.93 | 44.09 | 7.53 | 2.60 | 2.68 | 154.54 | | | | | | | | | | |
| Sheyenne Care Center | 30073 | Valley City | 61,409 | 50,728 | 154 | $95.15 | $16.12 | $39.65 | 95.15 | 16.12 | 39.65 | 13.58 | 2.60 | 2.90 | 170.00 | | | | | | | | | | |
| St. Catherine's Living Center | 30034 | Wahpeton | 35,746 | 34,258 | 104 | $74.36 | $15.29 | $48.80 | 74.36 | 15.29 | 48.80 | 14.08 | 1.27 | 2.60 | 156.40 | | | | | | | | | | |
| Manor Care of Minot ND, LLC | 30479 | Minot | 36,760 | 34,916 | 106 | $75.98 | $16.03 | $50.18 | 75.98 | 16.03 | 50.18 | 6.11 | 0.35 | 3.03 | 151.68 | | | | | | | | | | |
| St. Aloisius Medical Center | 30129 | Harvey | 37,019 | 34,916 | 106 | $91.49 | $16.27 | $48.10 | 91.49 | 16.27 | 48.10 | 6.24 | 1.74 | 2.92 | 166.76 | | | | | | | | | | |
| Valley Eldercare Center | 30017 | Grand Forks | 61,437 | 57,974 | 176 | $96.80 | $17.67 | $45.30 | 96.80 | 17.67 | 45.30 | 22.52 | 2.60 | 3.55 | 188.44 | | | | | | | | | | |
| Woodside Village | 30201 | Grand Forks | 42,603 | 38,869 | 118 | $101.89 | $18.08 | $43.53 | 101.89 | 18.08 | 43.53 | 27.58 | 2.60 | 3.54 | 197.22 | | | | | | | | | | |
| Dacotah Alpha | 30225 | Mandan | 4,360 | | 20 | $172.63 | $25.81 | $78.47 | | | | | | | - | | | | | | | | $172.63 | $25.81 | $78.47 |
| Sheyenne Care Center - Geropsych | 30423 | Valley City | 5,852 | | 16 | $144.31 | $16.12 | $39.65 | | | | | | | - | | | | | | | | $144.31 | $16.12 | $39.65 |
| Total | | | | | | | | | | | | | | | | 8 | 7 | 25 | 40 | 20 | 7 | 2 | | | |

BASED ON RATES SET BEGINNING JANUARY 1, 2009

| Provider Name | City | Case Mix Weight | Occupancy | Licensed Beds | Lost Reimbursement | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Direct | Other Direct | Indirect | Occupancy Limitation | Over Limits |
| North Dakota Veterans Home | Lisbon | 0.9187 | 98% | 38 | $370,358 | $32,365 | $305,532 | | $708,256 |
| Tri County Health Center | Hatton | 0.9948 | 95% | 42 | | $7,262 | $323,629 | | $330,892 |
| Hi-Acres Manor Nursing Center | Jamestown | 1.0082 | 92% | 142 | $212,031 | | | | $212,031 |
| Kenmare Community Hospital | Kenmare | 0.9830 | 96% | 12 | $24,480 | $25,468 | $149,172 | | $199,121 |
| Presentation Medical Center | Rolette | 1.1467 | 67% | 46 | | | | $194,991 | $194,991 |
| Southwest Healthcare Services | Bowman | 0.9567 | 97% | 61 | $81,589 | | $108,470 | | $190,060 |
| Wedgewood Manor | Cavalier | 1.0264 | 86% | 60 | | $1,869 | $108,970 | $61,397 | $172,237 |
| Heartland Care Center | Devils Lake | 1.0849 | 92% | 88 | $150,692 | | | | $150,692 |
| Ashley Medical Center | Ashley | 0.8884 | 85% | 44 | | $33,817 | $51,020 | $48,042 | $132,880 |
| Rock View Good Samaritan Center | Parshall | 1.0103 | 89% | 38 | | | $116,215 | $10,203 | $126,418 |
| Westhope Home for the Aged | Westhope | 0.9470 | 94% | 25 | | $1,284 | $103,323 | | $104,608 |
| Jacobson Memorial Hospital Care Center | Elgin | 1.0363 | 94% | 25 | | | $103,828 | | $103,828 |
| Towner County Medical Center | Cando | 1.1158 | 95% | 45 | | | $88,928 | | $88,928 |
| Hillsboro Medical Center | Hillsboro | 0.8718 | 91% | 36 | $41,787 | | $42,801 | | $84,589 |
| Missouri Slope Lutheran Care Center, Inc. | Bismarck | 1.0121 | 100% | 250 | $77,182 | | | | $77,182 |
| Northwood Deaconess Health Center | Northwood | 0.9886 | 96% | 61 | | $1,709 | $81,166 | | $82,876 |
| Crosby Good Samaritan Center | Crosby | 0.9933 | 98% | 42 | | | $74,444 | | $74,444 |
| Baptist Home | Bismarck | 0.9977 | 98% | 141 | $64,502 | | | | $64,502 |
| Parkside Lutheran Home | Lisbon | 0.9527 | 98% | 40 | | | $64,458 | | $64,458 |
| Dunseith Community Nursing Home | Dunseith | 0.9696 | 91% | 35 | | | $64,161 | | $64,161 |
| St. Rose Care Center | LaMoure | 1.0977 | 84% | 44 | | | | $62,067 | $62,067 |
| Hill Top Home of Comfort, Inc. | Killdeer | 1.0968 | 87% | 50 | | | $23,232 | $30,953 | $54,185 |
| Bethel Lutheran Home | Williston | 0.9480 | 88% | 174 | | | | $53,420 | $53,420 |
| Osnabrock Good Samaritan Center | Osnabrock | 1.0939 | 85% | 24 | | | $23,293 | $27,686 | $50,979 |
| Mountrail Bethel Home | Stanley | 0.9453 | 95% | 57 | | | $34,893 | | $34,893 |
| Arthur Good Samaritan Center | Arthur | 1.0312 | 94% | 47 | | | $33,124 | | $33,124 |
| Four Seasons Health Care Center, Inc. | Forman | 1.0672 | 85% | 32 | | | | $32,116 | $32,116 |
| McKenzie County Healthcare System | Watford City | 0.9335 | 99% | 47 | | | $31,044 | | $31,044 |
| Heart of America Medical Center | Rugby | 1.0291 | 97% | 80 | | | $28,803 | | $28,803 |
| Aneta Parkview Health Center | Aneta | 0.9211 | 90% | 39 | | | $23,432 | | $23,432 |
| Prince of Peace Care Center | Ellendale | 1.0969 | 88% | 55 | | | | $21,834 | $21,834 |
| Pembilier Nursing Center | Walhalla | 0.9307 | 87% | 37 | | | | $17,555 | $17,555 |
| Garrison Memorial Hospital Nursing Home | Garrison | 0.9034 | 99% | 28 | | | $16,551 | | $16,551 |
| Knife River Care Center | Beulah | 1.0178 | 98% | 86 | | | $16,143 | | $16,143 |
| Souris Valley Care Center | Velva | 1.0361 | 89% | 50 | | | | $13,593 | $13,593 |
| Manorcare of Fargo ND, LLC | Fargo | 1.2577 | 94% | 109 | | | $4,827 | | $4,827 |
| Mott Good Samaritan Nursing Center | Mott | 0.9704 | 90% | 51 | | | | $955 | $955 |
| Maple Manor Care Center | Langdon | 0.9754 | 90% | 63 | | | | $250 | $250 |
| Total | | | | 2,344 | $1,022,621 | $103,774 | $2,021,459 | $575,062 | $3,722,926 |

# Used to Rebase and Set Limits

Handout #4

## Based on June 30, 2006 Cost Report

| | Direct | | Other Direct | | Indirect |
|---|---|---|---|---|---|
| 1 Four Seasons Health Care Center | 62.09 | St. Rose Care Center | 11.08 | Strasburg Care Center | 33.06 |
| 2 Mott Good Samaritan Nursing Center | 64.31 | Prince of Peace Care Center | 11.11 | Hillcrest Care Center | 34.16 |
| 3 Prince of Peace Care Center | 64.55 | Hillcrest Care Center | 12.27 | Sheyenne Care Center | 35.68 |
| 4 Manorcare Health Services | 65.92 | Mott Good Samaritan Nursing Center | 12.73 | Medcenter One Care Center | 36.51 |
| 5 Nelson County Health System | 66.16 | Garrison Memorial Hospital | 12.73 | Marian Manor Health Care Center | 36.63 |
| 6 Souris Valley Care Center | 66.69 | Four Seasons Health Care Center | 12.80 | Garrison Memorial Hospital | 37.44 |
| 7 Park River Good Samaritan Center | 66.92 | Manorcare Health Services | 12.82 | Osnabrock Good Samaritan Center | 37.53 |
| 8 Towner County Medical Center | 69.94 | Pembilier Nursing Center | 12.86 | St. Benedict's Health Center | 37.96 |
| 9 Oakes Manor Good Samaritan Center | 70.19 | Oakes Manor Good Samaritan Center | 12.92 | Oakes Manor Good Samaritan Center | 38.18 |
| 10 Lakota Good Samaritan Nursing Home | 70.86 | Manorcare Health Services | 13.22 | Manorcare Health Services | 38.19 |
| 11 Manorcare Health Services | 71.24 | Napoleon Care Center | 13.23 | Medcenter One St. Vincent's Care Center | 38.31 |
| 12 Benedictine Living Center of Garrison | 71.61 | Parkside Lutheran Home | 13.60 | Bethel Lutheran Home | 38.52 |
| 13 Maple Manor Care Center | 71.85 | Lakota Good Samaritan Nursing Home | 14.05 | Heartland Care Center | 38.80 |
| 14 Osnabrock Good Samaritan Center | 72.77 | Cooperstown Medical Center | 14.08 | Woodside Village | 38.90 |
| 15 Dunseith Community Nursing Home | 72.90 | Crosby Good Samaritan Center | 14.14 | Baptist Home, Inc. | 39.17 |
| 16 Pembilier Nursing Center | 73.07 | Maple Manor Care Center | 14.15 | Maple Manor Care Center | 39.41 |
| 17 Golden Acres Manor | 73.80 | Maryhill Manor | 14.27 | Hi-Acres Manor Nursing Center | 39.52 |
| 18 St. Benedict's Health Center | 74.00 | St. Catherine's Living Center | 14.44 | Wishek Home for the Aged | 39.55 |
| 19 Arthur Good Samaritan Center | 74.87 | Southwest Healthcare Services | 14.51 | Rolette Community Care Center | 39.73 |
| 20 Napoleon Care Center | 75.17 | Towner County Medical Center | 14.55 | Elm Crest Manor | 40.00 |
| 21 Tri County Health Center | 75.21 | Larimore Good Samaritan Center | 14.67 | Villa Maria Health Care | 40.68 |
| 22 St. Catherine's Living Center | 75.41 | Aneta Parkview Health Center | 14.86 | Golden Acres Manor | 40.75 |
| 23 Parkside Lutheran Home | 75.44 | Luther Memorial Home | 14.93 | Pembilier Nursing Center | 40.78 |
| 24 Tioga Medical Center | 76.00 | Heartland Care Center | 14.93 | Manorcare Health Services | 41.01 |
| 25 McKenzie County Healthcare Systems | 76.30 | Lutheran Home of the Good Shepherd | 14.97 | Mott Good Samaritan Nursing Center | 41.03 |
| 26 Hillcrest Care Center | 76.34 | Medcenter One Care Center | 15.06 | Four Seasons Health Care Center | 41.14 |
| 27 Crosby Good Samaritan Center | 76.44 | Central Dakota Village | 15.18 | Prairieview Medcenter One | 41.36 |
| 28 North Central Good Samaritan Center | 76.46 | Sheyenne Care Center | 15.23 | Lutheran Home of the Good Shepherd | 41.49 |
| 29 Rock View Good Samaritan Center | 77.15 | St. Aloisius Medical Center | 15.36 | Luther Memorial Home | 41.78 |
| 30 Wedgewood Manor | 77.69 | Medcenter One St. Vincent's Care Center | 15.36 | Maryhill Manor | 41.83 |
| 31 St. Rose Care Center | 77.78 | Dunseith Community Nursing Home | 15.44 | St. Aloisius Medical Center | 42.09 |
| 32 Medcenter One Golden Manor | 78.00 | St. Gerard's Nursing Home | 15.48 | Park River Good Samaritan Center | 42.44 |
| 33 Ashley Medical Center | 78.14 | Trinity Homes | 15.54 | Cooperstown Medical Center | 42.48 |
| 34 Larimore Good Samaritan Center | 78.65 | Marian Manor Health Care Center | 15.63 | Northwood Deaconess | 42.57 |
| 35 St. Gerard's Nursing Home | 79.08 | Hi-Acres Manor Nursing Center | 15.64 | Valley Eldercare | 42.59 |
| 36 Prairieview Medcenter One | 80.21 | Arthur Good Samaritan Center | 15.65 | Nelson County Health System | 42.68 |
| 37 Rolette Community Care Center | 80.59 | Medcenter One Golden Manor | 15.66 | Benedictine Living Center of Garrison | 42.86 |
| 38 Bethel Lutheran Home | 83.05 | Mountrail Bethel Home | 15.72 | Tioga Medical Center | 42.89 |
| 39 Westhope Home | 83.36 | Golden Acres Manor | 15.74 | Bottineau Good Samaritan Center | 43.29 |
| 40 **Strasburg Care Center** | 83.52 | **Park River Good Samaritan Center** | 15.80 | **Napoleon Care Center** | 43.52 |
| 41 Rosewood on Broadway | 84.27 | Elm Crest Manor | 15.91 | Rosewood on Broadway | 43.57 |
| 42 Knife River Care Center | 84.58 | Souris Valley Care Center | 15.93 | Central Dakota Village | 43.60 |
| 43 Elim Home | 84.70 | North Central Good Samaritan Center | 15.97 | Southwest Healthcare Services | 43.62 |
| 44 Maryhill Manor | 85.01 | Knife River Care Center | 16.03 | Medcenter One Golden Manor | 43.76 |
| 45 Elm Crest Manor | 85.30 | Prairieview Medcenter One | 16.05 | St. Catherine's Living Center | 43.86 |
| 46 Valley Eldercare | 85.32 | Tioga Medical Center | 16.06 | Lakota Good Samaritan Nursing Home | 43.88 |
| 47 Southwest Healthcare Services | 85.52 | Valley Eldercare | 16.10 | North Central Good Samaritan Center | 43.94 |
| 48 Jacobson Memorial Hospital Care Center | 85.99 | St. Benedict's Health Center | 16.10 | Trinity Homes | 44.09 |
| 49 Aneta Parkview Health Center | 86.21 | Rock View Good Samaritan Center | 16.18 | Elim Home | 44.10 |
| 50 Cooperstown Medical Center | 86.95 | Bethel Lutheran Home | 16.24 | Parkside Lutheran Home | 44.15 |
| 51 Central Dakota Village | 87.11 | Westhope Home | 16.28 | Knife River Care Center | 44.68 |
| 52 Sheyenne Care Center | 87.18 | Hill Top Home of Comfort | 16.48 | St. Gerard's Nursing Home | 44.83 |
| 53 Villa Maria Health Care | 87.38 | Devils Lake Good Samaritan Center | 16.55 | Missouri Slope Lutheran Care Center | 44.89 |
| 54 Heart of America Medical Center | 87.75 | Woodside Village | 16.60 | Dunseith Community Nursing Home | 45.19 |
| 55 Bottineau Good Samaritan Center | 88.21 | Bethany Home | 16.67 | Towner County Medical Center | 45.65 |
| 56 St. Aloisius Medical Center | 88.85 | Villa Maria Health Care | 16.68 | Prince of Peace Care Center | 45.65 |
| 57 Hill Top Home of Comfort | 88.96 | Wishek Home for the Aged | 16.75 | McKenzie County Healthcare Systems | 45.85 |
| 58 Lutheran Home of the Good Shepherd | 88.97 | Rosewood on Broadway | 16.78 | Arthur Good Samaritan Center | 45.74 |
| 59 Luther Memorial Home | 89.28 | Missouri Slope Lutheran Care Center | 16.81 | Larimore Good Samaritan Center | 46.51 |
| 60 Woodside Village | 90.43 | Baptist Home, Inc. | 16.83 | Bethany Home | 46.95 |
| 61 Marian Manor Health Care Center | 90.62 | Bottineau Good Samaritan Center | 16.92 | Tri County Health Center | 47.34 |
| 62 Medcenter One St. Vincent's Care Center | 90.81 | Jacobson Memorial Hospital Care Center | 17.14 | Aneta Parkview Health Center | 47.45 |
| 63 Garrison Memorial Hospital | 90.85 | Osnabrock Good Samaritan Center | 17.38 | St. Rose Care Center | 47.90 |
| 64 Devils Lake Good Samaritan Center | 91.24 | Benedictine Living Center of Garrison | 17.43 | Rock View Good Samaritan Center | 48.08 |
| 65 Wishek Home for the Aged | 91.64 | Nelson County Health System | 17.46 | Mountrail Bethel Home | 48.08 |
| 66 Medcenter One Care Center | 91.72 | Wedgewood Manor | 17.53 | Crosby Good Samaritan Center | 48.09 |
| 67 Mountrail Bethel Home | 92.04 | Tri County Health Center | 17.55 | Lutheran Sunset Home | 48.20 |
| 68 Hi-Acres Manor Nursing Center | 92.86 | Northwood Deaconess | 17.60 | Souris Valley Care Center | 48.70 |
| 69 Bethany Home | 93.39 | Strasburg Care Center | 17.75 | Hill Top Home of Comfort | 48.89 |
| 70 St. Lukes Home | 93.70 | McKenzie County Healthcare Systems | 17.94 | St. Lukes Home | 49.16 |
| 71 Lutheran Sunset Home | 93.82 | Lutheran Sunset Home | 18.57 | Westhope Home | 50.52 |
| 72 Hillsboro Medical Center | 95.06 | Ashley Medical Center | 18.62 | Ashley Medical Center | 50.81 |
| 73 Kenmare Community Nursing Home | 96.37 | Heart of America Medical Center | 18.79 | Heart of America Medical Center | 50.96 |
| 74 Northwood Deaconess | 96.68 | Elim Home | 19.22 | Devils Lake Good Samaritan Center | 52.25 |
| 75 Missouri Slope Lutheran Care Center | 96.77 | Rolette Community Care Center | 19.58 | Wedgewood Manor | 52.77 |
| 76 Trinity Homes | 99.89 | Hillsboro Medical Center | 20.13 | Hillsboro Medical Center | 58.11 |
| 77 Baptist Home, Inc. | 100.88 | Kenmare Community Nursing Home | 20.24 | Jacobson Memorial Hospital Care Center | 61.06 |
| 78 Heartland Care Center | 100.97 | St. Lukes Home | 22.36 | North Dakota Veterans Home | 67.37 |
| 79 North Dakota Veterans Home | 118.03 | North Dakota Veterans Home | 22.54 | Kenmare Community Nursing Home | 73.08 |
| | | | | | |
| **Median** | 83.52 | | 15.80 | | 43.52 |
| Median plus 202010 | 100.23 | | 18.97 | | 47.87 |
| | | | | | |
| Inflate to 12-08 | 4.00% | | 4.00% | | 4.00% |
| Inflate to 12-09 | 5.00% | | 5.00% | | 5.00% |
| | | | | | |
| **Limit to 12-09** | **$109.23** | | **$20.70** | | **$62.27** |

# 2009 rates ranked

| | Direct | | Other Direct | | Indirect |
|---|---|---|---|---|---|
| 1 | Four Seasons Health Care Center, Inc. | $61.68 | Prince of Peace Care Center | $11.71 | Marian Manor Healthcare Center | $37.72 |
| 2 | Prince of Peace Care Center | $67.89 | Pembilier Nursing Center | $12.19 | Strasburg Care Center | $38.53 |
| 3 | Towner County Medical Center | $70.91 | Western Horizons Living Center | $13.62 | Sheyenne Care Center | $39.65 |
| 4 | Osnabrock Good Samaritan Center | $72.90 | Oakes Manor Good Samaritan Center | $14.05 | Oakes Manor Good Samaritan Center | $40.66 |
| 5 | St. Catherine's Living Center | $74.36 | Garrison Memorial Hospital Nursing Home | $14.57 | Medcenter One Care Center | $40.86 |
| 6 | Mott Good Samaritan Nursing Center | $75.77 | Larimore Good Samaritan Center | $14.62 | Prairieview Home-Medcenter One | $41.93 |
| 7 | Dunseith Community Nursing Home | $75.90 | Crosby Good Samaritan Center | $14.74 | St. Benedict's Health Center | $42.05 |
| 8 | Manor Care of Minot ND, LLC | $75.98 | Devils Lake Good Samaritan Center | $14.76 | Maple Manor Care Center | $42.16 |
| 9 | Larimore Good Samaritan Center | $76.14 | Four Seasons Health Care Center, Inc. | $14.79 | Golden Acres Manor Nursing Home | $42.55 |
| 10 | Presentation Medical Center | $76.71 | Arthur Good Samaritan Center | $14.83 | Lakota Good Samaritan Nursing Home | $42.70 |
| 11 | St. Rose Care Center | $78.04 | Napoleon Care Center | $15.00 | Medcenter One St. Vincent's Care Center | $42.86 |
| 12 | Oakes Manor Good Samaritan Center | $78.38 | Manorcare of Fargo ND, LLC | $15.04 | Woodside Village | $43.53 |
| 13 | Nelson County Health System Care Center | $78.61 | St. Catherine's Living Center | $15.29 | Bethel Lutheran Home | $43.78 |
| 14 | Souris Valley Care Center | $79.51 | St. Rose Care Center | $15.35 | Four Seasons Health Care Center, Inc. | $43.87 |
| 15 | Pembiller Nursing Center | $80.50 | Maryhill Manor | $15.73 | Park River Good Samaritan Center | $44.09 |
| 16 | Park River Good Samaritan Center | $80.71 | Marian Manor Healthcare Center | $15.82 | Baptist Home | $44.95 |
| 17 | Maple Manor Care Center | $81.16 | Lakota Good Samaritan Nursing Home | $15.92 | Elm Crest Manor | $45.00 |
| 18 | Crosby Good Samaritan Center | $81.53 | Maple Manor Care Center | $15.93 | Valley Eldercare Center | $45.30 |
| 19 | Arthur Good Samaritan Center | $82.35 | Medcenter One St. Vincent's Care Center | $15.93 | Lutheran Home of the Good Shepherd | $45.36 |
| 20 | Benedictine Living Center of Garrison | $82.37 | Osnabrock Good Samaritan Center | $15.97 | Central Dakota Village | $45.63 |
| 21 | Jacobson Memorial Hospital Care Center | $82.98 | Manor Care of Minot ND, LLC | $16.03 | Mott Good Samaritan Nursing Center | $46.09 |
| 22 | Lakota Good Samaritan Nursing Home | $83.06 | Sheyenne Care Center | $16.12 | Hi-Acres Manor Nursing Center | $46.47 |
| 23 | St. Benedict's Health Center | $83.45 | Medcenter One Care Center | $16.21 | Pembilier Nursing Center | $46.52 |
| 24 | St. Gerard's Community Nursing Home | $83.48 | St. Aloisius Medical Center | $16.27 | Elim Home | $46.67 |
| 25 | Tioga Medical Center | $83.60 | Aneta Parkview Health Center | $16.27 | Presentation Medical Center | $47.01 |
| 26 | Manorcare of Fargo ND, LLC | $84.58 | Central Dakota Village | $16.28 | Devils Lake Good Samaritan Center | $47.08 |
| 27 | Ashley Medical Center | $85.66 | Luther Memorial Home | $16.37 | Medcenter One Golden Manor | $47.12 |
| 28 | Parkside Lutheran Home | $86.07 | Mott Good Samaritan Nursing Center | $16.48 | St. Luke's Home | $47.92 |
| 29 | Golden Acres Manor Nursing Home | $86.43 | Parkside Lutheran Home | $16.48 | St. Aloisius Medical Center | $48.10 |
| 30 | Napoleon Care Center | $87.05 | Cooperstown Medical Center | $16.71 | Cooperstown Medical Center | $48.12 |
| 31 | Prairieview Home-Medcenter One | $89.35 | Elm Crest Manor | $16.78 | Tioga Medical Center | $48.23 |
| 32 | North Central Good Samaritan Center | $89.84 | Souris Valley Care Center | $16.85 | St. Catherine's Living Center | $48.80 |
| 33 | Elim Home | $90.80 | Park River Good Samaritan Center | $16.93 | Benedictine Living Center of Garrison | $49.04 |
| 34 | St. Aloisius Medical Center | $91.49 | North Central Good Samaritan Center | $16.99 | Rosewood on Broadway | $49.35 |
| 35 | Elm Crest Manor | $91.83 | Lutheran Home of the Good Shepherd | $17.08 | Larimore Good Samaritan Center | $49.39 |
| 36 | Villa Maria Healthcare | $92.11 | Jacobson Memorial Hospital Care Center | $17.19 | Trinity Home | $49.47 |
| 37 | Aneta Parkview Health Center | $92.64 | Southwest Healthcare Services | $17.19 | Wishek Home for the Aged | $49.62 |
| 38 | Wedgewood Manor | $93.37 | Trinity Home | $17.49 | Nelson County Health System Care Center | $49.69 |
| 39 | Maryhill Manor | $93.55 | Mountrail Bethel Home | $17.63 | Maryhill Manor | $49.91 |
| 40 | Bethel Lutheran Home | $94.05 | Golden Acres Manor Nursing Home | $17.64 | Bethany Home | $50.08 |
| 41 | Tri County Health Center | $94.27 | Valley Eldercare Center | $17.67 | St. Gerard's Community Nursing Home | $50.09 |
| 42 | Rock View Good Samaritan Center | $94.78 | Hi-Acres Manor Nursing Center | $17.78 | Manor Care of Minot ND, LLC | $50.18 |
| 43 | Rosewood on Broadway | $95.04 | Bottineau Good Samaritan Center | $17.89 | North Central Good Samaritan Center | $50.20 |
| 44 | Sheyenne Care Center | $95.15 | Prairieview Home-Medcenter One | $17.92 | Missouri Slope Lutheran Care Center, Inc. | $50.41 |
| 45 | Devils Lake Good Samaritan Center | $95.52 | Medcenter One Golden Manor | $18.05 | Lutheran Sunset Home | $50.73 |
| 46 | Marian Manor Healthcare Center | $96.52 | Woodside Village | $18.08 | St. Rose Care Center | $50.93 |
| 47 | Valley Eldercare Center | $96.80 | Lutheran Sunset Home | $18.13 | Bottineau Good Samaritan Center | $51.10 |
| 48 | Lutheran Home of the Good Shepherd | $97.29 | McKenzie County Healthcare System | $18.21 | Prince of Peace Care Center | $51.29 |
| 49 | Westhope Home for the Aged | $97.33 | Rock View Good Samaritan Center | $18.40 | Souris Valley Care Center | $51.35 |
| 50 | Wishek Home for the Aged | $97.38 | Elim Home | $18.52 | Heartland Care Center | $51.54 |
| 51 | Western Horizons Living Center | $97.52 | Villa Maria Healthcare | $18.57 | Napoleon Care Center | $51.55 |
| 52 | Medcenter One Golden Manor | $97.62 | St. Gerard's Community Nursing Home | $18.79 | Luther Memorial Home | $51.89 |
| 53 | Medcenter One Care Center | $97.95 | Strasburg Care Center | $18.79 | Western Horizons Living Center | $52.10 |
| 54 | Knife River Care Center | $98.00 | Rosewood on Broadway | $18.81 | Villa Maria Healthcare | $52.20 |
| 55 | St. Luke's Home | $98.11 | Wishek Home for the Aged | $18.85 | Manorcare of Fargo ND, LLC | $52.41 |
| 56 | Hill Top Home of Comfort, Inc. | $98.79 | Presentation Medical Center | $18.93 | Knife River Care Center | $52.80 |
| 57 | Lutheran Sunset Home | $99.60 | Dunseith Community Nursing Home | $19.06 | Heart of America Medical Center | $53.30 |
| 58 | Bottineau Good Samaritan Center | $100.47 | St. Benedict's Health Center | $19.06 | Hill Top Home of Comfort, Inc. | $53.73 |
| 59 | Luther Memorial Home | $100.56 | Knife River Care Center | $19.13 | Garrison Memorial Hospital Nursing Home | $53.91 |
| 60 | Strasburg Care Center | $100.59 | Heartland Care Center | $19.13 | Mountrail Bethel Home | $54.03 |
| 61 | Cooperstown Medical Center | $100.74 | Bethel Lutheran Home | $19.28 | Aneta Parkview Health Center | $54.10 |
| 62 | Medcenter One St. Vincent's Care Center | $101.26 | Tioga Medical Center | $19.34 | McKenzie County Healthcare System | $54.11 |
| 63 | Bethany Home | $101.27 | Baptist Home | $19.50 | Arthur Good Samaritan Center | $54.32 |
| 64 | Garrison Memorial Hospital Nursing Home | $101.71 | Towner County Medical Center | $19.60 | Osnabrock Good Samaritan Center | $55.40 |
| 65 | Woodside Village | $101.89 | St. Luke's Home | $19.66 | Hillsboro Medical Center | $55.84 |
| 66 | Mountrail Bethel Home | $102.83 | Hillsboro Medical Center | $19.69 | Ashley Medical Center | $56.00 |
| 67 | Northwood Deaconess Health Center | $103.25 | Missouri Slope Lutheran Care Center, Inc. | $19.92 | Northwood Deaconess Health Center | $56.06 |
| 68 | McKenzie County Healthcare System | $105.70 | Hill Top Home of Comfort, Inc. | $19.98 | Parkside Lutheran Home | $56.78 |
| 69 | Heart of America Medical Center | $105.75 | Heart of America Medical Center | $20.23 | Crosby Good Samaritan Center | $57.20 |
| 70 | Trinity Home | $107.21 | Bethany Home | $20.39 | Southwest Healthcare Services | $57.27 |
| 71 | Central Dakota Village | $107.41 | Benedictine Living Center of Garrison | $20.44 | Dunseith Community Nursing Home | $57.80 |
| 72 | Missouri Slope Lutheran Care Center, Inc. | $110.07 | Nelson County Health System Care Center | $20.63 | Towner County Medical Center | $57.95 |
| 73 | Baptist Home | $110.51 | Northwood Deaconess Health Center | $20.78 | Wedgewood Manor | $58.06 |
| 74 | Southwest Healthcare Services | $113.16 | Wedgewood Manor | $20.80 | Rock View Good Samaritan Center | $61.67 |
| 75 | Hillsboro Medical Center | $113.22 | Westhope Home for the Aged | $20.85 | Westhope Home for the Aged | $64.31 |
| 76 | Hi-Acres Manor Nursing Center | $113.65 | Tri County Health Center | $21.20 | Jacobson Memorial Hospital Care Center | $64.32 |
| 77 | Heartland Care Center | $113.91 | North Dakota Veterans Home | $23.06 | Tri County Health Center | $74.49 |
| 78 | Kenmare Community Hospital | $115.13 | Ashley Medical Center | $23.17 | North Dakota Veterans Home | $74.60 |
| 79 | North Dakota Veterans Home | $138.68 | Kenmare Community Hospital | $26.73 | Kenmare Community Hospital | $87.60 |
| | Median | 94.05 | | 17.64 | | 50.08 |
| | Limit to 12-09 | **$109.23** | | **$20.70** | | **$52.28** |

Handout #6

# What the Data Says About North Dakota Nursing Facilities

Presented by Duane Nelson, CPA, FHFMA
Eide Bailly LLP
September 30, 2003

## ***Why Costs Vary Between Nursing Facilities:***

1. Nursing wages
   a. Rate per hour is impacted by supply, demand and longevity.
   b. Some facilities aggressively adjust wages to attract and retain staff. This includes a number of rural facilities.
   c. Hospital attached nursing facilities tend to have higher RN and LPN wage rates.
   d. The mix of RNs/LPNs impacts nursing wage rates.
   e. CNA wages are impacted by employment alternatives. More options available, the higher the wages tend to be.
   f. The compliment of benefits affects nursing costs.
   g. Facilities that have a corporate office tend to have staffing levels lower than their peers.
2. High turnover of staff.
3. Use of agency staff.
4. Layout of physical plant, number of nursing stations, and air conditioning of plant.
5. Facilities with strong therapy programs have higher costs (PT/OT/Speech).

# "Caring for North Dakota's Greatest Generation"

## Intergovernmental Transfer and the Health Care Trust Fund

***When was the Trust Fund Created?***

During the 1999 Legislative Session, lawmakers passed SB 2168 which established the Health Care Trust Fund.

The money for the trust fund comes from a funding mechanism called intergovernmental transfer.

***How Does North Dakota Qualify for this Funding?***

North Dakota qualifies for this unique funding source because we have two governmental nursing facilities located in Dunseith and McVille. The formula for calculating how much money North Dakota qualifies for is complex and is based upon the number of Medicaid resident days in all North Dakota nursing facilities. The total Medicaid resident days are then multiplied by the difference between our Medicare and Medicaid rates. Traditionally Medicare pays more for care then Medicaid.

After application of the formula, North Dakota applies for the Medicaid dollars, and the money is ultimately deposited in the North Dakota Health Care Trust Fund.

***How Have The Trust Fund Dollars Been Spent?***

<u>1999-2001</u>

- ★ Service Payments to the Elderly and Disabled (SPED) - $4.2 million
- ★ Development of assisted living and other alternatives to nursing facility care - approximately $2 million

<u>2001-2003</u>

HB 1196 was comprehensive long term care legislation and directed how trust fund dollars were to be spent. Former Senator Solberg, Representative Devlin and Representative Boucher worked on HB 1196 nine months prior to it being introduced to the 2001 legislature. HB 1196 funded:

- ★ Salary and benefit enhancement to long term care staff - $8.2 million
- ★ Increased personal needs money for nursing facility, basic care and developmentally-disabled (DD) residents on assistance. Nursing facility and DD residents personal needs allowance increased from $40 to $50 per month. Basic care residents personal needs allowance increased from $45 to $60 per month.
- ★ Two percent loans to remodel nursing facilities, basic care facilities and assisted living facilities - $12 million
- ★ Bed reduction / facility closure incentives - $4 million

North Dakota Long Term Care ASSOCIATION

- ★ Update nursing facility limits to 1999.
- ★ HIPAA compliance funds for Department of Human Services (DHS) - $3 million
- ★ Scholarship and loan repayment grants to nursing facilities to recruit and retain nurses and student nurses - $589,500
- ★ Service payments to the elderly and disabled (SPED) - $6.8 million
- ★ Senior Citizens mill levy grants - $250,000
- ★ Grant program to convert ambulances to quick response units - $225,000
- ★ Long term care and nursing facility payment study - $241,006
- ★ Train in-home caregivers - $140,000
- ★ Targeted case management - $338,530
- ★ Grants to developmentally-disabled (DD) independent living centers - $100,000
- ★ $500,000 each to McVille and Dunseith for transfers.

**2003-2005**

$35,911,035 was taken from the Health Care Trust Fund to continue paying for in-home and nursing facility care. Approximately ten million was anticipated to be remaining in the trust fund on 06/30/05.

**2005-2007**

In Governor Hoeven's December 8, 2004 Budget Address he indicated the Health Care Trust Fund would be used to fund nursing facility services. HB 1445 transfers $16.9 million from the trust fund to the general fund. Nursing facilities need an additional $10,019,106 in general funds to care for nursing facility residents in 05-07 (HB 1012). The transfer will more than cover our increased state general fund obligation. We support the use of the trust fund for this purpose.

**Overall Impact to North Dakota**

From July 1999 to July 2004, North Dakota received $140,082,281.55 from the IGT process. After general fund obligations and payments to Dunseith and McVille, the state netted $98,649,710.57. The federal government created regulations in 2002 significantly altering states ability to access this funding mechanism. Our last transfer payment was received in July 2004.

About $14 million is outstanding from long term care facilities for low interest loans for construction and renovation projects. Loan proceeds will continue to be repaid to the trust fund for years to come.

**Thank You**

The trust fund dollars have positively impacted care to residents. Benefits will be felt for years. Legislators are to be commended for wisely investing these dollars in care and services to ND seniors.

North Dakota Long Term Care ASSOCIATION

1900 North 11th Street
Bismarck, ND 58501
(701) 222-0660
Web Site: www.ndltca.org

#1

Testimony for Engrossed House Bill 1433

Senate Human Services Committee

Senator Judy Lee, Chairwoman

HB 1433 would allow the Department of Human Services to provide a special care rate to be paid to a nursing home which is owned and operated by a non-state governmental unit.

This bill is part of the solution to assist two southwestern communities in serving the people with accessible health care. Also it can serve as a financial option for other nursing homes and communities who are experiencing declining occupancies and being affected by the cost limitations within the nursing home payment system.

Richardton Memorial Hospital holds the designation of a Critical Access Hospital. By law there cannot be another such designation within 35 miles. Dickinson St. Josephs Hospital has been experiencing financial difficulties and identified securing the Critical Access Hospital designation as a critical component

of ensuring they can continue to provide health care services to the residents of Southwest North Dakota.

In the spring of 2008, a Health Care Task Force was formed to assist the two facilities in developing a solution. The Task Force consisted of staff from Governor John Hoeven's office, staff from each of the congressional delegation offices, city officials from Dickinson and Richardton, the Department of Health, the Department of Human Services, and representatives from Richardton Memorial Hospital and Catholic Health Initiatives (owners of Dickinson St. Joseph's).

The Task Force met throughout the summer of 2008 and their work resulted in a solution that allows Richardton Memorial Hospital to transition to a skilled nursing home. This ensures the facility will remain as an employer and health care provider for the city of Richardton and the solution will also result in Dickinson St. Joseph's being able to receive the Critical Access Hospital designation. Richardton cannot financially sustain a Critical Access Hospital. They see transitioning to a Skilled Nursing Facility as the best option to maintain, strengthen, and grow. To benefit from the special care rate, the City of Richardton would become the owner of the nursing home and they would enter

into a management operating agreement with the Richardton Health Center. Plans are that they will relinquish the Critical Care Hospital designation and allow St. Joseph's Hospital in Dickinson to apply for the designation. This would allow St. Joseph to receive cost-based reimbursement from the Medicare program.

The Department of Human Services explained the fiscal note as consisting of two components. The first is for the estimated costs related to paying the supplemental payment. Medicaid cannot single out a particular provider for this type of payment, but can provide a supplemental payment for particular types of providers of a certain size. The supplement payment proposed is only for licensed nursing facilities that are non-State government owned. The fiscal note on the original bill was only for Richardton, as it specifically indicated facilities less than 31 beds. The Medicaid supplemental payment would only be for the Medicaid-eligible individuals in the Richardton nursing home. There are no general funds being used to support the supplement payment.

The second component is to cover the estimated cost of the Richardton Memorial Hospital transitioning to a skilled nursing home. The general fund dollars of $28,761 are not currently in the DHS budget, but would be needed in order to generate the federal funds to complete the payment.

Both cities and facilities are dedicated to providing accessible health care and with the passage of Engrossed House Bill 1433 they are certain it is possible.

#2

**Testimony for HB 1433**
**Senate Human Services Committee**
**March 4, 2009**
**Representative Nancy Johnson**

Good morning Chairman Lee and members of the Senate Human Services Committee. My name is Nancy Johnson. I'm a state representative from District #37 – Dickinson.

HB 1433 is designed to help the hospital in Richardton convert to a nursing home facility so that the hospital in Dickinson may become a Critical Access Hospital (CAH).

Let me explain why this is important. I chaired the hospital board in Dickinson for several years. During that time we were losing between $200,000 and $500,000 per month. Our corporate owner was keeping us alive by using its resources to cover our losses but was also charging us interest on the amount we were in essence "borrowing." They were keeping us afloat for awhile, but we had no assurance that it would continue forever.

As you can imagine we were trying to figure out any number of ways to keep our doors open because Dickinson is the largest hospital in the Southwest region and especially because of the emergency services. We cut costs where we could find them. We closed the cancer center. We closed the mental health unit. We laid off employees. We downsized wherever we could and we were still not in the black.

During this time with the help of a new CEO we came to realize that we really should be a Critical Access Hospital (CAH). A CAH has a different reimbursement rate that would be beneficial to our hospital. Our acute care bed counts were at that level and had been since sometime in the 90's. Unfortunately, we realized this after the Centers for Medicare and Medicaid Services (CMS) had closed the window on any hospital applying for the designation. To its credit, the board at Richardton's facility opted to apply and became a CAH.

In the Federal legislation there is a clause that after the window closed no facility may apply for the CAH designation if it is within 35 miles of another CAH facility. Richardton and Dickinson are roughly 25 miles apart. It became clear that we would need a congressional act to change this.

We worked with Senators Conrad and Dorgan and Representative Pomeroy to get an exception - without any success. They then worked with CMS Administrator Kerry Weems to try to find a solution. At one point we had our congressional delegation, administrator Weems and others from his office and members from our board and community in Dickinson to discuss options. We were in discussions with the Richardton board. We had the assistance of Governor Hoeven and Carol Olson, Director of the State Department of Human Services, in our search to find a resolution.

So where do we stand? To date, the CMS has reopened a pilot project for rural hospitals. Our hospital applied and was granted some funding assistance for 2 years while we strive to get the CAH designation.

Our Congressional Delegation has found a way to get some federal dollars to the Richardton hospital through legislation at the federal level.

Blue Cross/ Blue Shield of North Dakota helped with some increases in reimbursement rates for 3 hospitals of similar size to us in North Dakota.

And this bill is part of the solution. With the help of the Governor's office and the Department of Human Services we are trying to get some assistance to Richardton for its transition to a nursing home facility. When the CAH designation becomes available the Dickinson hospital could apply for it. We have already had assurances from the CMS that they would expedite that process.

This bill is part of the complex puzzle. The Congressional Delegation, the CMS, the Governor, the Department of Human Services, Blue Cross/Blue Shield, and the Richardton hospital are all working to help Richardton redefine its mission so that the hospital in Dickinson can obtain CAH designation and remain a viable operation.

So Senators, this is a really important bill for accessible health care in southwestern North Dakota. With our increase in oil and related activity we need to keep a hospital with emergency room services (and obstetrics) open.

Thank you and I'll respond to any questions.

#3

# HB 1433

**Testimony of Jim Opdahl, Administrator**
**Richardton Health Center, Richardton, ND**

Madame Chairman and members of the Senate Human Service Committee, my name is Jim Opdahl. I currently serve as the administrator for Richardton Health Center, Richardton, ND and Jacobson Memorial Hospital Care Center, Elgin, ND and am here today to testify in support of HB 1433.

HB 1433 will provide a special care rate for government-owned nursing homes. Passage of this Bill is critical for Richardton Health Center (RHC) to successfully transition from a Critical Access Hospital (CAH) to a Skilled Nursing Facility (SNF) on or before May 1, 2009. Additionally, it could well serve as an important financial option for other rural nursing homes and communities with declining occupancies to maintain long term care services in their respective communities.

HB1433 was conceptualized and developed by the ND Department of Human Services and represents one of several initiatives developed by a special Hospital Taskforce organized by Senator Kent Conrad. The Taskforce met to find ways to help RHC successfully transition from a CAH to a SNF so that St. Joseph's Hospital and Health Center (SJH), Dickinson, ND would be able to acquire this important designation. Other initiatives include:

- Congressional Delegation was successful in passing Federal legislation to provide up to a $1,000,000 HRSA Grant to assist small at risk CAHs to transition to a SNF or Assisted Living Facility.
    - RHC was approved for a $991,700 HRSA Grant in September 2008. These funds will be used for the following: purchase 20 licensed SNF beds; alteration and renovation project to bring the RHC facility into compliance with SNF physical plant, life safety and ADA requirements; upgrade resident care and related equipment; and for financial, legal, management and other resources.
- SJH will provide a $500,000 grant to the recently created Richardton Healthcare Foundation for the planning and development of new services; provide the 5% community match for the HRSA Grant and forgiveness of a $72,000 debt owed by RHC.
    - Approximately $50,000 will be used for the 5% match and the remaining $450,000 will be made available to the Foundation upon SJH acquiring the CAH designation.
- ND Department of Commerce will provide up to $200,000 to address ADA compliance issues for RHC or forgiveness of a $150,000 working capital loan.
    - City of Richardton has submitted request for loan forgiveness.
- Agreement by the ND Governor's Office, ND Department of Health and Centers for Medicare and Medicaid Services (CMS) to assist in obtaining licensed SNF beds and facilitating the licensure and certification processes for SNF and CAH conversion.
    - All have been very helpful and involved in this transition process.

- Pending Federal legislation to provide a sum between $250,000 to $850,000 for construction and related purposes.

- Memorandum of Agreement was entered into between RHC and SJH relating to these initiatives and RHCs agreement to terminate its CAH designation.

The Hospital Taskforce consisted of representatives from ND's Congressional Delegation, ND Governor's Office, ND Department of Health, ND Department of Human Services, CMS, Mayors from the Dickinson and Richardton communities, Stark County Commission, Catholic Health Initiatives (owner of St. Joseph's Hospital), SJH administration and board, RHC administration and board, and others. The Taskforce was chaired by Dr. Terry Dwelle, ND State Health Officer.

It's important to understand that the only way that SJH would be able to acquire the CAH designation was to have RHC terminate its CAH designation. Current Federal Law doesn't allow another CAH to be within a 35-mile distance of another CAH or acute care hospital. RHC recognizes that it is not financially feasible to continue operating as a CAH, that a critical need existed for SJH to acquire this designation to continue its important social and economic role throughout the region, and that the best option for RHCs future and that for health care throughout the greater Richardton community was to transition to a SNF with a primary care medical clinic. A successful transition will better position RHC to plan, develop and implement a self-sustainable model for rural health care delivery in the future.

The passage of HB 1433 is critical for RHC to successfully operate a 20-bed nursing facility and position it financially to plan, develop and implement a self-sustainable model for rural health care delivery. Under the current Nursing Home Payment System facilities receive their costs unless their costs exceed the limits for direct, other direct and indirect expenses. Facilities also receive an operating margin on their direct and other direct expenses and an efficiency incentive for indirect expenses. Overall the current nursing home payment system is a good system. However, due to the small size of our 18-20 bed facility, projected occupancy of 16.85 residents per day with a case mix of 1.00, we will exceed the indirect limit by approximately $120,000. Financially, RHC would have significant financial difficulty to successfully operate a SNF.

Passage of HB 1433 would work as follows. The City of Richardton would become the owner of the nursing home and RHC would enter into a management and operating agreement with the City of Richardton. Currently, RHC receives approximately $40,000 in city sales tax dollars from the City of Richardton. RHC estimates that the special care rate would equal approximately $79,000 (actual rate less allowed rate = $19.28 X 6151 days X 0.68 (percentage Medicaid days to total days)). Approximately $25,000 in city sales tax dollars (taxing authority match) would generate $54,000 in Federal dollars. No state funds would be required. The $79,000 plus the remaining city sales tax dollars of $15,000 would total $94,000 or $26,000 less than the $120,000 of non-reimbursable costs. This is a significant step towards achieving financial stability.

Addressing the critical financial issues facing SJH and RHC has required a true working partnership involving our respective communities, health care organizations, all levels of government and many others. I am truly hopeful that this legislation will be passed and signed into law by the Governor so that it can be effective at the time we make our transition to a SNF. Thank you for this opportunity.

Jim Opdahl, Administrator, Richardton Health Center, 701-974-3304 (facility)701-220-0220 (cell)

#4

**Testimony**
**House Bill 1433 – Department of Human Services**
**Senate Human Services Committee**
**Senator Judy Lee, Chairman**
**March 4, 2009**

Chairman Lee, members of the Senate Human Services Committee, I am Maggie Anderson, Director of the Medical Services Division for the Department of Human Services. I am here today to provide information regarding the fiscal note for House Bill 1433, and to offer an amendment.

I represented the Department of Human Services on the Health Care Task Force that met throughout the summer of 2008. The purpose of the Task Force was to find a solution that would result in Richardton Memorial Hospital (RMH) releasing its designation as a Critical Access Hospital, which is necessary in order for Dickinson St. Joseph's Hospital and Health Center to acquire the designation.

RMH cited the current payment limits on nursing facility services as a barrier in transitioning to a skilled nursing facility. The Department offered the idea of a Medicaid supplemental payment. The supplemental payment was included as a dependency in the memorandum of understanding that was signed between Catholic Health Initiatives (the owner of Dickinson St. Joseph's Hospital and Health Center) and RMH. The Medicaid regulations allow supplemental payments, up to the Medicare upper payment limit.

The fiscal note for HB 1433 consists of two components.

(1) The first component is for the estimated costs related to paying the supplemental payment. Medicaid cannot single out a specific

provider for this type of payment; however, Medicaid can provide a supplemental payment for specific types of providers of a certain size. The supplemental payment proposed in HB 1433 as introduced was only for licensed nursing facilities that are **non-State government owned** and have fewer than 31 beds. The engrossed version of HB 1433 removes the 31 bed language. Non-State government owned generally means city or county owned and the Department is aware of four facilities meeting this requirement. The Medicaid supplemental payment would only be for the Medicaid-eligible individuals in the eligible nursing homes. The supplemental payment would be exempt from the "equalized rate" provisions that govern the regular nursing facility rate setting process. The estimated cost of the supplemental payment for 2009-2011 is $459,084, of which $169,769 are other (**municipality or county**) funds and $289,315 are federal funds. There are no general funds being used to support the supplemental payment.

(2) The second component of the fiscal note is to cover the estimated cost of RMH transitioning to a skilled nursing home. Currently RMH is primarily providing swing-bed services. The average cost of swing-bed services for 2009-2011 is $164.51 per day and the estimated daily nursing facility rate for RMH is $172.12. The total impact of this component is $77,774, of which $28,761 are general funds, and $49,013 are federal funds.

In order to implement the supplemental payment, the Department needs to secure approval from the Centers for Medicare and Medicaid Services (CMS). The CMS Regional Administrator also participated on the Health

Care Task Force and his office has been helpful during the development of the supplemental payment estimates.

The amendment to page 2, line 10 is solely to ensure that it is documented in statute that the match for the supplemental payment must come from a municipality or county and not the general fund.

The amendment to page 2, line 11 is to include the general funds necessary to transition RMH to a skilled nursing home.

The amendment to page 2, line 12 is to increase the federal and other funds needed, as a result of the amendment to HB 1433 in the House.

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

PROPOSED AMENDMENT TO ENGROSSED HOUSE BILL NO. 1433

Page 2, after line 10 insert "d.The matching funding for the special care rate shall be from municipality or county funds."

Page 2, line 11 after "appropriated" insert "out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $28,761, or so much of the sum as may be necessary, and"

Page 2, line 12 replace: "~~$337,114~~" with "$508,097"

Renumber accordingly

## Lee, Judy E.

**From:** fhg@bis.midco.net
**Sent:** Friday, March 20, 2009 3:06 PM
**To:** Lee, Judy E.
**Subject:** richardton hospital jim opdahl

Senator Lee: Thank you for your support of HB 1433. Today I read the amendments and simply want to share my thoughts. First of all, as a condition of participating in the HRSA grant (funds to buy the beds and make licensure/certification improvements) Richardton had to agree to terminate its critical access hospital designation in six months.
Due to the construction project and other issues we asked for and received an extension to transition from a CAH to a skilled nursing facility by May 1, 2009. We have notified the Department of Health and they will be on-site to survey the week of April 6th. It is our hope that the survey will be successful and the May 1, 2009 date will be when we transition. However, it will be up to the Department of Health and CMS. Once we obtain skilled nursing facility the designation is available for St. Joseph's Hospital to acquire. The amendment in Section 4, certifying the Department that we are releasing the CAH designation by April 16, 2009 cannot be achieved (assuming that we have to be a skilled nursing facility on this date).

My main concern is where we are at with our renovation project. A "key" reason for this bill is to provide a needed source of additional payment to cover non-reimburseable costs caused mainly by being a small facility. Requiring approval by the general public will result in significant delay. I would hope that the government unit, in this case the City of Richardton, could make that determination to have a vote or not. This special rate may be needed for sometime, beyond the expiration date. Richardton and others have worked many long hours to
find a "win-win" solution for both organizations and communities.
[redacted] special rate is critical to our ability to make a successful transition. If not, the [redacted] possibility exists that we will not be
successful. I would be more than happy to visit with you at anytime.
I live in Bismarck and can easily find my way to the capital to visit.

Thanks again for your support and the opportunity to share. Jim Opdahl, Administrator

Testimony for Engrossed House Bill 1433

Senate Appropriations Committee

Senator Ray Holmberg, Chairman

HB 1433 would allow the Department of Human Services to provide a special care rate to be paid to a nursing home which is owned and operated by a non-state governmental unit.

This bill is part of the solution to assist two southwestern communities in serving the people with accessible health care. Also it can serve as a financial option for other nursing homes and communities who are experiencing declining occupancies and being affected by the cost limitations within the nursing home payment system.

Richardton Memorial Hospital holds the designation of a Critical Access Hospital. By law there cannot be another such designation within 35 miles. Dickinson St. Josephs Hospital has been experiencing financial difficulties and identified securing the Critical Access Hospital designation as a critical component

of ensuring they can continue to provide health care services to the residents of Southwest North Dakota.

In the spring of 2008, a Health Care Task Force was formed to assist the two facilities in developing a solution. The Task Force consisted of staff from Governor John Hoeven's office, staff from each of the congressional delegation offices, city officials from Dickinson and Richardton, the Department of Health, the Department of Human Services, and representatives from Richardton Memorial Hospital and Catholic Health Initiatives (owners of Dickinson St. Joseph's).

The Task Force met throughout the summer of 2008 and their work resulted in a solution that allows Richardton Memorial Hospital to transition to a skilled nursing home. This ensures the facility will remain as an employer and health care provider for the city of Richardton and the solution will also result in Dickinson St. Joseph's being able to receive the Critical Access Hospital designation. Richardton cannot financially sustain a Critical Access Hospital. They see transitioning to a Skilled Nursing Facility as the best option to maintain, strengthen, and grow. To benefit from the special care rate, the City of Richardton would become the owner of the nursing home and they would enter

into a management operating agreement with the Richardton Health Center. Plans are that they will relinquish the Critical Care Hospital designation and allow St. Joseph's Hospital in Dickinson to apply for the designation. This would allow St. Joseph to receive cost-based reimbursement from the Medicare program.

The Department of Human Services explained the fiscal note as consisting of two components. The first is for the estimated costs related to paying the supplemental payment. Medicaid cannot single out a particular provider for this type of payment, but can provide a supplemental payment for particular types of providers of a certain size. The supplement payment proposed is only for licensed nursing facilities that are non-State government owned. The fiscal note on the original bill was only for Richardton, as it specifically indicated facilities less than 31 beds. The Medicaid supplemental payment would only be for the Medicaid-eligible individuals in the Richardton nursing home. There are no general funds being used to support the supplement payment.

The second component is to cover the estimated cost of the Richardton Memorial Hospital transitioning to a skilled nursing home. The general fund dollars of $28,761 are not currently in the DHS budget, but would be needed in order to generate the federal funds to complete the payment.

Both cities and facilities are dedicated to providing accessible health care and with the passage of Engrossed House Bill 1433 they are certain it is possible.