

Testimony
House Bill 1012 – Department of Human Services
House Appropriations – Human Resources Division
Representative Pollert, Chairman
January 15, 2013

Chairman Pollert, members of the House Appropriations - Human Resources Division, I am Maggie Anderson, Director of Medical Services, for the Department of Human Services (Department). I am here today to provide you with an overview of the Long-Term Care Continuum budget.

Programs

The long-term care services included in this area of the budget are the Developmentally Disabled Community-Based Care grants; Nursing Facilities, Basic Care Facilities, and the Home and Community-Based Services Programs, which have the following funding sources: Service Payments for the Elderly and Disabled (SPED); Expanded SPED; the Medicaid Technology-Dependant Waiver; Personal Care; the Program for All-Inclusive Care of the Elderly (PACE); Targeted Case Management; Children's Medically Fragile Waiver, Children's Hospice Waiver, and the Medicaid Home and Community-Based Services Waiver.

The Long-Term Care Continuum encompasses a wide range of medical and support services for individuals who lack some capacity for self-care, and are expected to need care for an extended period of time.

I will provide an overview of the Long-Term Care Continuum budget, with the exception of the Developmental Disabilities grants, which will be provided by Tina Bay, Director of the Developmental Disabilities Division.

Program Trends

Nursing Facilities

As of September 30, 2012, the percentage of Medicaid-eligible individuals in nursing facilities was 52 percent. [Attachment A](#) shows the Licensed and Occupied Nursing Facility Beds since October 2010, and [Attachment B](#) shows the Medicaid occupied beds. Based on the September 30, 2012 occupancy reports, 35 facilities were below 90 percent occupancy. The average occupancy for these 35 facilities is 81 percent. (Two years ago when the Department presented budget testimony, there were 24 facilities below 90 percent occupancy.)

Basic Care

The number of basic care beds available and utilized by individuals who are Medicaid eligible has increased during the current biennium. There has been considerable change in the basic care area with several facilities closing, several new facilities opening or planning development or expansion projects, and others increasing or decreasing their licensed capacity. The Department has accounted for these changes in the development of the 2013-2015 budget estimate.

Home and Community-Based Services

Home and Community-Based Services (HCBS) continue to provide an array of services determined to be essential and appropriate to sustain individuals in their homes and in their communities, and to delay or prevent institutional care. HCBS staff work closely with county case managers and providers to ensure clients have the services they need in a timely and efficient manner. Ongoing collaboration occurs between HCBS staff and the Centers for Medicare and Medicaid Services (CMS) to identify changes in federal requirements and to continually enhance

quality measures to assure clients and families are receiving the appropriate services to meet their needs.

Enrollment into HCBS has remained consistent with equal numbers of people leaving as coming into the program. The number one reason for dis-enrolling from services has been death of the individual, which indicates that home and community-based services are able to assist individuals and families longer within their homes when independent skills begin to fail.

Major Program Changes

2011 House Bill 1325 allowed a Nursing Home bed layaway. According to information from the Health Department, as of July 1, 2012, nine nursing homes had utilized this provision by de-licensing 107 beds. One reason that facilities de-license beds is to ensure they are over the 90% occupancy limit, which positively impacts their nursing facility rates.

2011 Senate Bill 2077 as enacted required individuals applying for assistance under the Basic Care Assistance Program to apply for, and if eligible, to receive benefits under the Medicaid program. The bill also added a new chapter to Title 50 of the North Dakota Century Code relating to Expanded Service Payments for the Elderly and Disabled (ExSPED). Section 8 of 2013 House Bill 1012 requests replacing "and" with "or" which will correct an oversight made in this bill.

During the interim, the Department launched an online billing tutorial to assist qualified service providers (QSPs) with accurate billing practices. By using the online system, QSPs experience fewer delays in payments caused by common billing errors.

Currently, the HCBS staff is conducting statewide education sessions for QSPs which are intended to provide information to currently participating QSPs and hopefully recruit additional individuals to become QSPs.

The HCBS audit processes have been enhanced to maximize the use of technology and improve workflow. This has allowed the Division to increase the number of audits conducted each year. In addition to annual audits of case management service in each county, in 2011, 85 QSP audits were completed, and for 2012, 165 QSP audits were completed.

The Medical Services Division is also updating the background check process to capture necessary information pertaining to new providers who are from out of state.

Medically Fragile Waiver:

The Children with Medically Fragile Needs waiver is seeing a slow increase in families accessing the services. Currently, there are seven children receiving services through the waiver, with another soon to transition from the Early Intervention program. Since the beginning of the waiver in 2008, fourteen families have been assisted with this waiver.

Children's Hospice Waiver:

Since the beginning of the waiver in 2010, two families have been assisted with maintaining their terminally-ill child within their home until the end of life. This waiver helps North Dakota families cope with the additional financial burden of having a child with a terminal illness and encourages families to maintain their child in the home.

Money Follows the Person Demonstration Grant

The federal government awarded the Department a Money Follows the Person (MFP) grant in 2007. The MFP Grant is designed to assist states with increasing the use of home and community-based services to meet the long-term service needs for Medicaid-eligible individuals. Grantees are expected to assure individuals receive support and services in settings of their choice and to provide quality assurance for eligible individuals receiving Medicaid home and community-based long-term care services.

MFP grant funds help eligible individuals who are elderly or have physical, intellectual or other disabilities and who live in nursing homes, the Developmental Center, or other institutions transition to community settings.

A MFP Stakeholders Committee was formed in 2007 to assist in development and implementation of North Dakota's MFP grant program. The committee meets quarterly and is composed of consumers, provider agencies, advocacy organizations, and staff of the Department. One primary purpose of the committee is to assist the state in addressing barriers to the provision of home and community-based services for the elderly and individuals with disabilities.

The MFP demonstration effort has been a tremendous success. To date, the grant has assisted 125 individuals in transitioning from institutional care. The demonstration effort is also intended to identify areas of the system where changes could be made that would support individuals receiving the necessary supports in a home or community-based setting. This effort allows the Department to test a variety of services to facilitate transitions and support the needs of those transitioned and will help

determine if these services are important for eventual implementation into the HCBS area. Some of these activities include:

MFP Housing Initiative

The North Dakota Center for Persons with Disabilities at Minot State University is under contract to implement the MFP Housing Initiative which includes identifying housing needs, developing a searchable housing registry, working with state housing agencies on housing issues, and assisting MFP clients with housing searches.

Nurse Quality Program

St. Alexius Home Health and Hospice is under contract to provide an on-site health assessment prior to and after transition to review health-related needs and make recommendations on support services and follow-up with service delivery.

North Dakota State Hospital (NDSH) Transition Assistance

MFP Rebalancing funds have been used to assist with one-time transition costs for consumers discharging from the NDSH to a community setting. The assistance provides up to \$2,500 per person to pay for items such as deposits, furniture, assistive technology, household supplies etc. Fifteen individuals have been assisted through November 2012.

Transition Adjustment Support

MFP has developed a new demonstration service to provide up to 120 days of educational supervision to individuals returning to live in the community. To date, this service has been used by seven individuals.

Direct Service Workforce Development Coordinator

CMS has approved MFP administrative money to fund a temporary position to assist with the development of all types of direct service workers. Having an adequate direct work force has been identified as one of the most important components of balancing and institutional diversion.

A look at MFP Transitions:

Grant Year	Older Adult	Individuals with a physical disability	Individuals with ID/DD	Children	TOTAL
2007	0	0	0	0	0
2008	1	1	3	0	5
2009	4	7	4	0	15
2010	4	6	16	0	26
2011	5	8	19	0	32
2012	13	21	12	1	47
Totals	27	43	54	1	125

Please refer to [Attachment C](#), which shows the results of the MFP Quality of Life Survey that shows responses to several questions posed to individuals who have transitioned at zero, eleven and twenty-four months, post-transition.

Overview of Budget Changes

Description	2011-2013 Budget	2013-2015 Budget	Increase/ Decrease
Nursing Homes	459,836,020	501,294,823	41,458,803
Basic Care	25,972,395	36,280,327	10,307,932
Personal Care Community	29,149,905	27,867,758	(1,282,147)
SPED	13,782,988	14,533,161	750,173
Ex-SPED	942,224	1,326,945	384,721
Targeted Case Management	1,564,749	1,735,896	171,147
Home and Community Based Services	9,538,386	12,933,078	3,394,692
Children's Medically Fragile Waiver	318,780	141,288	(177,492)
Tech Dependent Waiver	500,136	394,440	(105,696)
PACE	9,370,980	10,312,381	941,401
Children's Hospice Waiver	974,430	121,797	(852,633)
Total	551,950,993	606,941,894	54,990,901
General Fund	253,988,879	314,462,985	60,474,106
Federal Funds	293,940,268	289,371,883	(4,568,385)
Other Funds	4,021,846	3,107,026	(914,820)
Total	551,950,993	606,941,894	54,990,901
FTE	-	-	-

Nursing Homes

The Executive Budget was based on Medicaid nursing home days paid.

The monthly average days are projected to be:

92,199	-	Nursing Facility
426	-	Dakota Alpha
1,460	-	Geropsych Unit
1,186	-	Swing Bed
2,494	-	Hospice Room and Board
<u>1,187</u>	-	Out of State
<u>98,952</u>		Total

[Attachment D](#) shows historical information on expenditures and average daily nursing facility rates.

Upper Payment Limit

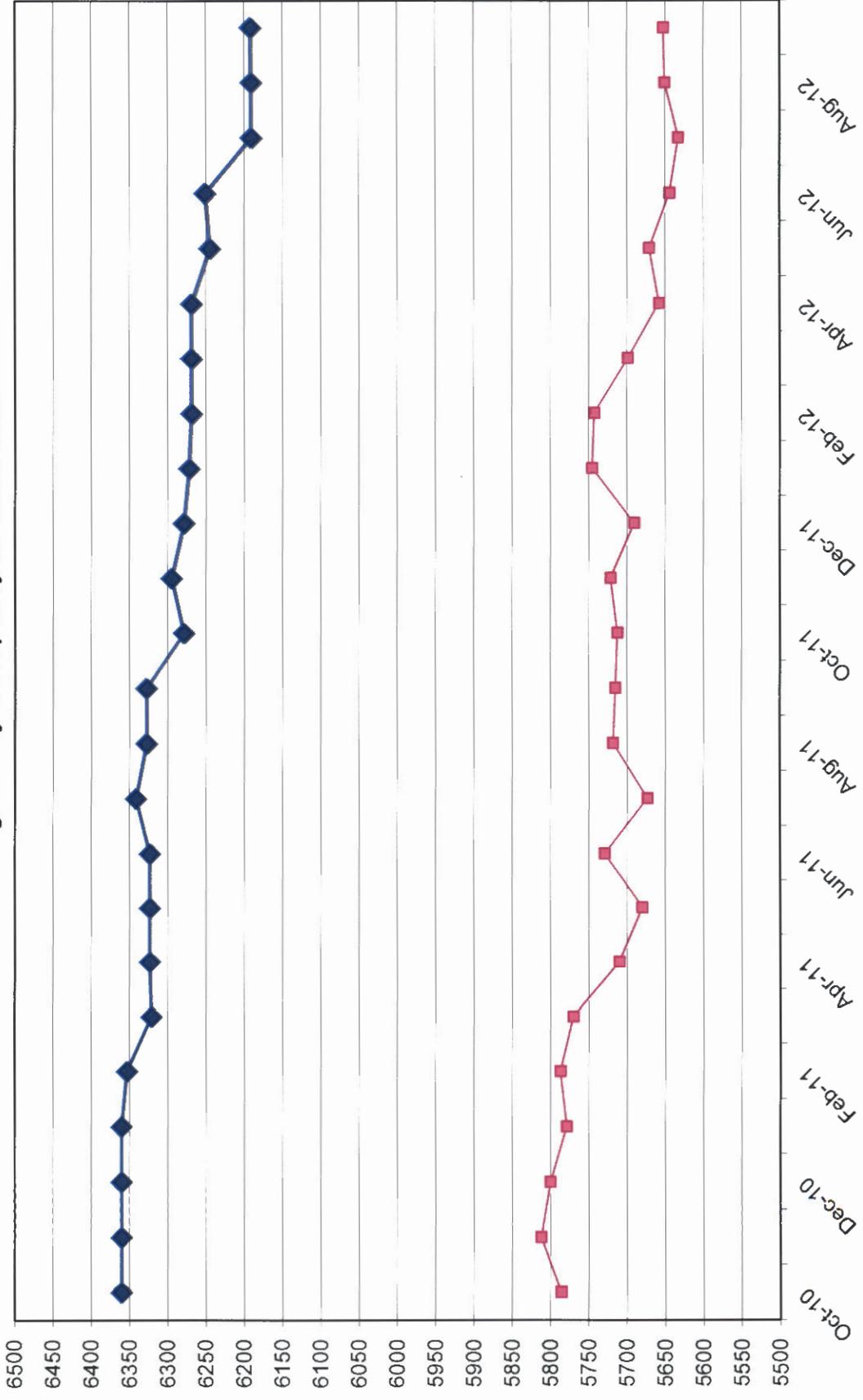
Language regarding the Upper Payment Limit is included in Section 6 of House Bill 1012. The Medicaid regulations contain a requirement that Medicaid payments to institutional providers, including nursing facilities, in the aggregate, cannot exceed what Medicare would pay, in the aggregate, for the same care. This is known as the Upper Payment Limit (UPL). The UPL must be calculated yearly for each type of facility: private, state-government owned, and non-state government owned.

[Attachment E](#) shows the changes in the Long-Term Care Continuum Budget from 2011-2013 Appropriation to the 2013-2015 Budget to the House.

[Attachment F](#) is a cost and caseload comparison of the 2011-2013 Appropriation to the 2013-2015 Budget to the House.

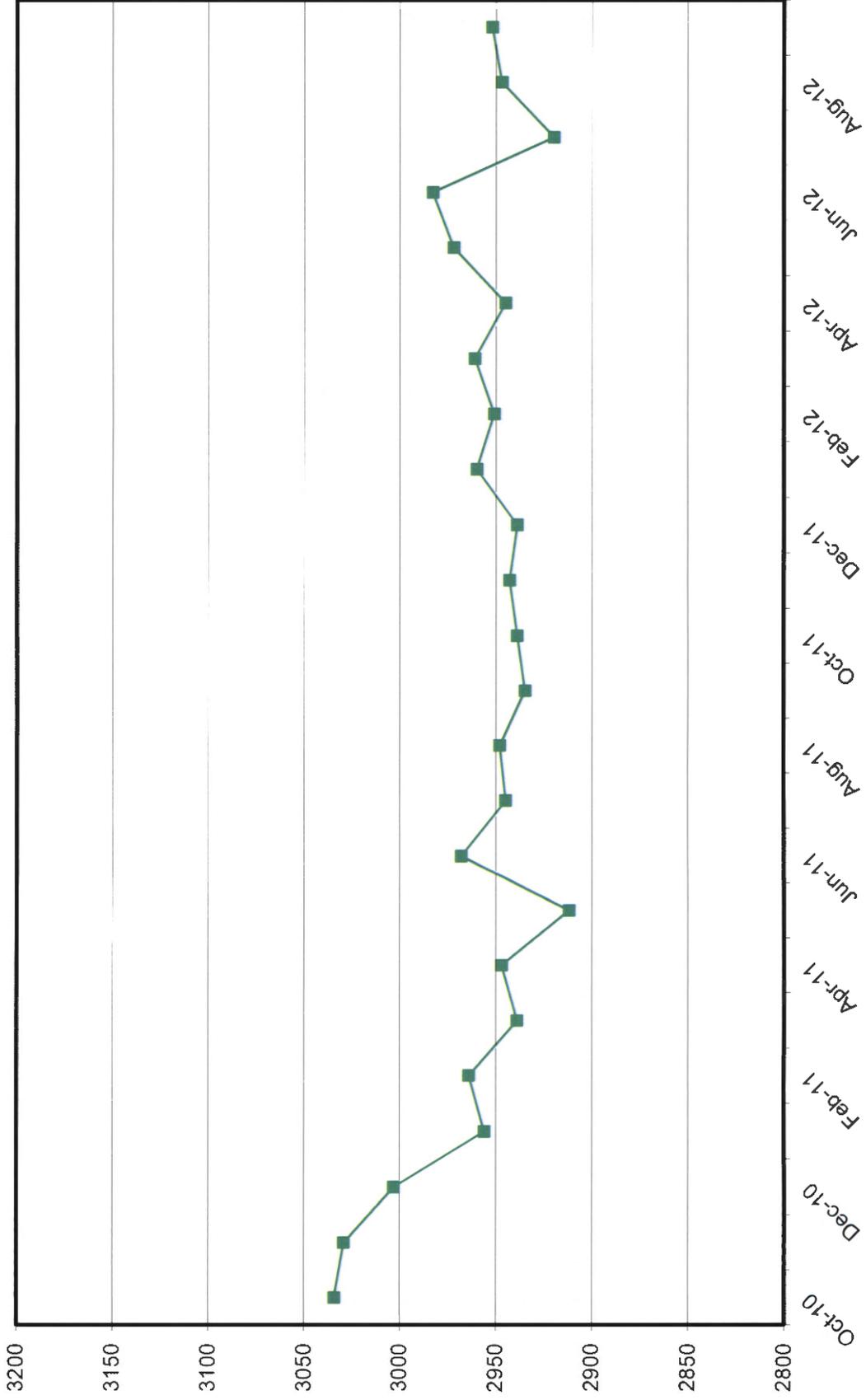
I would be happy to answer any questions you may have.

North Dakota Department of Human Services
Long-Term Care Continuum Grants
Nursing Facility Occupancy at Month End



Legend:
Licensed (Blue line with diamond)
Occupied (Red line with square)

North Dakota Department of Human Services
Long-Term Care Continuum Grants
Nursing Facility Occupancy at Month End Medicaid ONLY



MFP Quality of Life Survey

Trend Data

Figure 1: Do you like where you live?

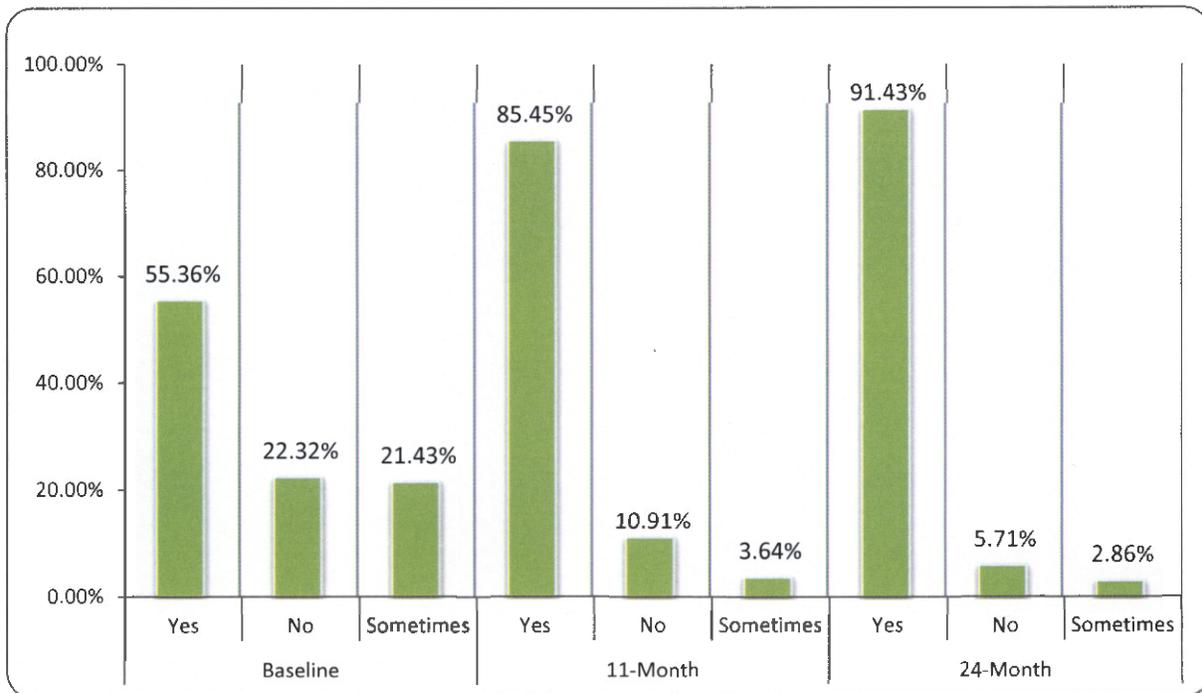


Figure 2: Do you ever go without taking your medicine when you need it?

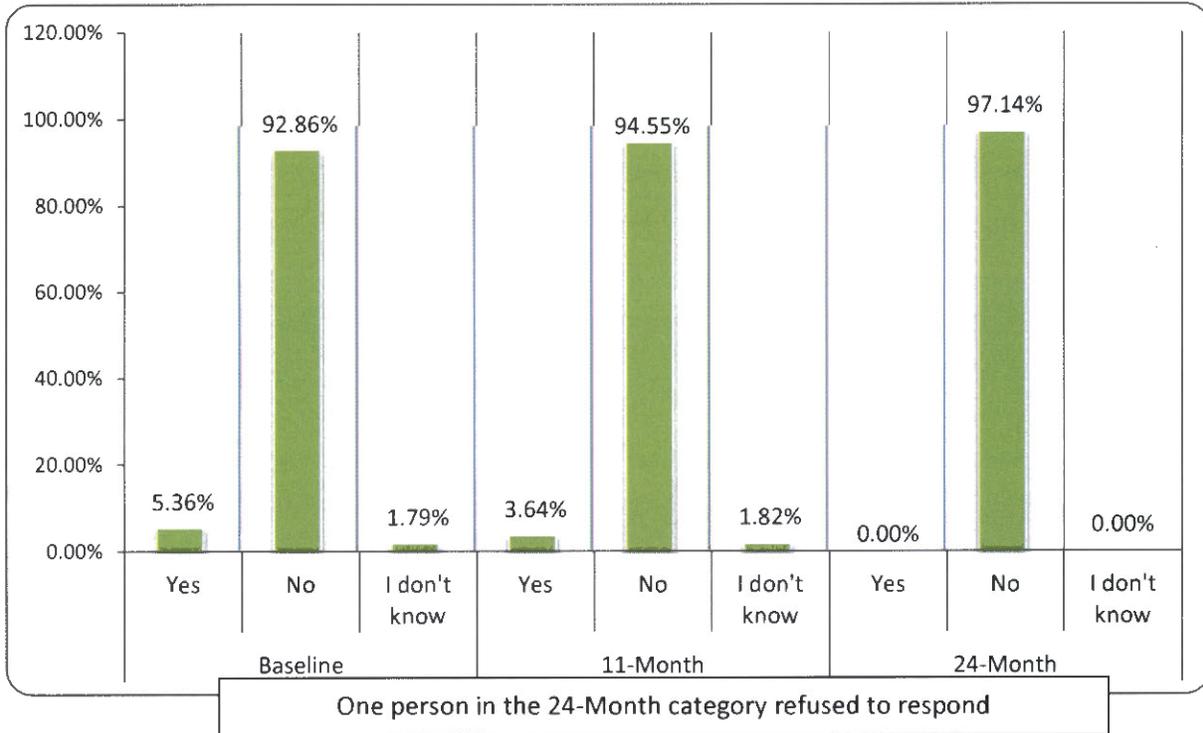


Figure 3: Do the people who help you treat you the way you want them to?

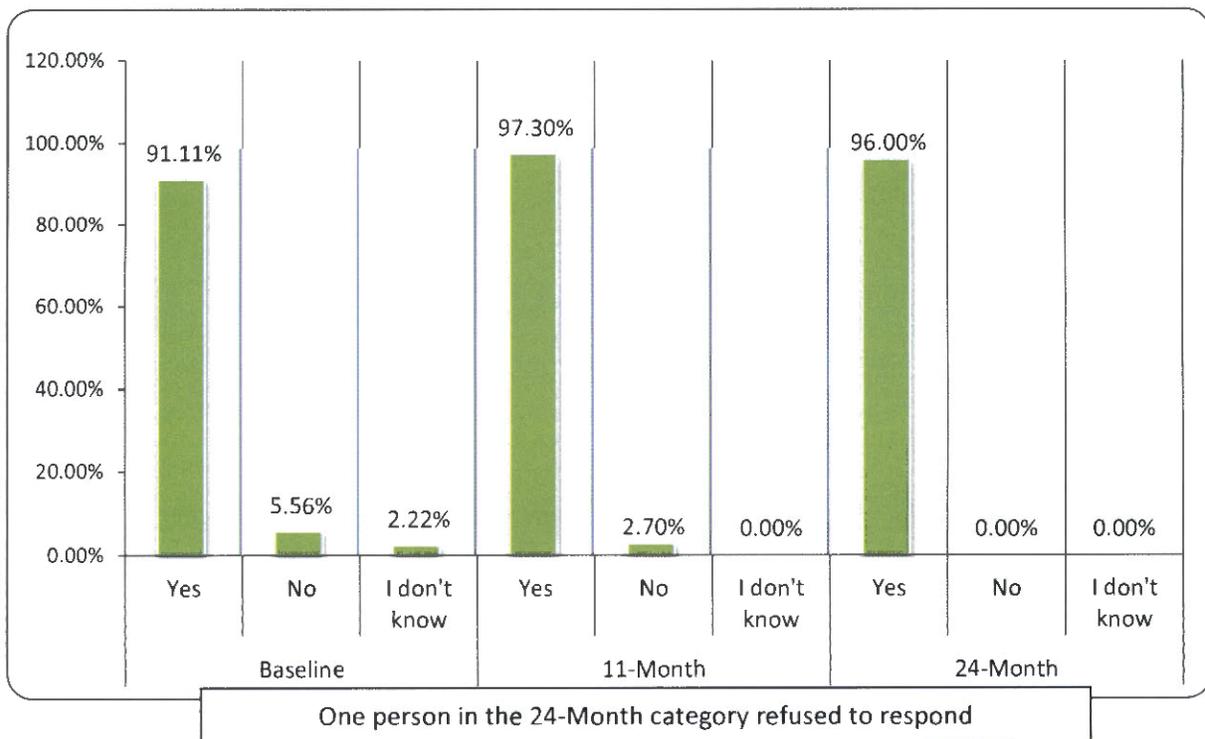


Figure 5: Can you get to the places you need to go, like work, shopping, or the doctor's office?

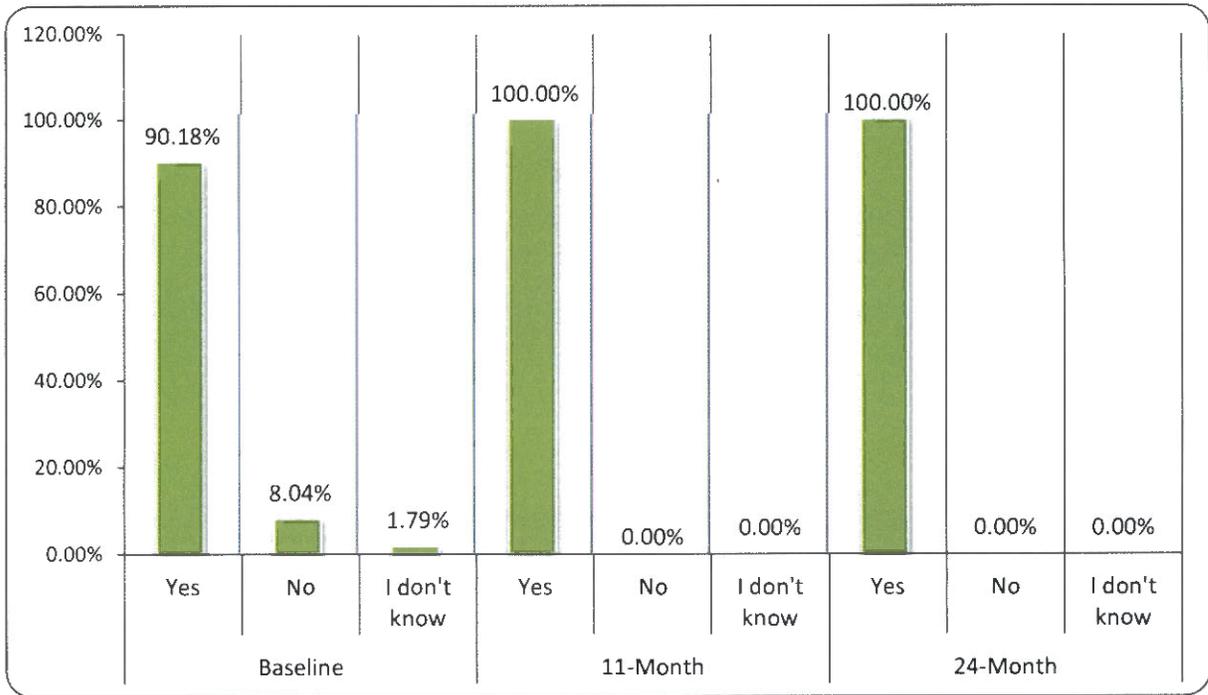
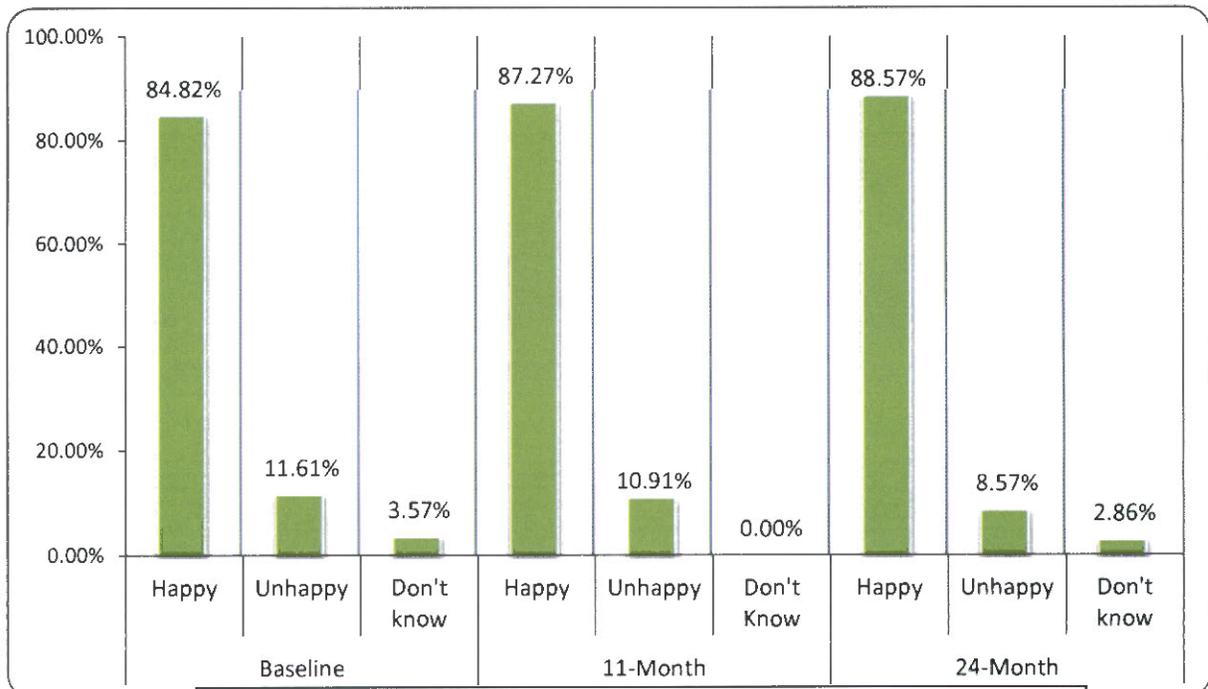


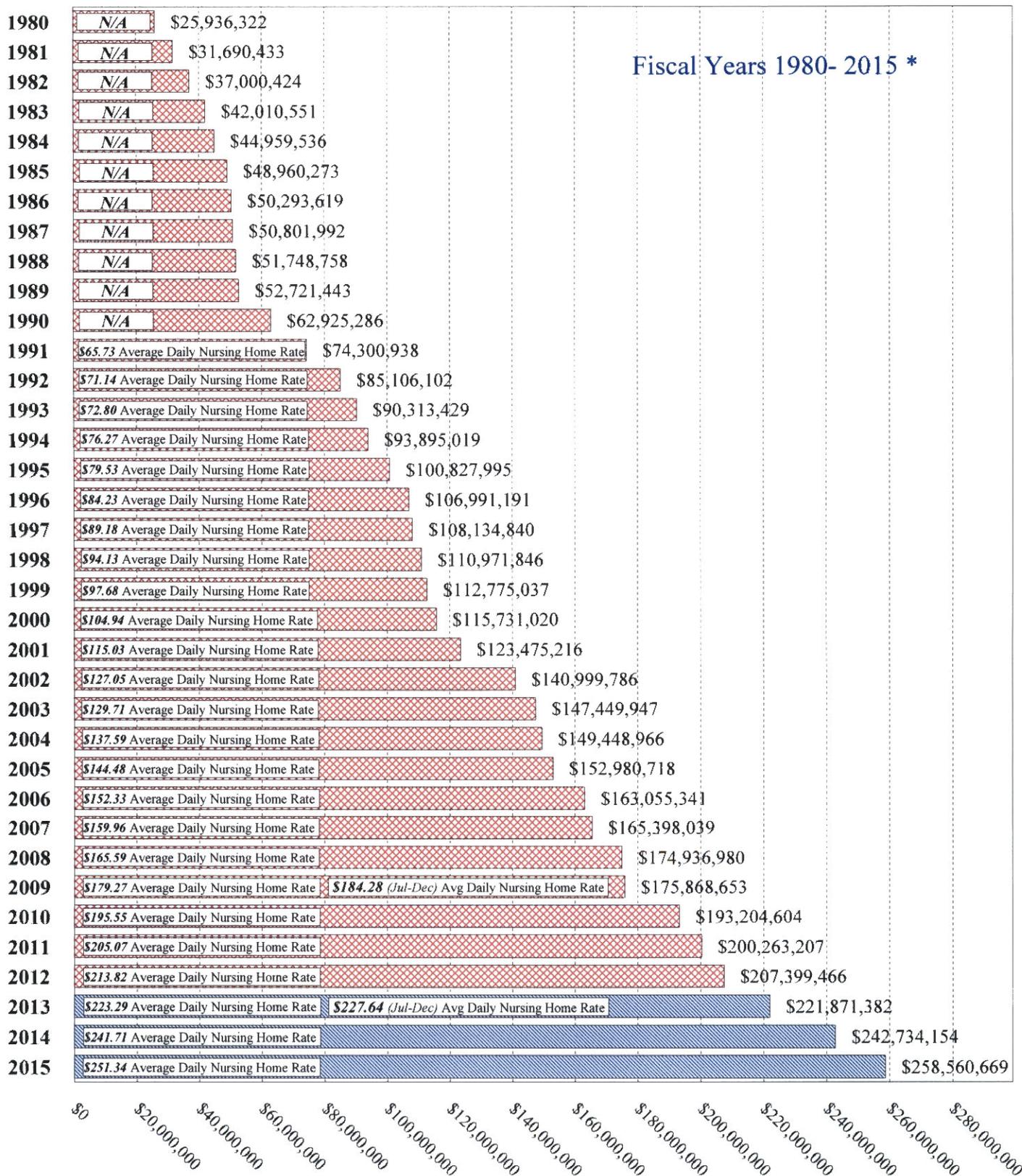
Figure 4: Taking everything into consideration, during the past week have you been happy or unhappy with the help you get with things around the house or getting around your community?



One person in the 11-Month category refused to respond

North Dakota Department of Human Services
 Nursing Home Facilities
 House Bill 1012
 2013 - 2015 Biennium

Attachment D



* 1980 through 2012 represents actual expenditures.
 2013 represents two months actual and ten months estimated expenditures.
 2014 and 2015 represents estimated expenditures included in the Governor's budget.
 The average daily nursing home rate is effective January 1 of each year as indicated.

North Dakota Department of Human Services
 Changes in Long Term Care from 2011-2013 Appropriation to 2013-2015 Budget To House

Service Description	2011-2013 Appropriation	Funding Shift	Cost Changes	Caseload/ Utilization Changes	FMAP Impact	4.4 Inflation	LTC Staff Rate Increase 50%	Provide 7 Home Delivered Meals a Week SPED and Ex-SPED	Extended Personal Care Services for SPED	Net Cost of Personal Care with Supervision	Personal Needs Allowance Nursing Facilities \$50 to \$65	Personal Needs Allowance Basic Care \$85 to \$100	QSP Mileage Differential	Total Changes	2013-2015 Budget To House
Nursing Facilities	459,836,020		26,868,091	(14,064,129)		16,962,510	10,686,766				1,025,565	193,725		41,458,803	501,294,823
Basic Care	25,972,395		1,345,905	3,984,743		1,681,316	3,102,243							10,307,932	36,280,327
Home & Community Based Services	66,142,578		(3,099,244)	(1,604,107)	0	3,123,814	2,291,123	68,961	135,774	141,112	0	0	2,166,733	3,224,166	69,366,744
SPED **	13,782,988		(1,211,140)	(1,003,416)		703,846	984,582	47,410	135,774				1,093,117	750,173	14,533,161
Ex-SPED ***	942,224		(130,071)	257,332		66,114	47,808	21,551					121,987	384,721	1,326,945
Personal Care Services	29,149,905		(2,863,506)	(1,400,506)		1,515,251	769,143						697,471	(1,282,147)	27,867,758
Targeted Case Management	1,564,749		33,003	38,509		99,635								171,147	1,735,896
Home & Community Based Services Waiver	9,538,386		671,799	1,140,151		697,882	489,580			141,112			254,158	3,394,692	12,933,078
Children's Medically Fragile Waiver	318,780		(52,992)	(132,888)		8,388								(177,492)	141,288
Technology Dependent Waiver	500,136		(7,584)	(123,132)		25,020								(105,696)	394,440
PACE	9,370,980		476,074	465,327										941,401	10,312,381
Children's Hospice Waiver	974,430		(14,827)	(845,484)		7,678								(852,633)	121,797
Total	551,950,993	0	25,114,752	(11,703,493)	0	21,767,840	16,080,132	68,961	135,774	141,112	1,025,565	193,725	2,166,733	54,990,901	606,941,894
General Funds	253,988,879	546,786 *	10,959,514	(4,655,921)	30,371,840	11,515,673	9,127,323	66,587	128,982	70,556	512,780	193,725	1,636,261	60,474,106	314,462,985

Other Areas:

Community of Care Funds \$120,000 for both the 11-13 and 13-15 Biennium's- 100% General Fund

Personal Care Needs Allowance SSI \$108,000 for the 11-13 Biennium. Plus an additional \$70,875 to increase the allowance from \$50 to \$65 per month, for a total budget of \$178,875 for 13-15 Biennium- 100% General Fund

** SPED is funded with 95% general funds and 5% county funds.

*** Expanded SPED is funded with 100% general funds.

* IGT Funds of \$546,786 provided for the 24 month Bed Layaway program were replaced with General Funds.

Cost and Caseload Comparison
2013 - 2015 Executive Budget To the House
 Compared to 2011 - 2013 Biennium

Description	2011-2013 Budgeted Avg Monthly Cost per Case ^	2013-2015 Budgeted Avg Monthly Cost per Case ^	Difference: Increase (Decrease)	2011-2013 Budgeted Avg Monthly Caseload *	2013-2015 Budgeted Avg Monthly Caseload *	Difference: Increase (Decrease)
Nursing Homes (Daily Rates)	187.73	211.09	23.36	102,058	98,952	(3,106)
Basic Care (Daily Rates)	66.29	80.81	14.52	16,326	18,706	2,380
Personal Care	1,810.10	1,777.51	(32.59)	671	653	(18)
Technology Dependent Waiver	10,419.32	10,885.58	466.26	2	2	-
Children's Medically Fragile Waiver	1,473.38	1,305.35	(168.03)	9	5	(4)
SPED	425.40	476.81	51.41	1,350	1,270	(80)
Expanded SPED	287.61	302.54	14.93	137	183	46
PACE	4,620.80	4,855.17	234.37	85	89	4
Targeted Case Management	133.74	144.88	11.14	488	499	11
HCBS Waiver	1,215.55	1,453.48	237.93	327	371	44
Children's Hospice Waiver	2,460.68	2,569.88	109.20	17	2	(15)

^ With the exception of Nursing Homes and Basic Care which are daily rates all other categories are average monthly cost per case.

* Nursing Homes and Basic Care caseload represents the number of "Days" paid in a month for recipients. All other categories represent the number of recipients paid for in a month.