

**Testimony**  
**Engrossed House Bill 1170 – Department of Human Services**  
**Senate Human Services Committee**  
**Senator Judy Lee, Chairman**  
**March 11, 2013**

Chairman Lee, members of the Senate Human Services Committee, I am LeeAnn Thiel, Administrator of Medicaid Payment and Reimbursement Services of the Medical Services Division for the Department of Human Services (Department). I am here today to provide information on the fiscal note for Engrossed House Bill 1170 and the Medicaid Upper Payment Limit.

To prepare the fiscal note, the number of nursing facilities affected was based on a survey conducted by the North Dakota Long Term Care Association, asking facilities if they currently offer health insurance to their employees. The 2013-2015 budgeted cost of group health insurance payments for Medicaid recipients was used for the monthly premium.

The estimated impact for 2013-2015 to the Medicaid program for the changes proposed in Engrossed House Bill 1170 would be \$1,661,844 of which \$830,922 is general funds. The estimated impact to costs for private pay individuals is \$825,870. Both estimates are for a time period of 18 months as nursing facility rates would be affected beginning January 1, 2014. There is no projected cost impact for basic care facilities because it is estimated that the facilities that do not currently offer health insurance to their employees would not be subject to the requirements of the Affordable Care Act.

The federal 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. The changes proposed by this engrossed bill are not anticipated to have a negative effect on the UPL.

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