

Testimony
Senate Bill 2012 – Department of Human Services
Senate Appropriations
Senator Holmberg, Chairman
January 20, 2015

Chairman Holmberg, and members of the Senate Appropriations Committee, I am Tina Bay, Director of the Developmental Disabilities Division for the Department of Human Services (Department). I am here today to provide you an overview of the programs and services that make up the budget request for the Developmental Disabilities (DD) Division.

Programs

The Developmental Disabilities Division (Division) staff are responsible for the following:

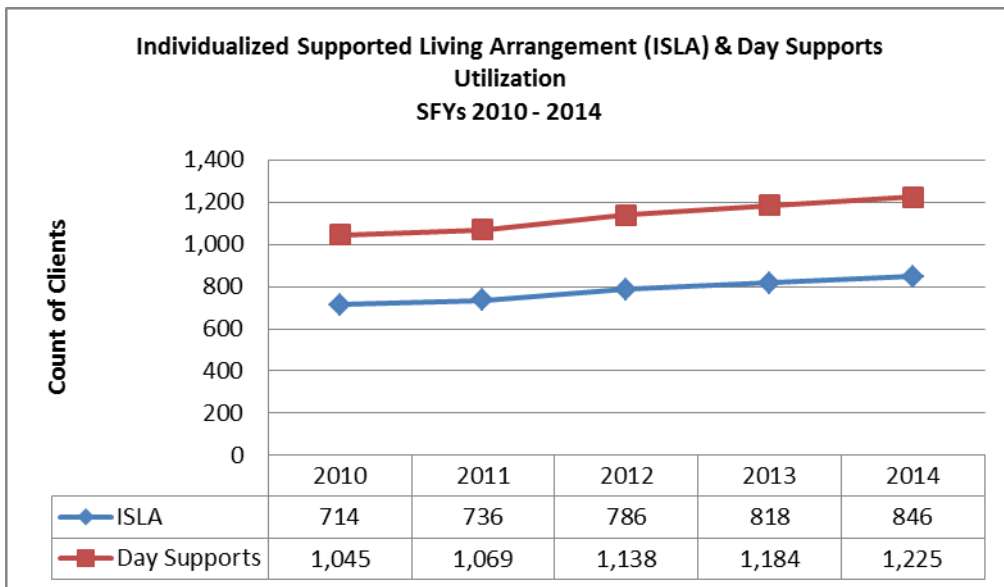
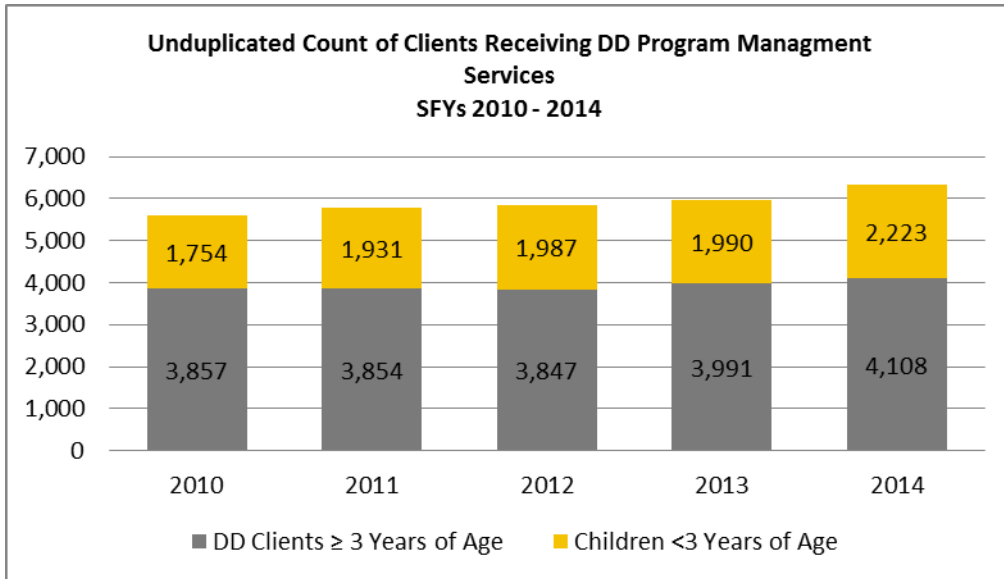
- Approval of individual authorizations, budgets, and rate setting;
- Policy development and implementation;
- Implementation and ongoing monitoring functions related to the Medicaid 1915(c) waiver;
- Quality assurance;
- Staff training (DD licensed providers and human service center staff);
- Compliance with federal oversight agency rules; and
- Licensing human service centers and providers.

Division staff interact regularly with developmental disability staff at the regional human service centers, Life Skills and Transition Center, federal agency representatives, school system personnel, university representatives, consumer advocates, families, and a variety of

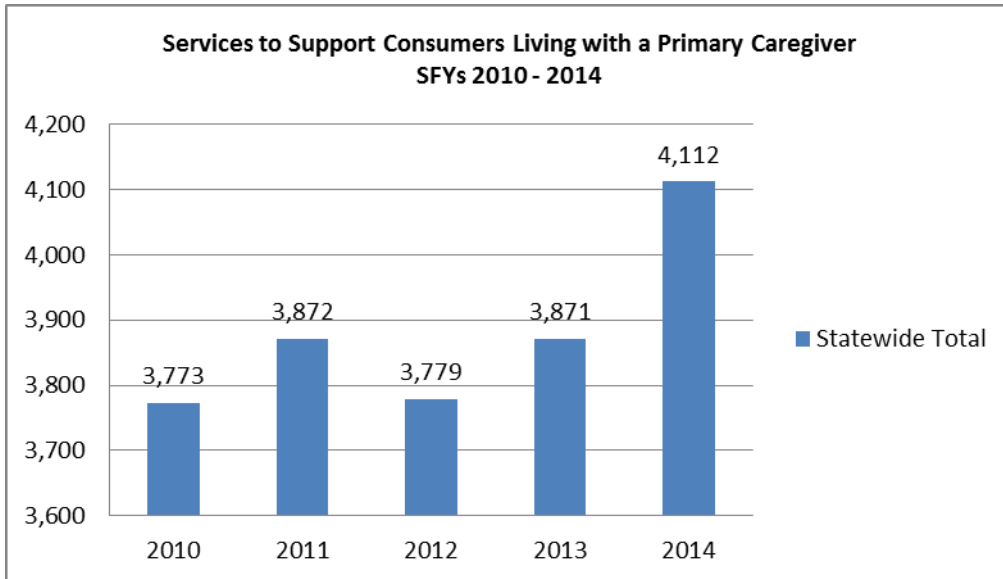
public and private entities that play a vital role in the delivery system and monitoring of services.

Program Trends/Program Changes

The following charts highlight the growth that is occurring within the DD service delivery area.



Utilization of services intended to support consumers in the home of their primary caregiver continues to increase. Below is a chart that captures the growth in the following authorized services (Family Subsidy, In-Home Support, Infant Development and Self-directed Supports). One consumer may be authorized for multiple services.



DD Payment System

In 2011, SB 2043 directed the Department, in conjunction with DD providers, to develop a prospective or related payment system with an independent rate model utilizing the Support Intensity Scale (SIS). The Department, the steering committee, and the stakeholders continue to work on this project. Recently the North Dakota Association of Community Providers notified the Department that they believe additional work needs to occur, and requested the Department not implement the new system on July 1, 2015. The Department has asked providers to develop a comprehensive list of outstanding concerns and bring those concerns and proposed solutions to the steering committee. Likely the implementation date will be in 2016, and, in addition to addressing all of

the rate setting pieces, all of the following items will need to be completed prior to implementation;

- Finalize administrative code, service descriptions, and related policies and procedures;
- Submit waiver and state plan to the Centers for Medicare and Medicaid Services (CMS); and
- Implement the billing module within the case management system to accommodate making payments under the new payment system.

Home and Community-Based Settings Rule

In March 2014, a new federal CMS rule established requirements for the qualities of settings that are eligible for reimbursement for Medicaid Home and Community-Based Services (HCBS) provided under 1915(c) Medicaid waivers. Department staff have completed a review of current services, conducted site visits, and are currently working with CMS, consumers, and providers to assure compliance with this new rule.

Overview of Budget Changes

Description	2013 - 2015 Budget	2015 - 2017 Executive Budget	Increase/ (Decrease)
Salary and Wages	1,672,270	2,035,759	363,489
Operating	9,469,764	8,543,908	(925,856)
Equipment over \$5,000	0	10,000	10,000
Grants	242,327	317,528	75,201
DD Grants	502,717,325	566,315,493	63,598,168
Total	514,101,686	577,222,688	63,121,002
General Fund	252,152,363	284,090,301	31,937,938
Federal Funds	261,949,323	293,132,387	31,183,064
Total	514,101,686	577,222,688	63,121,002
Full Time Equivalent (FTE)	10.00	11.00	1.00

Budget Changes from Current Budget to the Executive Budget:

The Salary and Wages line item increased by \$363,489 and is mainly attributed to the following:

- \$151,797 in total funds, of which \$79,958 is general fund, needed for the Governor's compensation package.
- \$29,065 in total funds, of which \$16,000 is general fund, needed to continue the employee increases approved by the last Legislative Assembly.
- \$169,704 in total funds, of which \$84,851 is general fund, was included in the Executive Budget for a nurse to provide expertise in interacting with nurses at provider agencies, reviewing care plans, and reviewing general event reports that are medical in nature.

The Operating line item decreased by \$925,856 and is mainly attributed to the following:

- Increase of \$65,868 in Professional Materials for assessment and evaluation tools for the Part C program.
- Decrease of \$758,778 in Operating Fees and Services. The decrease consists of: **\$168,472** increase for the 4%/4% provider inflationary increase on certain service contracts; **\$58,445** increase to continue the second year of the 2013-2015 provider inflationary increase; **\$17,908** increase for additional slots for the Section 11 program; **\$898,800** decrease in contracts for Part C services to make these funds available for direct client services through DD grants; **\$104,803** decrease in contracts for the DD payment system.
- Decrease of \$183,464 in Travel, of which the majority is from Part C to make these funds available for direct client services through DD grants.

- Decrease of \$55,592 for Professional Development, of which \$54,000 is from Part C to make these funds available for direct client services through DD grants.

The Equipment Over \$5,000 line item increased by \$10,000 and is to replace two Otoacoustic Emissions (OAE) machines which are used for testing the hearing of children under the age of three.

The Grants line item increased by \$75,201 and is mainly due to a \$67,761 increase in the contract with Minot State University for providing training to DD service providers.

The Developmental Disabilities Grants increased by \$63,598,168 and is mainly attributed to the following:

- 4% and 4% inflationary increase for providers,
- 91 additional high school graduates and new placements expected to need services during the biennium,
- 21 expected transitions from the Life Skills and Transition Center to the community,
- An increase of 126 consumers for family support services,
- An increase of five children per month (120 for the biennium) for infant development services, and
- An increase in 58 consumers for self-directed services.

[Attachment A](#) provides a walk-through of the Developmental Disabilities Grants from the 2013-2015 appropriation to the 2015-2017 Executive Budget.

The general fund request increased by \$31,937,938 with \$31,542,085 or 99% of the increase related to the Developmental Disabilities Grants.

The remaining \$395,853 or 1% is related to salary, operating and grants changes as described above.

The federal funds request increased by \$31,183,064 with the majority of the increase related to the Developmental Disabilities Grants.

This concludes my testimony on the 2015-2017 budget request for the Developmental Disabilities Division. I would be happy to answer any questions that you may have.