Testimony
House Bill 1307 – Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
February 25, 2009

Chairman Lee, members of the Senate Human Services Committee, I am Barbara Fischer, Assistant Director, Budget and Operations of the Medical Services Division for the Department of Human Services. I am here today to provide information regarding the fiscal note and to support House Bill 1307.

The fiscal impact of changing the provisions for allowable education expense that are currently in rule cannot be determined as it is unknown how many individuals would utilize the provisions. Education expense is not separately identified on nursing facility cost reports and is reviewed for allowability only when the facility indicates education expense is being claimed.

Under the current provisions of N.D.A.C. 75-02-06-12.1(37)(d), education expense meeting the first three criteria under section 2 of the bill can be claimed at a dollar per hour of work performed by an individual up to a maximum of $2,000 per year or an aggregate of $8,000.

HB 1307 increases these amounts to $3,750 per year or an aggregate of $15,000, and removes the requirement of a corresponding number of hours that an individual must work during any year in which education expense is claimed. The bill provides that an individual must commit to at least 6,656 hours, in the aggregate, if they receive at least $15,000, but

does not include any parameters for claiming the education expense if the individual receives less than $15,000 or does not work full time.

The bill does lack a provision to report on subsequent cost reports any repayment of funds, for which an expense was previously claimed, from individuals who do not fulfill their commitment to work for the facility.

I have attached suggested language for an amendment that would address this provision in the event an individual does not work for the facility for the agreed upon time.

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