Human Services Committee
July 27, 2018

Nancy Nikolas-Maier, Director
Aging Services Division and
LeeAnn Thiel, Rate Setting Administrator
Medical Services Division
2017 HB 1038 (Section 3)

- **SECTION 3. DEPARTMENT OF HUMAN SERVICES - LONG-TERM CARE SERVICES - REPORT TO LEGISLATIVE MANAGEMENT.** The department of human services shall review services and related funding provided within its long-term care division for the 2015-17 and 2017-19 bienniums. The department of human services shall report to the legislative management during the 2017-18 interim on the levels of funding provided for and spent on nursing home services and home- and community-based services by program during these time periods and shall provide recommendations on options to increase the number and level of services and funding provided for home-and community-based services for the 2019-21 biennium.
North Dakota Department of Human Services
2017 - 2019 Legislatively Approved Budget
(Includes HB 1012 and other 2017 bills with DHS Appropriation)
Medical Assistance Grants $2,593,662,439

* Includes Personal Needs Allowance, Community of Care, and unmatched federal authority received during the 2017 Legislative Session.
** Includes County Jail Claims and Remedial Eye Care.
*** Includes SPED, Expanded-SPED, Personal Care, Targeted Case Management, Home and Community-Based Services Waiver, Children’s Medically Fragile Waiver, Technology Dependent Waiver, PACE, Children’s Hospice Waiver, Money Follows the Person Sustainability, Autism Waiver and Autism Voucher.

1. Hospital; $2,72,076,444 (40.8%)
2. Physician Services; $90,531,843 (13.6%)
3. Drugs-Net (includes Rebates); $52,306,635 (7.8%)
4. Premiums; $33,429,787 (5.0%)
5. Psychiatric Residential Treatment Facilities; $32,407,032 (4.9%)
6. Dental Services; $31,583,484 (4.7%)
7. Autism Spectrum Disorder; $18,231,750 (2.7%)
8. Ambulance Services; $11,336,024 (1.7%)
9. Durable Medical Equipment; $10,762,438 (1.6%)
10. Indian Health Services; $53,872,457 (5.1%)
11. Other; $65,256,833 (9.8%)
12. Healthy Steps (CHIP); $35,582,977 (2.3%)
### Section 12 - Long Term Care Continuum Appropriation 2015-2017 Biennium $623,882,271

#### Budget (5/15/6/17) vs. Actual Paid (5/15/6/17)

<table>
<thead>
<tr>
<th>Service</th>
<th>Monthly Average Units of Service</th>
<th>Monthly Average Cost Per Unit</th>
<th>Monthly Average Units of Service</th>
<th>Monthly Average Cost Per Unit</th>
<th>Spent to Date</th>
<th>Percentage of Appropriation Used*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing Homes &amp; Hospice</td>
<td>95,366</td>
<td>221</td>
<td>93,601</td>
<td>221</td>
<td>497,446,583</td>
<td>98.3%</td>
</tr>
<tr>
<td>Basic Care</td>
<td>15,767</td>
<td>70</td>
<td>18,765</td>
<td>70</td>
<td>15,086,508</td>
<td>101.0%</td>
</tr>
</tbody>
</table>

#### Expanded SPED

<table>
<thead>
<tr>
<th>Service</th>
<th>Monthly Average Number of People</th>
<th>Monthly Average Cost Per Person</th>
<th>Monthly Average Number of People Receiving</th>
<th>Monthly Average Cost Per Person</th>
<th>Spent to Date</th>
<th>Percentage of Appropriation Used*</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPED</td>
<td>1,192</td>
<td>515</td>
<td>1,023</td>
<td>516</td>
<td>12,684,137</td>
<td>86.9%</td>
</tr>
<tr>
<td>Expanded SPED</td>
<td>152</td>
<td>410</td>
<td>142</td>
<td>427</td>
<td>1,455,599</td>
<td>97.6%</td>
</tr>
</tbody>
</table>

#### Targeted Case Management

<table>
<thead>
<tr>
<th>Service</th>
<th>Monthly Average Number of People</th>
<th>Monthly Average Cost Per Person</th>
<th>Monthly Average Number of People Receiving</th>
<th>Monthly Average Cost Per Person</th>
<th>Spent to Date</th>
<th>Percentage of Appropriation Used*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeted Case Management</td>
<td>497</td>
<td>153</td>
<td>400</td>
<td>154</td>
<td>1,477,944</td>
<td>82.7%</td>
</tr>
<tr>
<td>Personal Care Option</td>
<td>638</td>
<td>1,007</td>
<td>574</td>
<td>2,154</td>
<td>29,884,583</td>
<td>87.0%</td>
</tr>
<tr>
<td>Tech Dep. Waiver</td>
<td>25,163</td>
<td>1</td>
<td>15,639</td>
<td>1</td>
<td>350,404</td>
<td>88.4%</td>
</tr>
<tr>
<td>Medically Fragile Waiver</td>
<td>15</td>
<td>1,543</td>
<td>9</td>
<td>1,092</td>
<td>220,947</td>
<td>99.3%</td>
</tr>
<tr>
<td>PACE</td>
<td>170</td>
<td>4,702</td>
<td>123</td>
<td>5,476</td>
<td>16,507,215</td>
<td>79.6%</td>
</tr>
<tr>
<td>Children's Hospice Waiver</td>
<td>2</td>
<td>2,524</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

#### Total Long-Term Care Continuum Expenditures to Date

- Total: $607,302,081
- Percentage: 97.3%

---

**Program Notes:**

- A unit is equal to one day of service.

- A rate decrease of 10% for Homemaker Services for Home and Community-Based Services was implemented September 1, 2015 due to the February 2016 budget allotment.

- Provider inflation for the 2nd year of the biennium was not given on 7/1/2016 due to the February 2016 budget allotment.

- Fluctuations in expenses are due to the timing of when payments are made.
### Long Term Care Continuum Expenditures and Appropriation*
#### 2009 - 2011 Biennium to 2017 - 2019 Biennium

<table>
<thead>
<tr>
<th>Biennium</th>
<th>Total Expenditures / Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>09-11 Expenditures</td>
<td>$465,923,409</td>
</tr>
<tr>
<td>11-13 Expenditures</td>
<td>$508,480,047</td>
</tr>
<tr>
<td>13-15 Expenditures</td>
<td>$565,582,745</td>
</tr>
<tr>
<td>15-17 Expenditures</td>
<td>$607,302,681</td>
</tr>
<tr>
<td>17-19 Appropriation †</td>
<td>$682,757,000</td>
</tr>
</tbody>
</table>

![Bar Chart](image)

<table>
<thead>
<tr>
<th>Fiscal Year Beginning</th>
<th>Inflationary Increases Granted by Legislature</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2018</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>July 1, 2017</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>July 1, 2016</td>
<td>3.0%</td>
<td>Nursing Homes operating margin increase effective January 1, 2018</td>
</tr>
<tr>
<td>July 1, 2015</td>
<td>3.0%</td>
<td>Although a 3% increase was appropriated, inflationary increases were not provided due to the February 2016 budget allotment. 2017 Legislative action restored funding for Nursing Home rebasing, incentives, and operating margin effective June 1, 2017</td>
</tr>
<tr>
<td>July 1, 2014</td>
<td>4.0%</td>
<td>Nursing Facility, Basic Care and QSP's received a 3% inflationary increase.</td>
</tr>
<tr>
<td>July 1, 2013</td>
<td>4.0%</td>
<td>Nursing Facility and Basic Care received a wage pass-through for staff of $1 per hour, and the QSP fee schedule was increased by $1 per hour. These providers received a 3% inflationary increase.</td>
</tr>
<tr>
<td>July 1, 2012</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>July 1, 2011</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>July 1, 2010</td>
<td>6.0%</td>
<td></td>
</tr>
<tr>
<td>July 1, 2009</td>
<td>6.0%</td>
<td>Reimbursement levels/fee schedules for Providers paid from the professional fee schedule, Hospitals, Dentists, Ambulance and Chiropractors were rebased therefore they did not receive inflation the first year of the biennium.</td>
</tr>
</tbody>
</table>

*Long Term Care Continuum does not include services for Individuals with Developmental Disabilities.

† Does not include $10,710,835 in excess Federal Authority
North Dakota Department of Human Services
Nursing Home Facilities
State Fiscal Years 1980 - 2019

**Average Daily Nursing Home Rate**

***Average Daily Nursing Home Rate that Facilities received:***
- $0.80 increase/hr authorized in July 2009
- $1.00 increase/hr authorized in July 2013
- Restoration of Operating Margin and Incentive in June 2017

- Expenditures
- Projections
- Monthly Avg of Medicaid Residents

Data is based on actual expenditures
1980 - 2017 represents actual expenditures
2018 and 2019 represents estimated expenditures in the Executive Budget
The average daily nursing home rate is effective January 1 of each year unless otherwise indicated
North Dakota Department of Human Services
Home and Community Based Services
State Fiscal Years 2012 - 2019

Data is based on paid date
*2012 - 2017 represents actual expenditures based on paid date
2018 and 2019 represents estimated expenditures in the Executive Budget
HCBS Programs include HCBS Waiver, Personal Care Waiver, SPED, DXSPEI, Technology Dependent Waiver, and PACE
North Dakota Department of Human Services
Nursing Home Facilities, Basic Care Facilities, and HCBS Average Dollars per Year per Person
State Fiscal Years 2012 - 2019

Data is based on paid date
2016 and 2019 based on estimated expenditures, remaining years are based on actual expenditures
HCBS services include only the cost of care, Basic Care does not include therapy. Nursing home is all inclusive care
HCBS does not include room and board. Basic Care includes room and board and personal care.
HCBS Programs include HCBS Waiver, Personal Care State Plan, SPELD, DSPELD, Technology Dependent Waiver, and PACE
North Dakota Department of Human Services
Nursing Home Facilities and HCBS Average Dollars per Year per Person
State Fiscal Years 2012 - 2019

Data is based on paid dates
2018 and 2019 based on estimated expenditures; remaining years are based on actual paid claims
HCBS services include only the cost of care; Nursing Home is all-inclusive care
HCBS does not include room and board
HCBS Programs include HCBS Waiver, Personal Care State Plan, SPED, DSSPESD, Technology Dependent Waiver, and PACE
HCBS in 2014 added the Personal Care State Plan and is the primary reason for the increase from 2013 to 2014.
Ideas Provided to NDLTCA

• Earlier this year, the North Dakota Long-Term Care Association (NDLTCA) asked the Department for ideas for potential cost savings in Nursing Home expenditures.

• The Department provided a list of ideas to the NDLTCA Nursing Facility Payment Study Committee in March 2018.

• The ideas were discussed at the March meeting and Department staff are meeting with representatives from NDLTCA in August to further explore the list of ideas.
Ideas to Increase Use of HCBS

• Add additional service options to the HCBS Waiver for aged and disabled individuals that mirror what is available in the Intellectual Disability / Developmental Disability Medicaid waiver.

• Develop Agency Adult Foster Care to increase provider capacity and residential service options.

• Address medication administration for aged and disabled population.
Residential Habilitation
Home & Community Based Services Waiver

- Formalized training and supports provided to assist with and develop self-help, socialization, and adaptive skills that improve the participant’s ability to independently reside and participate in an integrated community.
- Residential Habilitation may be provided in community residential settings leased, owned, or controlled by the provider agency, or in a private residence owned or leased by a participant. The service could be provided up to 24 hours per day.
- Supports could include adaptive skill development, assistance with activities of daily living, community inclusion, social, leisure skill development, personal care/homemaker, protective oversight and supervision.
- **Eligibility**: Medicaid Eligible, screen at Nursing Facility Level of Care, and live alone or with an individual who is unable or not obligated to provide supports.
- The individual must be able to benefit from skills training or the maintenance of current skills but needs protective oversight and services because of stroke, Traumatic Brain Injury etc.
Personal Care
Home & Community Based Services Waiver

- Individually tailored supports designed to assist with activities of daily living and community inclusion that assist the participant to reside in the most integrated setting appropriate to his/her needs.
- Waiver personal care may be provided in community residential settings leased, owned, or controlled by the provider agency, or in a private residence owned or leased by a participant. The service could be provided up to 24 hours per day.
- The service includes personal care /homemaker, community inclusion, participation in social, leisure skill activities, protective oversight, and supervision.
- **Eligibility**: Individual must be Medicaid Eligible, screen at Nursing Facility Level of Care, and live alone or with an individual who is unable or not obligated to provide supports. The individual would **not** benefit from **skills training or the maintenance of current skills** but requires protective oversight and services because of wandering, elopement, substantial medical needs etc.
2017 House Bill 1038 - Study

Questions?