

Testimony on Adult Residential SB 2271

House Human Services Committee

March 18, 2025

Good morning, Chair Ruby and members of the committee. Thank you for your time today. My name is Lana Charvat, I am the director of Maple View Memory Care Community located here in Bismarck. I am here on behalf of all 4 Maple View Communities here in ND as well as on behalf of all 14 Adult Residential Care facilities that provide care to individuals with Alzheimer's and other dementia related cognitive impairments.

Adult Residential Care facilities are licensed as Basic Care and operate under a Home and Community Based Waiver as specialized memory care facilities. We are also approved QSP agency providers.

We are proud of the specialized care we provide and the work we do to serve those suffering from Alzheimer's and other dementia-related illnesses. Being a waiver program participant, our Medicaid funding falls under Home and Community Based Services (HCBS). Upon enrollment into the HCBS program, our rates are established. Many of us providers have been in the program for 20+ years. Once the provider's rate is established, there is not a process in place to allow for adjustment through cost reporting or other means. Outside of some small inflationary adjustments allowed throughout the years, providers are locked into their original rate. With the continual overall growing costs of care and inflation, this continues to cause great hardship for those of us who want to provide this valuable service to individuals in our care who qualify for Medicaid.

In addition to the daily established rate, a room and board (R & B) fee is charged directly to the resident. Unfortunately, over time, we are also seeing more and more of these Medicaid eligible residents not being able to afford their R & B rate. Currently in our 4 Maple View facilities, of the 52 Medicaid eligible residents we care for, 7 of them are unable to pay this rate and unfortunately, this number seems to be increasing.

We take great pride in the valuable service we provide our residents. They become part of our family and when they “spend down” their funds and need to apply for Medicaid, we want to be able to afford to continue to care for them and to not have to discharge them to a skilled nursing facility. If this happens, the state will end up paying an even higher rate for their care as the Medicaid reimbursement for that level of care can be more than double what we are reimbursed in the Adult Residential program. Unfortunately, more and more residents are “spending down” at a higher rate and due to that, we are struggling with being able to keep them at our facilities, in their home. We are asking for your support of Senate Bill 2271 which will allow for those of us providing this specialized care a rate increase which in turn will allow us to continue to serve this vulnerable population and provide the care they need and deserve.

Of the 144 residents residing in our 4 Maple View facilities in North Dakota, 36% are currently on Medicaid. This number has increased over the past few years and will likely continue to do so. We ask for your support of this much needed bill so that we are able to keep serving these residents currently on Medicaid services and to be able to keep others who are private pay in our facilities when they spend down to need Medicaid.

All residents in our facilities screen in need of skilled care but, under our specialized license, we are able to provide that care in a more independent setting without the need for transfer to a skilled facility. This option is much more cost effective than having them be placed in a skilled nursing care facility until they reach that point of their disease process in which they no longer benefit from our level of care. If we are no longer able to provide Medicaid, then these individuals would indeed need to be placed in a skilled care facility.

In 2024 the average skilled nursing facility rate is \$403.19 per day. Thus, everyone would save money by us being able to keep them in our care. We continue to offer a service that is in demand and likely will be in the foreseeable future. According to statistics from the Alzheimer’s Association,

Alzheimer's is the fourth leading cause of death in North Dakota, currently 14,000 people aged 65 and older are living with Alzheimer's in North Dakota and 8.1% of people aged 45 and older have subjective cognitive decline. We as providers, want to continue to care for these individuals regardless of their payment source. We hope that you will help us by supporting this bill.

Thank you for your time and consideration.

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