



House Bill 1012

Long-Term Care Services and Supports

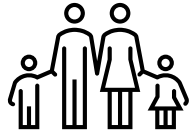
House Appropriations Human Resources Division, Chairman Nelson

Caprice Knapp, PhD, Medical Services Director
Nancy Nikolas-Maier, Aging Services Director

NORTH
Dakota
Be Legendary.™

Human Services

DHS 2021-2025 KEY PRIORITIES



Strong Stable Families

- Maintain family connections
- Improve stability and prevent crises
- Promote and support recovery and well-being



Early Childhood Experiences

- Support workforce needs with improved access to childcare
- Help kids realize their potential with top quality early experiences
- Align programs for maximum return on investment



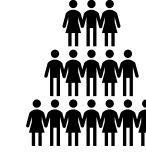
Services Closer to Home

- Create pathways that help people access the right service at the right time
- Engage proactively with providers to expand access to services



Efficiency Through Redesign

- Embrace process redesign to find efficiencies in our work
- Leverage technology to support greater efficiency, quality and customer service



High-Performing Team

- Develop a One DHS Team culture
- Engage team with opportunities for learning and development
- Implement fiscal scorecard to drive efficiency and effectiveness

Reinforce the Foundations of Well-being

Economic Health | Behavioral Health | Physical Health

MEDICAL SERVICES DIVISION

Our Values



We help...

our members receive safe, appropriate, quality care in a timely manner.



We communicate...

by listening, sharing information, and seeking feedback.



We partner...

with stakeholders, other state agencies, and tribes to achieve shared goals.



We oversee...

Medicaid to ensure integrity, efficiency, and stewardship of public resources.

Medicaid Long-Term Care Eligibility Unit

- Long Term Care Unit was formed in February 2020. The unit consists of 15 Eligibility Workers and One Supervisor.
- The LTC unit members are dispersed throughout the State and are home based employees.
- They are supported by several other State entities such as NDIT, Medicaid Policy and System Support, Medical Services, Economic Assistance, and the Legal Advisory Unit.
- The LTC unit utilizes MS Teams, and has a Call Center that is staffed Monday – Friday 8:00 am to 5:00 pm CST.

Client Support

The LTC Unit processes Medicaid Applications in which the client falls into one of the following categories:

- Resides in Skilled Nursing facility
- Resides in a Memory Care facility
- Resides in a Basic Care Facility
- Resides in a Medical facility with a Swing Bed Level of Care
- Is in receipt of Nursing Care Services or HCBS services and has a Spouse
- Is in receipt of the HCBS – 1915c Medical Waiver for Elderly or Physically Disabled individuals
- Asset assessments prior to Medicaid application for spouses who enter a nursing home – Spousal Impoverishment

Contact the Long-Term Care Unit

Online Self-Service Portal:

<https://www.nd.gov/dhs/eligibility/index.html>

Email: dhsmedicaidltc@nd.gov

Phone: 701-328-1180 or Toll Free 1-833-755-0235

Fax: 701-328-5020

Mail: NDDHS – LTC Unit

600 East Boulevard Ave, Dept 325

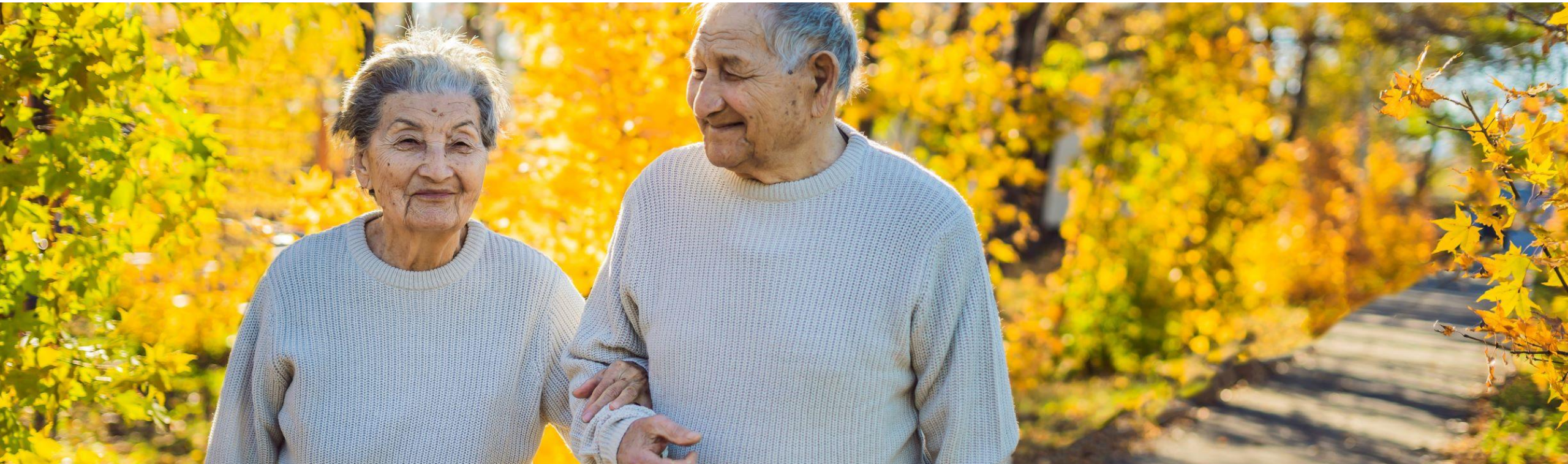
Bismarck, ND 58505

AGENDA

A word cloud on a dark blue background. The central and largest text reads "LONG TERM CARE". Other prominent words include "Insurance", "Nursing Home", "Physicians", "Disabilities", "Healthcare", "Dressing", "Supervised", "Personal", "Nurse", "Chronic", "Doctors", "Paid", "Age", "On Site", "Seniors", "Residential", "Older", "Activities", "Health", "Hospice", "Expense", "Taxes", "Cost", "Premiums", "Needs", "Custodial", "Caregiver", "Nursing Home", "Supervised", "Personal", "Nurse", "Chronic", "Doctors", "Paid", "Age", "On Site", "Seniors", "Residential", "Older", "Activities", "Health", "Hospice", "Expense", "Taxes", "Cost", "Premiums", "Needs", "Custodial", "Caregiver".

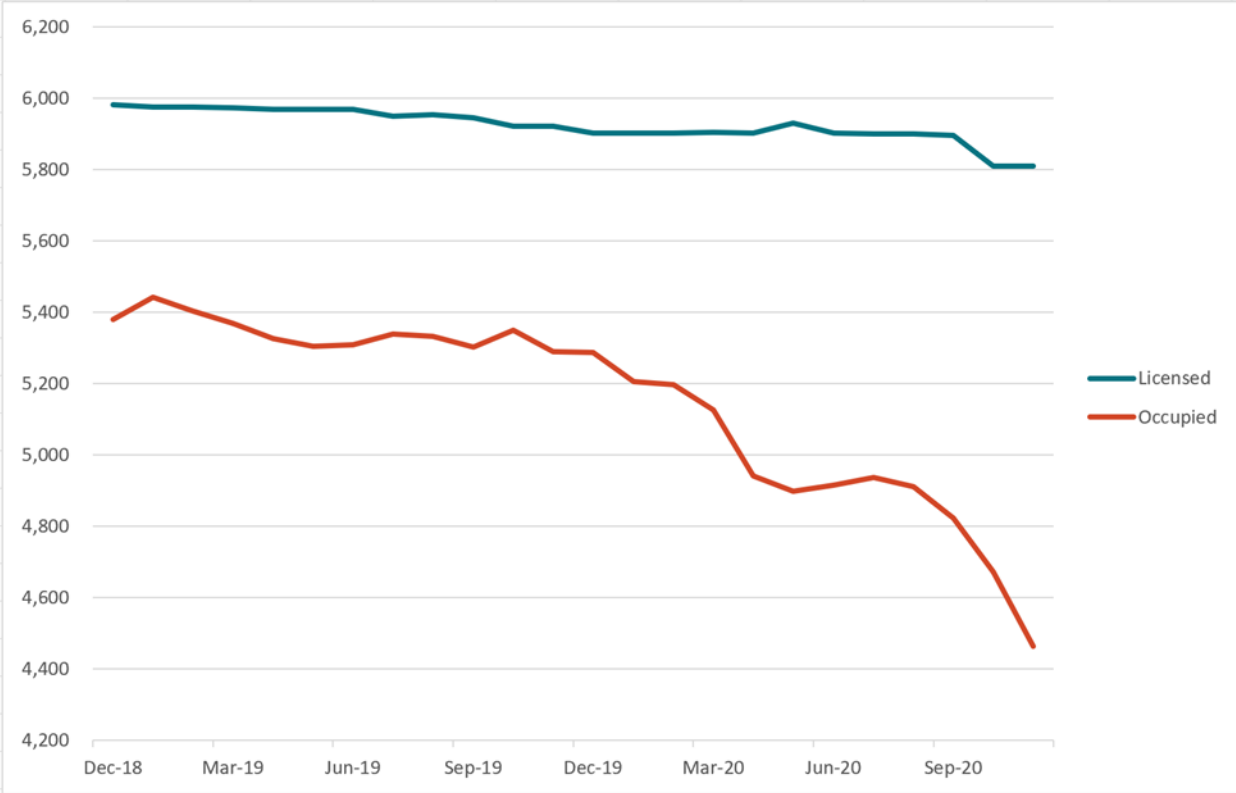
- **Detail for Long-Term Care Services: Institutions**
- **Detail for Long-Term Care Services: PACE**
- **Detail for Long-Term Care Services: Autism and Other Waivers**
- **Review Executive Request for 2021-2023**

Detail for Long-Term Care Services: Institutions

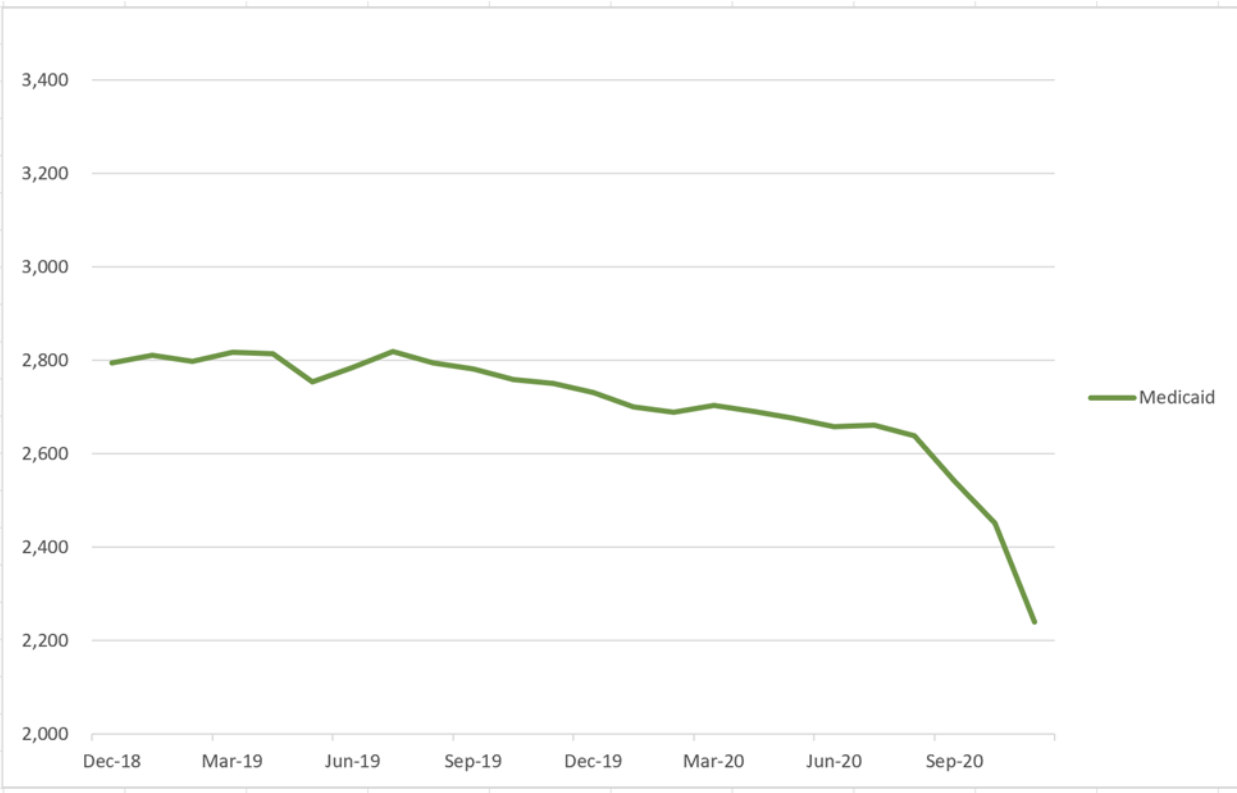


Bed Occupancy For Nursing Home Facilities

Nursing Facility Occupancy

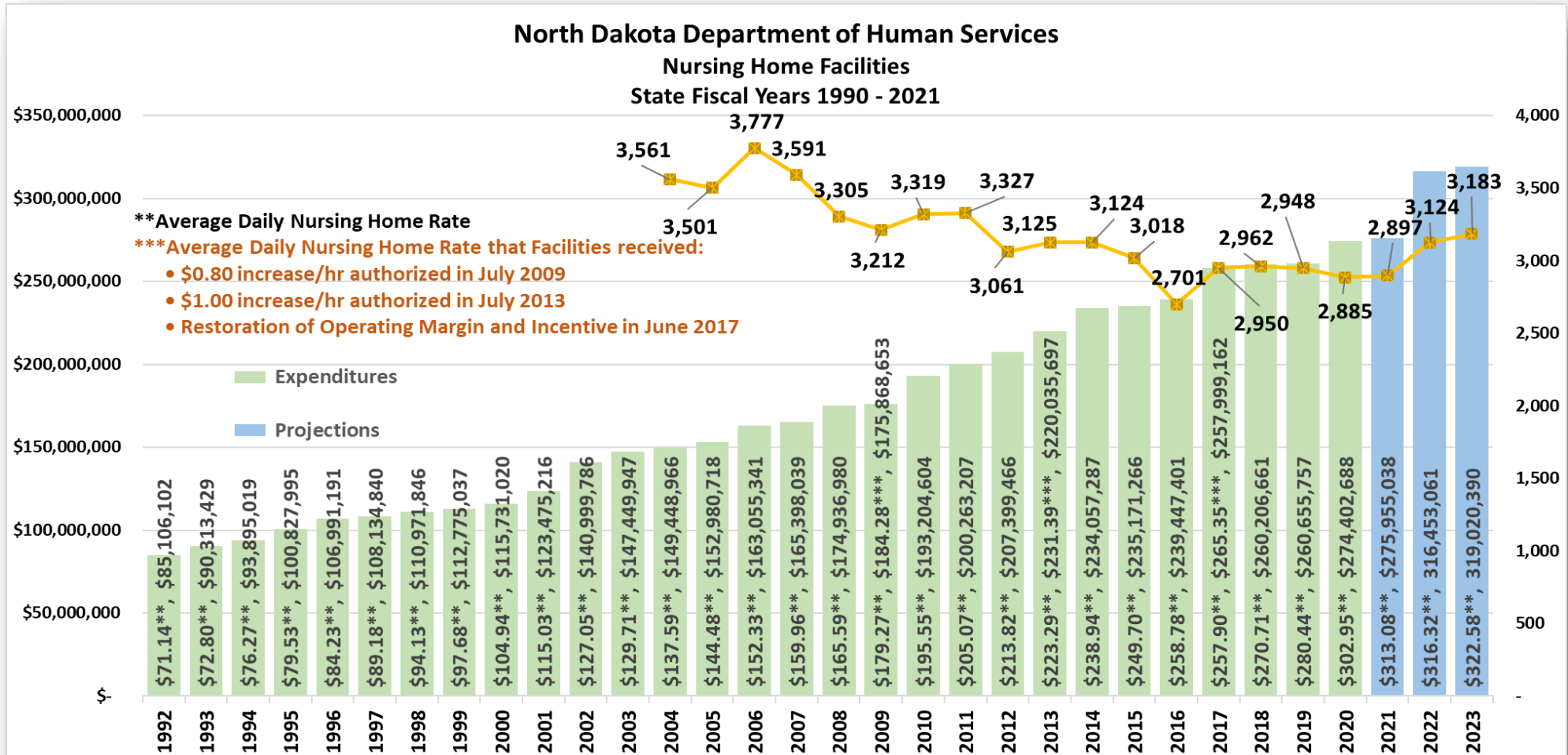


Nursing Facility Medicaid Occupancy



Nursing Home Facilities

State Fiscal Years 1990 - 2023



Data is based on paid date

*1992 - 2020 represents actual expenditures

2022 and 2023 represents estimated expenditures in the Executive Budget

The average daily nursing home rate is effective January 1 of each year unless otherwise indicated

Funding Request

Nursing Home Payment Reform

- Reform of both care and property rate methodology
- Interim report submitted October 1, 2020
- Testimony will be presented in **Human Services Committee**
- DHS sponsored bill
- \$7.2 million (\$3.3m General; \$3.8m Federal)



Services Closer to Home

Create pathways that help people access the right service at the right time

Engage proactively with providers to expand access to services

Care Rate

Hold Harmless \$4.1 million (\$2.5 million year 1, \$1.6 million in year 2)

- Facilities can choose old cost rate or new price rate
- 14 will likely choose old cost rate
- In year 1 (2022), the 14 choosing old cost rate would be inflated by 2.3%= \$2.5 million
- In year 2 (2023) the 14 choosing the old cost rate would get 1.8% inflation (0.5% less than those choosing the new rate or 2.3%)=\$1.6 million
- **At the end of year 2 there is no more hold harmless for care**



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Property Rate

\$2.1 million for increases to lower rate facilities

- 4-year phase in
- Year 1 (2023) \$2.1 million
- Year 2 (2024) \$4.2 million
- Year 3 (2025) \$6.3 million
- Year 4 (2026) \$8.4 million, annual amount expected



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Property Rate

\$1 million for Hold Harmless

14 facilities where cost > FRV

- By year 1, 8 cross over
- By year 2, 9 (cumulative) cross over
- By year 6, 10 cross over
- By year 8, 11 cross over
- By year 9, 12 cross over

Missouri Slope nor McKenzie County do not cross over even at year 15



Services Closer to Home

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Property Rate

Future Hold Harmless Estimate Depends on 12/31/2021

- So, if most cross over by year 9 why not predict how the \$1 million per year decreases?
- Because the deadline to submit new construction or major renovation projects is 12/31/2021 and those would be considered in the future hold harmless amount
- Note prior testimony that lower interest rates cause facilities to cross over quicker (2.5% would cross in year 1; 5% would cross around year 11)



Services Closer to Home

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Funding Request

Nursing Home Bed Buy Back

- Request to purchase beds out of the current nursing home system and layaway
- State plans to pay between \$12,000-\$15,000 per bed
- Taking beds out of the system reduces future State liability
- \$3.3m in General Funds



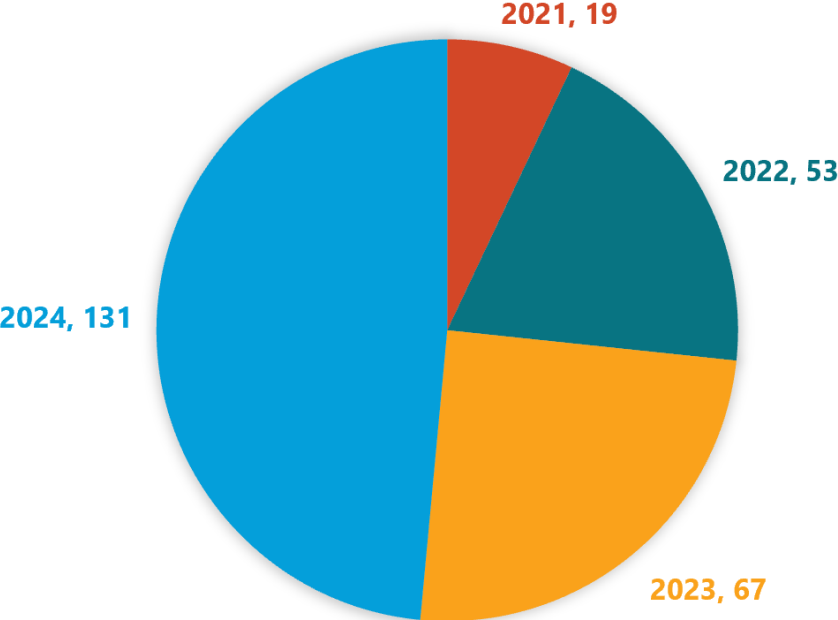
Services Closer to Home

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Nursing Home Bed Buy Back

EXPIRATION OF BEDS IN LAYAWAY
270 TOTAL



Services Closer to Home

Create pathways that help people access the right service at the right time

Engage proactively with providers to expand access to services

Burleigh/Morton

224

Medicaid beds



Cass

264

Medicaid beds



Grand Forks

163

Medicaid beds



Ward

25

Medicaid beds



Basic Care Facilities



Basic Care Rates

- Rates are effective July 1
- Cost reports are submitted annually
- Limits for Direct Care and Indirect Care
- No Rate Equalization
- One daily rate for all residents in the facility regardless of care needs
- Rates range from \$78.63 - \$186.68 per day
 - **Personal Care rate range**
\$36.37 - \$99.88 per day
 - **Room and Board rate range**
\$36.45 - \$112.91 per day

Reduce Basic Care Appropriation



Basic Care is a **state-funded program** that was created in the 1990s when home and community-based services were not as well developed

- North Dakota is the **only** state with Basic Care
- Medicaid **pays for personal care services** for Medicaid-eligible Basic Care residents
- The State **pays for room and board** for Medicaid-eligible Basic Care residents
- Basic Care **is not a CMS recognized institutional setting** and CMS will only allow payment for room and board in an institutional setting.

There is currently private pay differential in the Basic Care program, unlike Nursing Homes which charge a private pay room differential to Medicaid clients

LTCA survey showed that:

- 26 facilities charge >\$10 per day (average is \$9)
- Range is \$1 to \$26
- Room and board rates have no limit unlike nursing home rates that have limits
- Room and board ranges from \$36 to \$112 across Basic Care facilities

BASIC CARE REDUCTION



Estimated Total Potential Savings **\$7,300,000**

Basic Care Reduction

	Total	Federal	State
Basic Care	\$ (7,300,000)	\$ (0)	\$ (7,300,000)

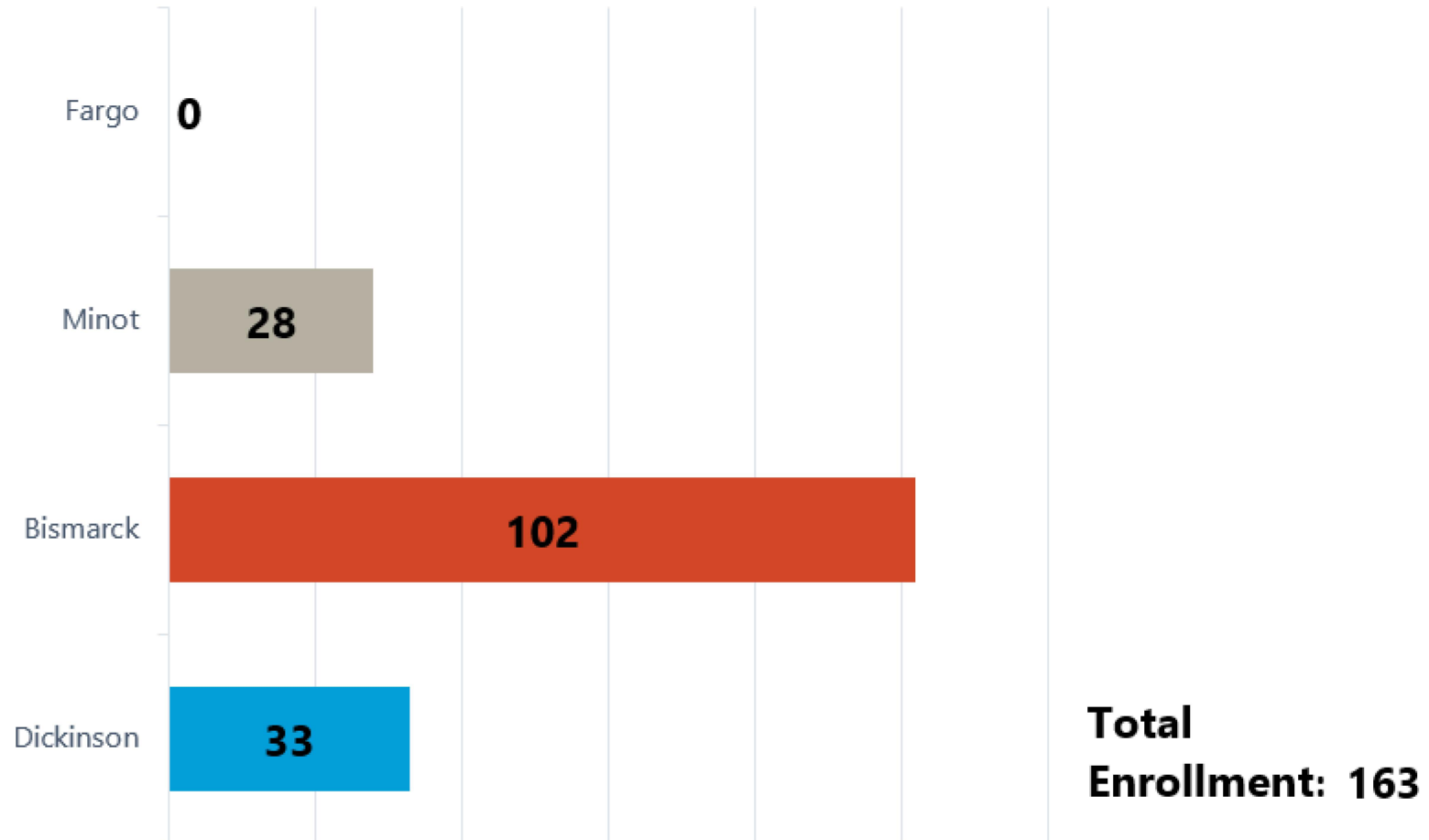
Detail for Long-Term Care Services: PACE



PACE ENROLLMENT

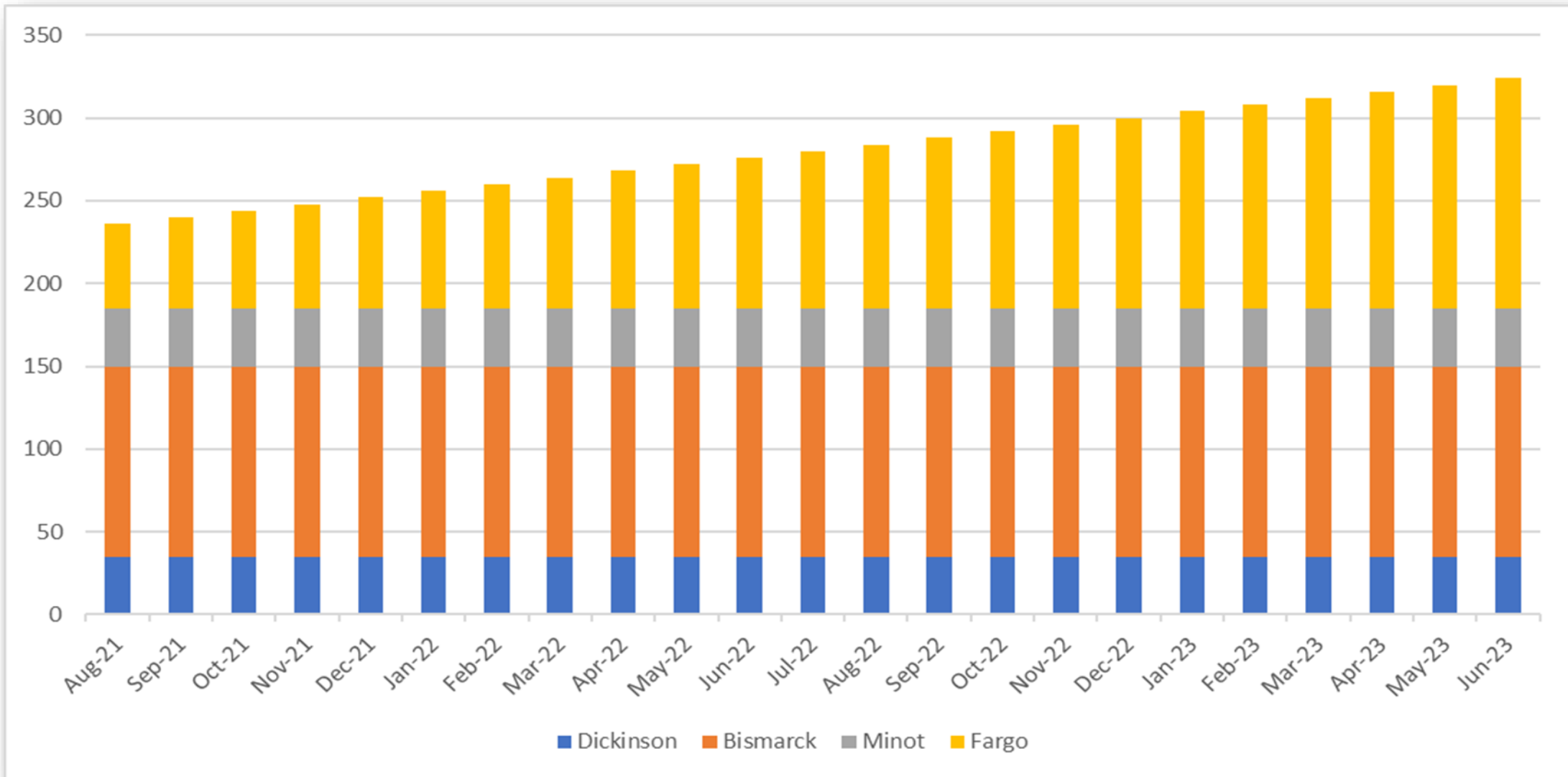
Current PACE Enrollment

As of January 2021



PACE ENROLLMENT PROJECTIONS

2019-2021 Biennium



Reduce PACE Rates and Enrollment



- Based on the latest audited 9-months of financials from July 2019 through March 2020, Northland PACE experienced a **10.7 percent profit**. Our goal is to bring profits more in line with PACE programs in other states.
- The rate decrease was calculated by the State's actuaries using a Dual allocation methodology model. This approach analyzed the three most recent years of financial experience and allocates expenses for the Dual population between Medicaid and Medicare, and builds the rates up using the financial experience.
- Starting January 1, 2021, the **monthly PACE capitation rates will be decreased by 3.98%**.

REDUCE PACE RATES & ENROLLMENT



Estimated Total Potential Savings **\$1,914,734**

Reduce PACE Rates & Enrollment

	Total	Federal	State
PACE Capitated Rate Reduction	\$ (1,385,545)	\$ (740,194)	\$ (645,351)
PACE Enrollment Reduction	\$ (529,189)	\$ (282,709)	\$ (246,480)
TOTAL POTENTIAL SAVINGS	\$ (1,914,734)	\$ (1,022,903)	\$ (891,831)

Detail for Long-Term Care Services: Autism and Other Waivers



AUTISM SPECTRUM DISORDER (ASD) WAIVER

ASD Wavier

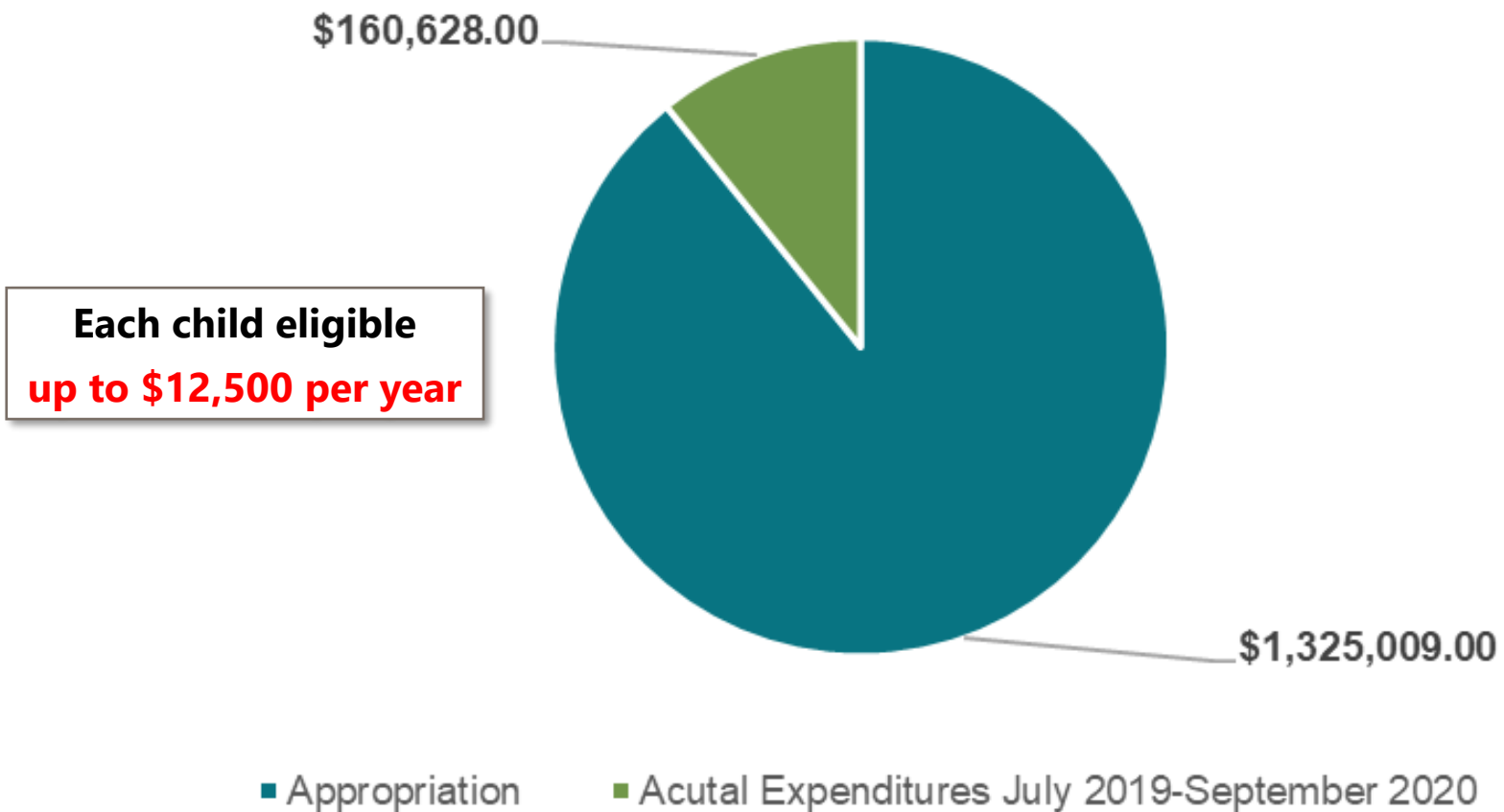
- **96 slots** per year
- **56 children on waitlist** as of 1/20/2021

- **\$395,577 spent** in 2019-2021 on waiver
- **\$2,077,632 spent** on state plan services in 2019-2021
(96 children*\$10,821 per child*2 years = \$2,077,632)

- **\$2,473,209** total spent on waiver & state plan in 2019-2021

ASD VOUCHER

2019-2021 Biennium



Re-Investment of the Autism Voucher



- Age 3 years through age 17
- Family gross income is 200% below Federal Poverty Level (FPL)
- Must have an Autism Spectrum Disorder diagnosis
- Not be on any Medicaid 1915c waivers
- Child must reside with parents, legal guardian or custodian
- Must have lived in ND for at least 6 months

- Helps pay for assistive technology, training and other approved support services such as respite, that enhance the quality of life of children with autism spectrum disorder.
- ASD Voucher = maximum of \$12,500 per year, per child.
- Early intervention and therapy services are not covered.

Autism Voucher Statistics



Year	Total Number of Children Enrolled	Total Number of Children with Voucher Purchases	Total Number of Children with No Voucher Purchases	Average Spending Per Year
2017-18	52	45	7	\$4,974.45
2018-19	39	30	9	\$4,866.84
2019-20	48	43	5	\$3,186.88
2020-21	42	-	-	-

Autism Voucher Purchases

- Swings/playsets
- Arts and craft items/puzzles/flashcards/magnetic letters
- Toys to support socialization – doll house, kitchen sets, fidgets
- Respite/tutoring
- Adaptive swimming lessons/adaptive activities/adaptive horseback riding
- Weighted blankets/bean bag chairs/iPads, sensory items

Autism Voucher Requested – Not Purchased

- Fishing poles and tackle
- Pools
- Workout equipment that is not age appropriate
- Stuffed animals
- Kayaks and trailers
- Home Meal Delivery
- Cable TV, air conditioner, internet
- Car
- Entire kitchen sets, appliances, knives, plates, etc.

Re-Investing in Waiver Instead of Voucher



Voucher

- Only families with ASD who are 200% below FPL are eligible
- Limited to purchases of items and non-therapy services
- Does not qualify child for Medicaid
- Does not provide a service manager
- All general fund budget
- No federal matching funds



Waiver

- All North Dakota families with ASD are eligible
- Receives traditional Medicaid coverage and benefits
- Receives a service manager to assist family with planning and services
- Has assistive technology to purchase items of need
- Receive federal matching funds for all services

Eliminating the voucher and **re-investing** in the **waiver** will result in **50 new slots**

Summary of Autism Changes



Estimated Total Potential General Fund Savings

\$623,000

Elimination of Autism Voucher = **\$1.358 million** general fund savings

Re-investing in Autism Waiver = **\$830,000** ↑ in general funds for ↑ of **50 slots** and state plan services

Elimination of Autism Training funds = **\$93,000** in general fund savings

ELIMINATION OF TECHNOLOGY DEPENDENT WAIVER



Estimated Total Potential Savings **\$596,112**

Elimination of TECH DEPENDENT WAIVER

	Total	Federal	State
Tech Dependent Waiver	\$ (596,112)	\$ (318,560)	\$ (277,552)

SUMMARY OF BUDGET CHANGES

Description	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Grants	853,200	(330,000)	523,200
Medical Grants	736,510,531	85,531,242	822,041,773
Total	737,363,731	85,201,242	822,564,973
General Fund	377,567,931	26,612,730	404,180,661
Federal Funds	356,199,438	61,872,874	418,072,312
Other Funds	3,596,362	(3,284,362)	312,000
Total	737,363,731	85,201,242	822,564,973
Full Time Equivalent (FTE)	0.00	0.00	0.00

GREEN SHEET WALKTHROUGH GF/FTE

Executive Budget Request

	<u>FTE Positions</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Long-Term Care				
Agency Savings plan		(7,871,872)	(960,285)	(8,832,157)
Grant cost and caseload changes		40,219,972	37,478,740	77,698,712
Other funds reprioritization		0	(2,284,362)	(2,284,362)
Funding source change - Health care trust fund		1,000,000	(1,000,000.00)	-
Subtotal Long Term Care		33,348,100	33,234,093	66,582,193

OVERVIEW OF BUDGET CHANGES BY EXPENSE CATEGORY AND FUNDING SOURCE

Expense Category	2017 - 2019 Biennium Expenditures	2019 - 2021 Base Level Budget	2019 - 2021 Year 1 (SFY 20)	Increase/ (Decrease) to 2021 - 2023	2021 - 2023 Executive Budget Request
71x Grants, Benefits, & Claims	647,482,878	737,363,731	307,772,030	85,201,242	822,564,973
Total Grants	647,482,878	737,363,731	307,772,030	85,201,242	822,564,973
Total	647,482,878	737,363,731	307,772,030	85,201,242	822,564,973

Expense Category	2017 - 2019 Biennium Expenditures	2019 - 2021 Base Level Budget	2019 - 2021 Year 1 (SFY 20)	Increase/ (Decrease) to 2021 - 2023	2021 - 2023 Executive Budget Request
General	338,341,273	377,567,931	161,713,605	26,612,730	404,180,661
Federal	306,998,114	356,199,438	146,058,425	61,872,874	418,072,312
Other	2,143,491	3,596,362	-	(3,284,362)	312,000
Total	647,482,878	737,363,731	307,772,030	85,201,242	822,564,973

GRANTS NOT ON WALKTHROUGH

Long Term Care

Budget Account Code 712000 - Grants, Benefits, and Claims

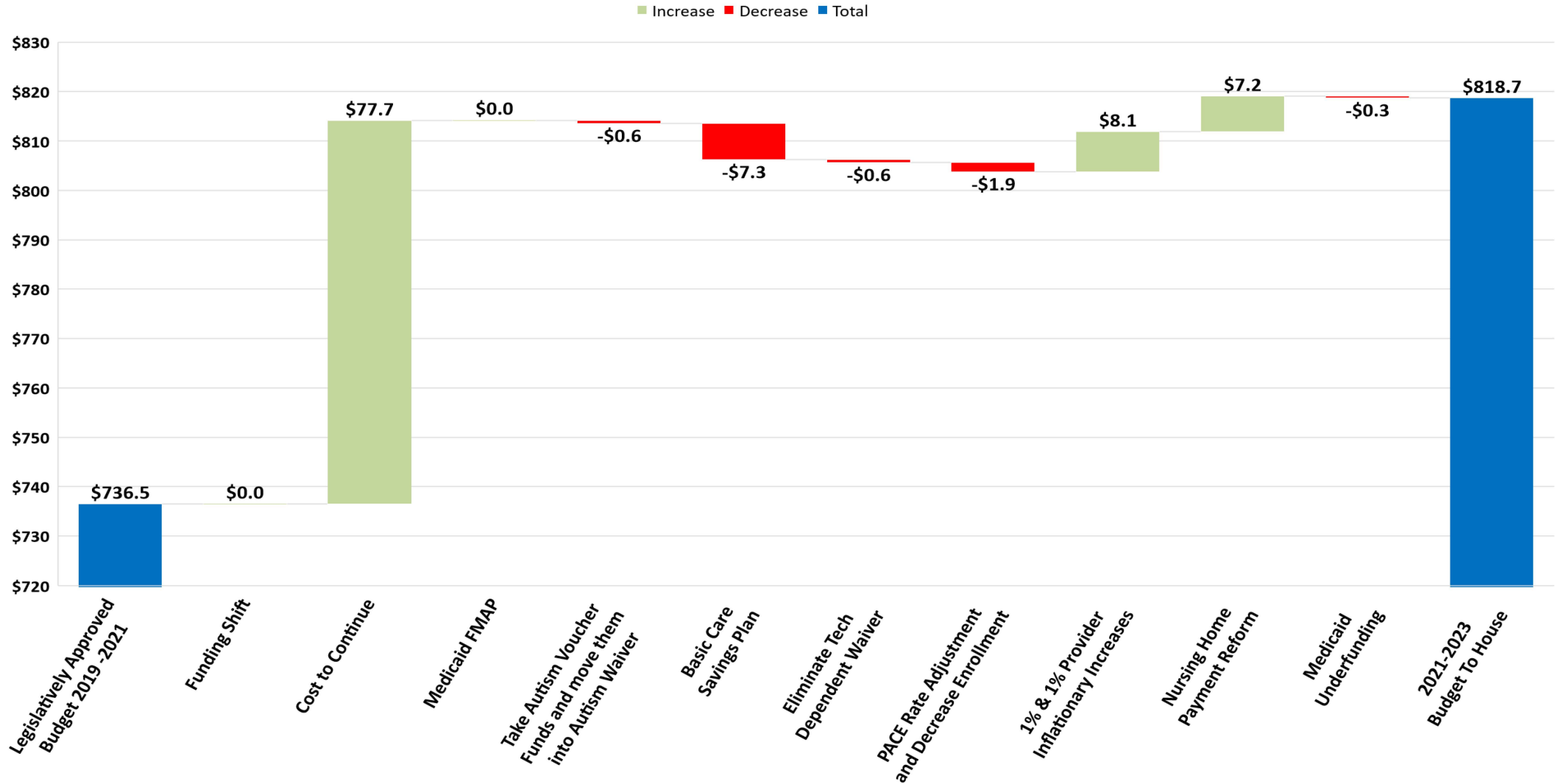
\$ 853,200	\$ 523,200	\$ 523,200	\$ -	\$ -
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Vendor	Description	2019-21 Biennium Amount	2021-23 Biennium Amount	General Fund	Federal Funds	Other Funds
Community of Care		660,000	330,000	330,000		
Personal Needs Allowance		193,200	193,200	193,200		

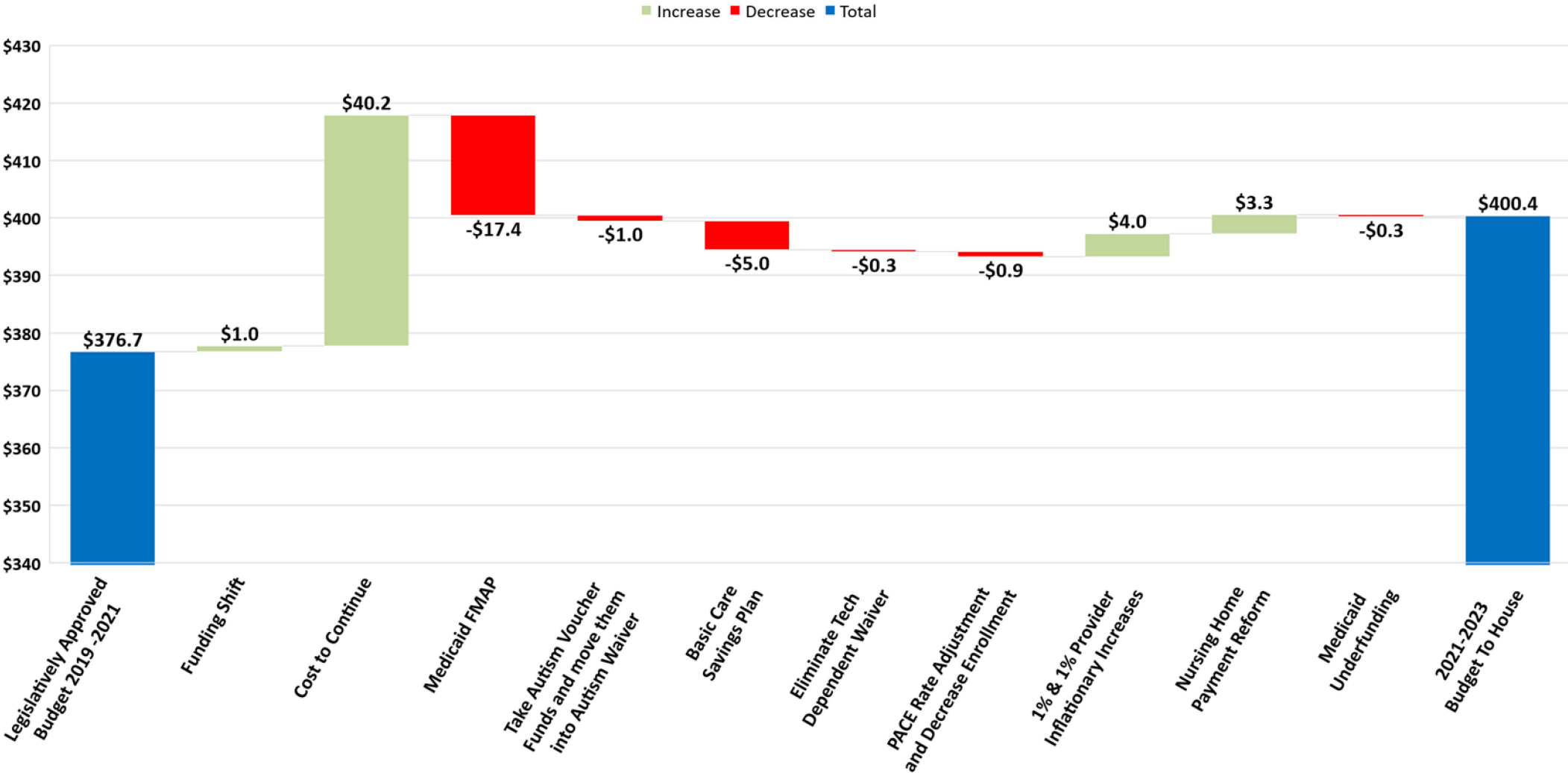
LONG TERM CARE WALKTHROUGH

Service Description	Legislatively Approved Budget 2019 - 2021	Funding Shift	Cost to Continue	Medicaid FMAP	Take Autism Voucher Funds and move them into Autism Waiver	Basic Care Savings Plan	Eliminate Tech Dependent Waiver	PACE Rate Adjustment and Decrease Enrollment	Total Changes	2021-2023 Budget To OMB	1% & 1% Provider Inflationary Increases	Nursing Home Payment Reform	Medicaid Underfunding	Total Governor Changes	2021-2023 Budget To House
Nursing Facilities	582,849,867		39,676,637						39,676,637	622,526,504	5,646,947	7,200,000		12,846,947	635,373,451
Underfunding	(20,000,000)		20,000,000						20,000,000	0			(330,000)	(330,000)	(330,000)
Total Nursing Facilities	562,849,867	0	59,676,637	0	0	0	0	0	59,676,637	622,526,504	5,646,947	7,200,000	(330,000)	12,516,947	635,043,451
Basic Care	49,555,981		5,717,765			(7,300,000)			(1,582,235)	47,973,746	439,126			439,126	48,412,872
Home & Community Based Services	124,104,683	0	12,304,310	0	(645,673)	0	(596,112)	(1,914,734)	9,147,791	133,252,474	2,032,976	0	0	2,032,976	135,285,450
SPED	17,799,841		2,020,479			0			2,020,479	19,820,320	298,683			298,683	20,119,003
Ex-SPED	1,844,963		(10,073)			0			(10,073)	1,834,890	27,782			27,782	1,862,672
Personal Care Services	34,483,377		(3,206,937)			0			(3,206,937)	31,276,440	470,710			470,710	31,747,150
Targeted Case Management	1,917,742		(1,763,206)			0			(1,763,206)	154,536	2,326			2,326	156,862
Home & Comm Based Service Waiver	30,104,751		14,492,777			0			14,492,777	44,597,528	683,636			683,636	45,281,164
Children's Medically Fragile Waiver	544,416		(154,680)			0			(154,680)	389,736	5,866			5,866	395,602
Technology Dependent Waiver	591,288		4,824			0	(596,112)		(591,288)	0	0			0	0
PACE	32,866,676		1,946,562			0		(1,914,734)	31,828	32,898,504	509,262			509,262	33,407,766
Children's Hospice Waiver	61,848		10,224			0			10,224	72,072	1,085			1,085	73,157
Autism Waiver	2,564,772		(1,068,804)		712,480				(356,324)	2,208,448	33,626			33,626	2,242,074
Autism Voucher	1,325,009		33,144		(1,358,153)				(1,325,009)	0				0	0
	0		0												
Excess Federal Authority	0		0						0	0				0	0.00
Total	736,510,531	0	77,698,712	0	(645,673)	(7,300,000)	(596,112)	(1,914,734)	67,242,193	803,752,724	8,119,049	7,200,000	(330,000)	14,989,049	818,741,773
General Fund	376,714,731	1,000,000	40,219,973	(17,377,698)	(1,026,852)	(5,015,638)	(277,552)	(891,831)	16,630,402	393,345,133	3,994,328	3,348,000	(330,000)	7,012,328	400,357,461

LONG-TERM CARE TOTAL FUND CHANGE (IN MILLIONS)



LONG-TERM CARE GENERAL FUND CHANGE (IN MILLIONS)



Thank you!

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