



March 22, 2023

House Appropriations Committee, Human Resources Division
Representative Jon Nelson, Chairman

Chairman Nelson and members of the Human Resources Division of the House Appropriations Committee,

My name is Tim Eissinger and I thank you for the opportunity to provide written testimony to the committee. I joined Anne Carlsen in 2014 and have had the privilege of serving as the President/CEO of Anne Carlsen since 2017. Anne Carlsen provides services and supports to individuals with intellectual and developmental disabilities and delays in eight communities in North Dakota and employs 570 people. We have a very proud 81-year history in this state and feel fortunate to have expanded our abilities to provide services and supports to ND residents from across the entire state through our Jamestown Campus and the other seven communities supporting our broad spectrum of home and community-based services. Those services include residential services for children with medically and behaviorally complex needs, special education services, therapy services (PT, OT, and Speech), early intervention services for children birth to three, day habilitation, school contracts, assistive and adaptive technology supports, employment, in-home support and respite services, behavioral health/autism services and adaptive recreation programming.

I am offering this testimony in support of the 7% and 4% provider inflator as currently proposed in SB 2012 for DD providers. I know that the impacts of the last three years have been very challenging for all North Dakota citizens, businesses, educational settings, non-profits and government entities alike. The

impacts of COVID-19, workforce shortages, and inflation alone have put a great deal of pressure on our State to find solutions where there aren't any easy answers. I do not presume that the needs of Developmental Disability providers are any greater than any other provider systems seeking relief, but I would like the opportunity to address some of the impacts to Anne Carlsen.

Impact of new payment system implementation – 21.7% Decrease in Revenue: Tina Bay shared presentation data with this same committee last session (2/3/2021) that showed the non-identified ICF (Intermediate Care Facility) PMPM data (Per Member Per Month) revenue impact supplied by the Optumas Group. I won't speak to the impact on other providers in the State, but the identified Anne Carlsen data showed that our ICF revenues were negatively impacted by 21.7%. Working with children and young adults having some of the most medically and behaviorally complex challenges in the State is very demanding and has been made significantly more so by the effects of the pandemic and the state-wide workforce shortage. At Anne Carlsen, we have chosen to specialize in this area where few other North Dakota DD providers offer this type of care, because we feel it is important to provide these types of opportunities to North Dakota families. I'd also like to note that our medical acuity also continues to increase as evidenced by our HRST (Health Risk Screening Tool) and Oregon assessment data. These children are some of the most fragile in the state, and I believe we should be very careful and cautious in reducing resources to this vulnerable group.

Assessment Parity: Anne Carlsen has alerted the Department to the fact that we have seen some significant changes in rates when individuals in ICF services move from the ICAP (Inventory of Client and Agency Planning) assessment system to the SIS (Support Intensity Scale) assessment system. For background, Individuals served moving from the ICAP assessment to the SIS assessment is based on their age. In our instance, the person moves from the ICAP to the SIS assessment system once they turn

16 years of age. Unfortunately, in Anne Carlsen's experience, once an individual moves from the SIS to the ICAP assessment at age 16, some rates have dropped by as much as 30%. It is important to note here that the Department is working to bring a new SIS assessment on-line in North Dakota at some point in 2023, with a higher level of sensitivity to medical and behavioral acuity, but currently, we are not seeing consistent parity between the two assessment systems at this time.

Funded Percentage – 89.7% is now arbitrary: At present, the Brick rate formula reflects that for ICF, ICF- Medically Involved, and ICF – Medically Intensive, that the rate for services is capped at 89.7% of the calculated rate based on a third-party calculation of the support needs of the individual. This 89.7% limiter is referred to in the brick as the FUNDED PERCENTAGE. As I understand it, funded percentage was developed to introduce and constrain the new payment system and ensure its initial impact was budget neutral to the current budget at the time. We believe this constraint is no longer a necessary element to today's rate calculation and should be eliminated. If the unbiased, third-party assessment of support needs is accurate, then we feel providers should be paid for 100% of the calculated support needs of the individual. To further support our position to change funded percentage to 100% for ICF services, the services of Day/Pre-Vocational and Small Group; Individual Employment, In-Home Supports – Respite care; In-Home Supports – Habilitative care and Independent Habilitation are all currently paid at 100% funded percentage. The only other service impacted is Residential Habilitation which has a funded percentage of 92.3%

As I initially indicated, I am requesting consideration of retaining the 7% and 4% provider inflator for DD Providers, but should that not be possible, I think there should be additional due consideration for eliminating the funded percentage from the ICF Brick rate formula.

Thank you for your dedicated service to the citizens of North Dakota, and again for the opportunity to provide this written testimony. I would be happy to address any questions you might have.

Sincerely,

Tim Eissinger, CEO
Anne Carlsen
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