

Testimony on HB 1322
House Human Services Committee
January 18, 2023

Good morning, Chairman Weisz and members of the House Human Services Committee. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. I am here on behalf of all 77 skilled nursing facilities, we are asking for your support of HB 1322.

First, I am asking you to amend HB 1322. The bill identifies two sentences for elimination . DHHS had indicated they need the first sentence on lines 7, 8 and 9 to be reinstated to keep their authority to make rate adjustments. The next sentence, "Any adjustments that result in a cumulative change of more than one dollar per day from the desk rate will be included in the next subsequent cost report to the extent not corrected by a rate adjustment made pursuant to this subsection," is what we would like to delete.

What does this sentence mean and why are we asking you to delete it from the century code? Nursing facilities follow detailed rules regarding what cost center expenditures are coded to, allocations regarding staff and space and numerous other requirements in ND Century Code, ND Administrative Code, the Nursing Facility Rate Setting Manual, policy letters and generally accepted accounting principles. DHHS contracts with a third-party national accounting firm to complete field audits onsite in a nursing facility at least every 6 years. In the years where an onsite audit isn't completed, the department completes a "desk" review and final rates are issued from these desk reviews. Audits and desk reviews are lagging, and this results in nursing facilities not getting "final" rates for a few years.

What do other states do in this situation? In all states except ND, no refund is issued on finalized rates, it is considered a prospective rate with no settle up.

Nursing facilities work very hard to submit cost reports that result in zero adjustments. What we are asking you to do is to have this issue decided by administrative code rather than century code. We have met with Chris Jones on this issue and he is supportive of eliminating this sentence in century code and creating a rule to address this issue.

In summary, we are asking for your support in amending the bill and passing it. Thank you for your consideration of our request. I would be happy to answer any questions you might have.

Shelly Peterson, President
North Dakota Long Term Care Association
1900 North 11th Street
Bismarck, ND 58501
(701) 222-0660