

**Testimony on SB 2283**  
**Senate Human Services Committee**  
**January 24, 2023**

Good morning, Chairman Lee and members of the Senate Human Services Committee. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. We represent 192 assisted living, basic care, and skilled nursing facilities in North Dakota. I am here today to ask for your support of SB 2283.

First I would like to talk to you about basic care and then go through the bill draft. Understanding basic care first will help you understand the changes proposed in SB 2283 and why they are so important.

The Basic Care Assistance Program is a key component of the long-term care continuum in North Dakota. Basic care is unique to North Dakota. In other states assisted living is more commonly used to provide this type of care. Basic care facilities provides 24 hour congregate care, but not 24 hour skilled nursing care like nursing homes. Residents need support, care, and assistance with activities of daily living. This program helps lower income individuals pay for the cost of care in this setting.

North Dakota has 65 licensed basic care facilities and 47 participate in the Basic Care Assistance Program. Another 15 basic care facilities, referred to as Adult Residential facilities, are specialized care facilities with 13 specializing in service to those with Alzheimer's, dementia, or related conditions and two specializing in the care of the head injury population. They too are licensed as basic care but have a different funding source and payment system.



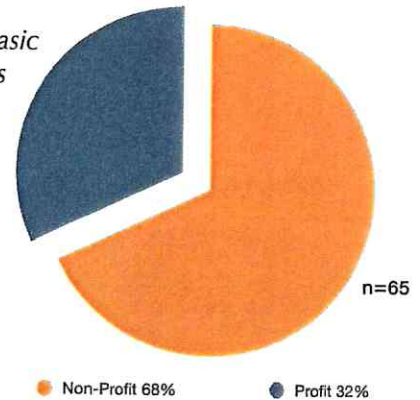
# Basic Care Facts



## BASIC CARE AT A GLANCE

**65** licensed basic care facilities  
**2,105** licensed units  
2022 average occupancy was **72%**

Ownership of Basic Care Facilities

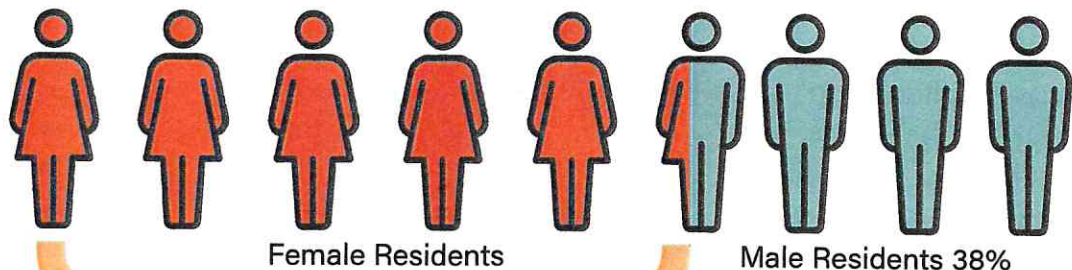


## Basic Care Facts

- A basic care facility is a congregate residential setting with private and semi-private rooms, providing 24-hour staffing.
- Basic Care provides an all-inclusive rate providing room, meals, personal care services, supervision, activities, transportation, medication administration, nursing assessment, and care planning.
- Current residents range in age from 33 to 110 years old, with the average age being 81.



Gender of Basic Care Residents  
n=779



**62%** of tenants in North Dakota BASIC CARE are female

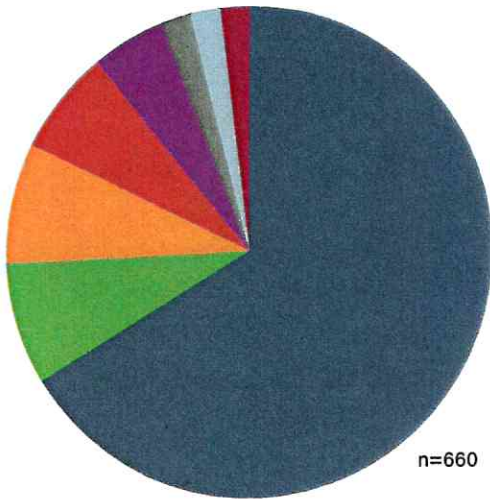




# Basic Care Facts

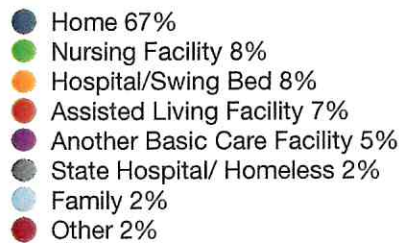
When individuals move into a basic care facility, *where do they come from?*

Moving In



Top three reasons for basic care admission:

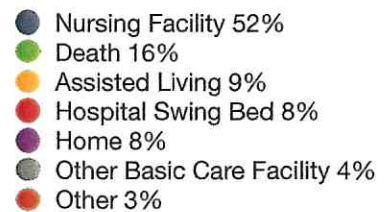
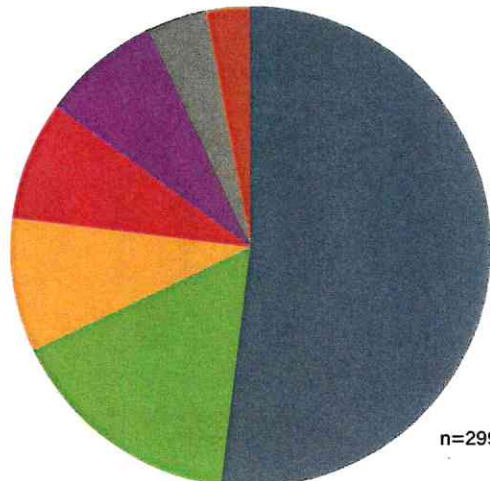
- 1) Needs assistance with daily care
- 2) Needs supervision
- 3) Confusion – early stage dementia



When individuals move out of a basic care facility, *where do they go?*

Moving On

Over half of residents discharged from a basic care facility are admitted to a skilled nursing facility. Medical needs, physical limitations, and growing cognitive issues necessitate the admission to a higher level of care.



# Basic Care Facts



## Care needs of basic care tenants

- 65% of residents have impaired mental status, ranging from early stage dementia to disorientation.
- 28% of residents have a mental health diagnosis.
- 98% of residents need full assistance with medication administration.
- 43% of residents receiving psychoactive drugs.
- 12.7 the number of medications the average basic care resident takes.
- 51% of residents are independent in dressing, with 6% requiring extensive assistance.
- 68% of residents are ambulatory and do not need any staff assistance, 58% use a walker or cane and 9% use a wheelchair.
- 89% of residents are independent in transferring and 75% with toileting.
- 71% of residents need assistance bathing.



## Basic Care WORKFORCE



- The top issue facing basic care facilities is workforce and occupancy.
- 1,055 individuals are employed in 23 basic care facilities.
- In 2022 the midpoint CNA wage is \$18.32.
- The youngest employee is 14 years old and the oldest is 89 years old.

### Age of Basic Care Workforce

n=875



AGE	≤19	20-29	30-39	40-49	50-59	60≥
	11%	21%	17%	16%	16%	17%



# Basic Care Facts

## Basic Care COST

Almost half of the residents living in basic care need assistance to pay for their care. The average basic care assistance rate on July 1, 2022 was \$137.56 per day. The average cost for providing care is \$146.25, so for each resident served, the facility is losing almost \$9.00 per day.

Almost half of all basic care facilities are operating at a loss, with 35% indicating they get few applicants for numerous open positions and feel they are in a continuing workforce crisis.



**Does LTC Insurance pay in Basic Care Facilities?** \*11% of residents have LTC insurance that helps pay for their care. n=798



Continued losses of the *past 7 years* are making it almost impossible to care for the residents with B-Cap (state assistance) as a payment source.

### Basic Care Average Costs and State Reimbursement Rates

\$	SFY 2016	SFY 2017	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
<b>Average Cost</b>	\$116.12	\$117.26	\$121.64	\$130.52	\$124.52	\$133.92	\$146.25
<b>Average Rate</b>	\$107.88	\$111.60	\$117.13	\$123.80	\$122.83	\$129.12	\$137.56
<b>Difference</b>	-\$8.24	-\$5.66	-\$4.51	-\$6.72	-\$1.69	-\$4.80	-\$8.69

### Basic Care Satisfaction Survey Results

Satisfaction	1-Poor	2-Average	3-Good	4-Very Good	5-Excellent
Overall Satisfaction (n=558)	<1%	7%	12%	42%	39%
Quality of Staff (n=558)	<1%	5%	14%	39%	42%
Quality of Care (n=558)	1%	4%	15%	39%	41%
Quality of Food (n=558)	4%	12%	17%	40%	26%

**Basic Care Rates Effective July 1, 2022**

<b>Facility</b>	<b>City</b>	<b>Personal Care Rate</b>	<b>Room &amp; Board Rate</b>	<b>Total Rate</b>
Prairie Villa	Arthur	\$88.01	\$54.78	\$142.79
Augusta Place	Bismarck	\$86.02	\$89.72	\$175.74
Edgewood on Dominion	Bismarck	\$58.60	\$58.76	\$117.36
Edgewood Village	Bismarck	\$81.32	\$67.51	\$148.83
Prairie Pointe	Bismarck	\$61.80	\$91.42	\$153.22
Benedictine Living Community - Bismarck	Bismarck	\$77.06	\$114.42	\$191.48
The Terrace	Bismarck	\$73.83	\$64.90	\$138.73
St. Francis Residence	Cando	\$67.52	\$93.69	\$161.21
Eventide - Lake Country Manor	Devils Lake	\$45.55	\$78.13	\$123.68
Odd Fellows Home	Devils Lake	\$68.13	\$60.02	\$128.15
Evergreen Dickinson	Dickinson	\$54.52	\$77.57	\$132.09
Manor St. Joseph	Edgeley	\$81.88	\$51.15	\$133.03
Edmore Rest Home	Edmore	\$109.83	\$31.17	\$141.00
Dakota Hill Housing	Elgin	\$78.56	\$51.95	\$130.51
Evergreen Place	Ellendale	\$71.35	\$55.92	\$127.27
Bethany Towers	Fargo	\$74.74	\$68.19	\$142.93
Edgewood Fargo Senior Living	Fargo	\$70.84	\$56.18	\$127.02
Evergreens of Fargo - 1401	Fargo	\$105.52	\$40.22	\$145.74
Evergreens of Fargo - 1411	Fargo	\$106.52	\$47.07	\$153.59
Good Samaritan Society - Fargo	Fargo	\$56.99	\$79.63	\$136.62
Gackle Care Center	Gackle	\$76.01	\$61.05	\$137.06
St. Anne's Guest Home	Grand Forks	\$77.16	\$62.18	\$139.34
Tufte Manor	Grand Forks	\$66.84	\$68.28	\$135.12
Senior Suites at Sakakawea <sup>1</sup>	Hazen	\$116.49	\$59.39	\$175.88
Edgewood Jamestown	Jamestown	\$68.13	\$83.40	\$151.53
Rock of Ages Home, Inc.	Jamestown	\$71.92	\$58.09	\$130.01
Hill Top Home of Comfort	Killdeer	\$67.74	\$117.94	\$185.68
Good Samaritan Society - Lakota	Lakota	\$65.19	\$81.80	\$146.99
Good Samaritan Society - Larimore	Larimore	\$69.37	\$120.31	\$189.68
Parkside Lutheran Home	Lisbon	\$81.11	\$117.80	\$198.91
Maddock Memorial Home	Maddock	\$75.41	\$73.13	\$148.54
Edgewood Vista Mandan	Mandan	\$53.03	\$80.13	\$133.16
Lakewood Landing	Mandan	\$50.59	\$81.58	\$132.17
Sheridan Memorial Home	McClusky	\$71.36	\$52.67	\$124.03
Edgewood Minot Senior Living	Minot	\$44.90	\$35.47	\$80.37

## Basic Care Rates Effective July 1, 2022

<b>Facility</b>	<b>City</b>	<b>Personal Care Rate</b>	<b>Room &amp; Board Rate</b>	<b>Total Rate</b>
Borg Pioneer Memorial Home	Mountain	\$89.61	\$50.31	\$139.92
Napoleon Care Center	Napoleon	\$66.90	\$82.39	\$149.29
Lutheran Home of the Good Shepherd	New Rockford	\$103.27	\$75.08	\$178.35
Osnabrock Community Living Center	Osnabrock	\$66.17	\$43.83	\$110.00
Good Samaritan Society - Park River	Park River	\$66.46	\$85.97	\$152.43
Harold S. Haaland Home	Rugby	\$75.46	\$65.50	\$140.96
Golden Manor	Steele	\$74.74	\$62.31	\$137.05
Siena Court	Wahpeton	\$75.34	\$95.37	\$170.71
The Leach Home	Wahpeton	\$74.40	\$70.12	\$144.52
Bethel Lutheran Home	Williston	\$103.39	\$65.11	\$168.50
Redwood Village	Wilton	\$92.93	\$67.61	\$160.54

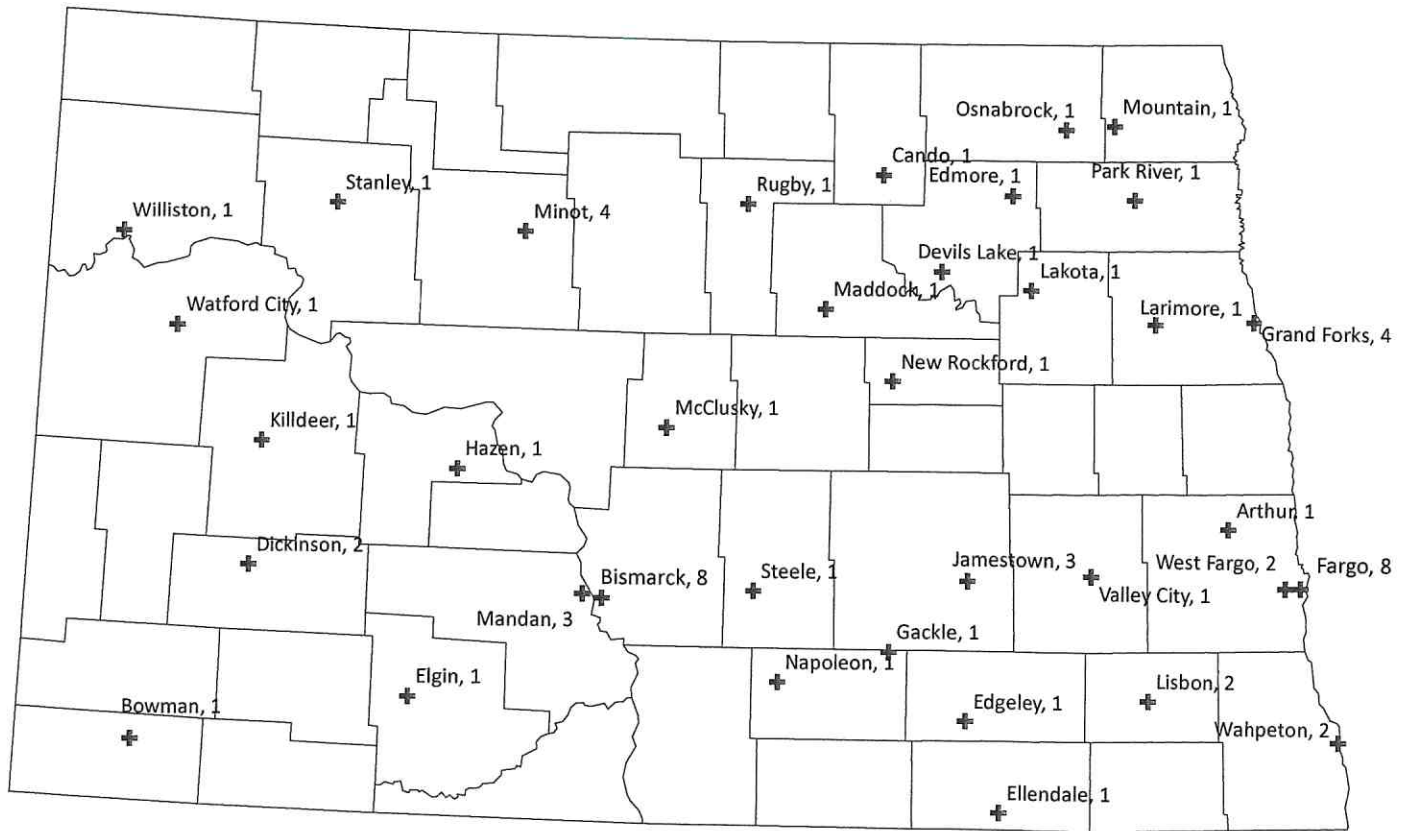
<sup>1</sup> effective August 1, 2022





# Basic Care Map

## North Dakota Basic Care Facilities, 2022



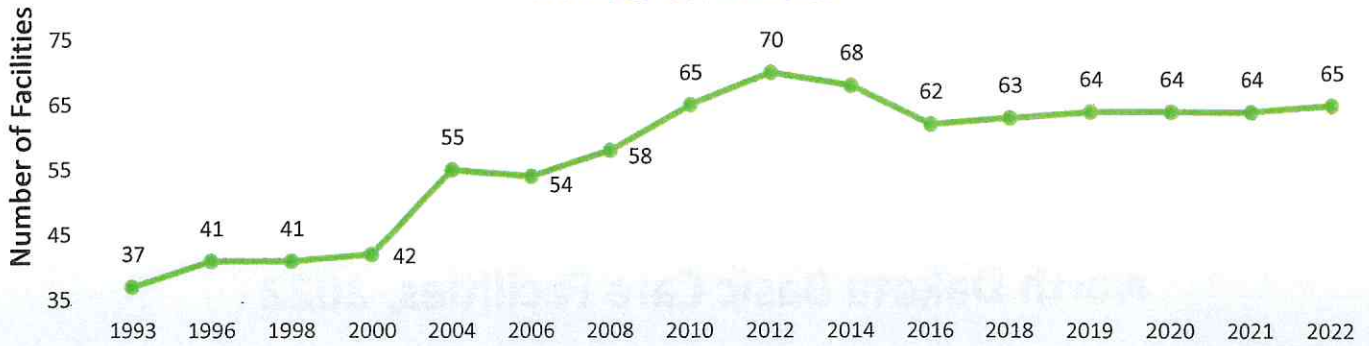
+ City (Number of Basic Care Facilities)



Source: ESRI, North Dakota Long Term Care Association Created by the North Dakota Healthcare Workforce Group on 12/19/2022

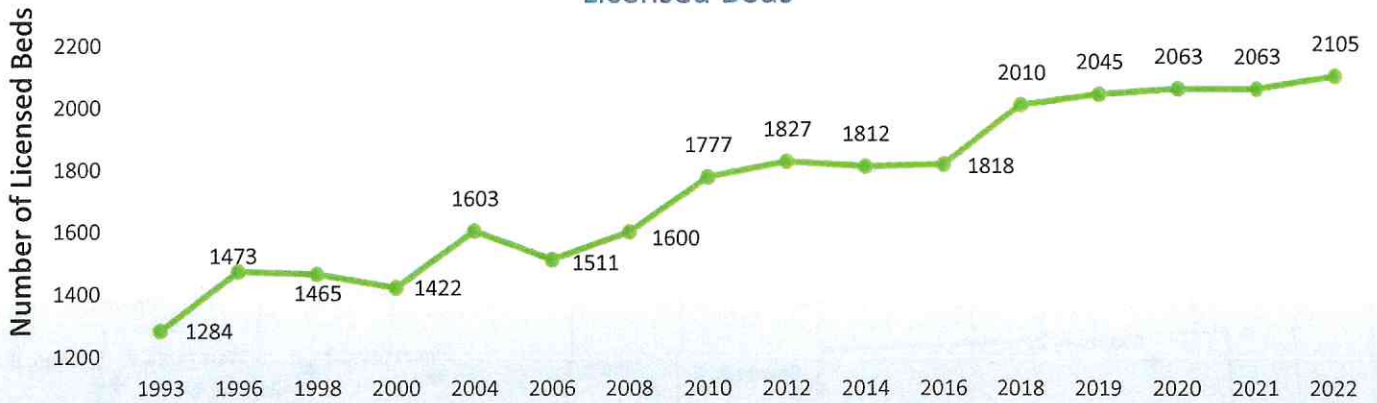
# Basic Care

Number of Facilities



# Basic Care

Licensed Beds



# Basic Care

Occupancy



The occupancy for 2020 and 2021 is based upon HC Standard/COVID Reporting.  
The Occupancy for 2010-2019 is from NDLTCA Survey.

In the 2021 legislative session you directed a study on the basic care payment system. The DHHS collaborated with our Association and providers and virtual meetings were held between November 2021 and March 2022. Topics of discussion were, how should rates and limits be established, rate methodology, levels of care, to name a few. What we quickly found out was a more extensive study is necessary. The four virtual meetings we had were good but not sufficient and thus Section 2 of the bill calls for the study to continue.

Let's talk about each section:

#### SECTION 1

SUBSECTION 1 establishes a new methodology for setting basic care rates and limits.

Subsection 1 says the limits shall be updated every four years beginning with July 1, 2023. That is very important as the limits have not been updated for years.

SUBSECTION 2 establishes how the limits will be set.

SUBSECTION 3 provides for inflationary increases of 6% in 2023 and 4% in 2024 on rates and limits. This is in following with the Governor's recommendation for the state employees. Currently what is in the budget for basic care is 4% and 3%. This is a recommendation from our Association and basic care providers, it was not discussed in the study.

SUBSECTION 4 provides one-time funding of ten dollars per day for 2023 and 2024 rates to help with the past seven years of losses to help facilities become financially viable. We had one basic care facility close last summer and another is considering closure. More will certainly follow if



we can't provide some immediate help. This is a recommendation from our Association and basic care providers.

**SUBSECTION 5** This subsection is not new, it has been in statute since 2015 but has never been implemented. We are currently in discussion with DHHS on this issue to see if some relief for uncompensated care can be provided now.

**SECTION 2** I would like you to consider an amendment. The appropriation of \$500,000 is for the study. An additional \$6 million is necessary to provide funding for all aspects of SB 2283. Attached to my testimony is an amendment for your consideration.

**SECTION 2** also outlines what the next basic care study shall consider. Every item is important and was not studied in the first study just completed. The topics for study include:

- 1) Property – currently doesn't allow you any money to upgrade or invest in your facility, including necessary life safety improvements.
- 2) Uncompensated Care – currently not provided even though we care for vulnerable exploited adults with nowhere else to go. One small rural facility is currently caring for a vulnerable adult., whose child and grandchild were prosecuted and convicted for financial exploitation. That bill has grown to over \$80,000 and Medicaid has denied twice because of complicated issues surrounding the case.
- 3) Supported Housing – what is the role of basic care in addressing our homeless population?
- 4) Operating Margin – currently the rules call for a 3% operating margin but it's calculated on a small portion of the rate. This payment ranges from .78 cents a day to \$2.49. The facility getting the \$2.49 per day per resident is the one that closed last summer.

They were small, with just 16 residents, thus they received \$39.84 for a daily operating margin.

- 5) This allows for study of the payment system for the Alzheimer's and head injury facilities.
- 6) Structuring payments to provide an incentive for providers to serve individuals with behavioral health needs. Most important in this item is assuring those with behavioral health needs get the services they need if they are living in basic care.

Thank you for your favorable consideration of SB 2283 and the amendment. Without the amendment, funding may not be available to implement the key features, that are important for the viability of this service setting.

Thank you for the opportunity to testify. I would be happy to answer any questions.

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





Amendments on SB 2283:

On page 2, line 14, delete \$500,000 and insert \$6,500,000.

One page 2, line 16, after studying, add and implementing.

This section would then read:

SECTION 2. APPROPRIATION - DEPARTMENT OF HEALTH AND HUMAN SERVICES - STUDY OF BASIC CARE PAYMENT SYSTEM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$6,500,000, or so much of the sum as may be necessary, to the department of health and human services for the purpose of studying and implementing the basic care payment system, for the biennium beginning July 1, 2023, and ending June 30, 2025. The study shall consider:

1. The property component of the rate;
2. Providing an uncompensated care expense of three hundred sixty-five days;
3. The feasibility of classifying basic care as supported housing;
4. The calculation of the operation margin;
5. Rates for specialized basic care services licensed under North Dakota Administrative Code chapter 33-03-24.1; and
6. Structuring payments to provide an incentive for providers to serve individuals with behavioral health needs.

