

House Appropriations, HR Section

House Bill 1012

Wednesday, February 5, 2025

Chairman Nelson and members of the committee,

My name is Angela Dinius. I am the Executive Director of the North Dakota Association of Community Providers (NDACP). Our members provide essential services and supports to individuals with developmental disabilities across the state. It is our privilege to do this work, and we are committed to ensuring high-quality care for the people we support. As we often say, we are “doing what matters for people who matter.”

We would first like to acknowledge our valued partners, including Tina from the DD Section, Heather and her team at the Life Skills and Transition Center, Donna and her team at Catholic Charities’ Guardianship Division, and our advocacy partners across the state. In this field, we achieve the best outcomes and make the greatest impact when we work together to do what’s best for the people we support.

NDACP has several critical priorities for this budget, and we urge your support for the following:

1. Inflationary Increase of 4% and 3%

Our payment system was designed to be self-sustaining, provided that inflationary increases align with federal inflation levels. We are requesting a 4% and 3% increase, which directly corresponds to the federal inflation rates for the past two years. Without these adjustments, our ability to maintain quality services will be compromised. We do not have another funding source to offset these funding gaps. Almost all our funding comes from state dollars matched by Medicaid, with only 0.29% of cases during the period of July 1, 2023 – June 30, 2024 being private pay.

2. Full Funding for ICF and Residential Habilitation Services

Intermediate Care Facilities (ICF) and Residential Habilitation (Res Hab) programs are currently funded at only 89.7% and 91.6%, respectively. This funding gap undermines the integrity of our system and places undue strain on providers. For example, the payment system is designed to support an average DSP wage of \$17.96 per hour in ICF. However, providers are paying an average of \$20.81 per hour—nearly \$3 more than the reimbursement rate. Even with this rate, we are still unable to compete with other industries. This makes it increasingly difficult to recruit and retain qualified staff, ultimately impacting the quality of care for the individuals they support.

Our payment system allows us to seek efficiencies within each category, and we have maximized every opportunity to do so. Despite these efforts, we continue to face an unsustainable turnover rate of 45% in residential services and an overall average turnover of 41%. This instability stems, in part, from our inability to offer competitive wages.

To maintain a stable and skilled workforce and ensure the continuity of these essential services, we request full funding for ICF and Residential Habilitation services.

3. Removing the Unfunded Accreditation Mandate

We advocate for making accreditation a voluntary process, rather than a mandatory, unfunded requirement. While accreditation can be valuable, mandating it without funding diverts already-limited resources from direct care. Our services are already held to high standards through a variety of state surveys and oversight measures, ensuring accountability and excellence.

SB 2192 has been rereferred to Senate Appropriations with an appropriation of \$240,000.

4. Supporting Catholic Charities in Their Request for Corporate Guardianship Funding

Corporate guardianship services are vital for individuals with developmental disabilities who do not have anyone else able to serve in this role. Catholic Charities provides a crucial safety net for these individuals, and we strongly support their funding request to ensure they can continue this important work.

Conclusion

The services our providers deliver are life-changing and essential to the well-being of individuals with developmental disabilities. By ensuring full funding for ICF and Residential Habilitation, providing an inflationary increase that matches federal inflation, and eliminating unnecessary financial burdens by making accreditation optional, we can maintain a system that truly meets the needs of those we serve. We appreciate your commitment to making thoughtful investments in these programs, and we look forward to continuing our work together to ensure that North Dakotans with developmental disabilities receive the care and support they deserve.

Thank you for your time and consideration. I am happy to answer any questions you may have.

Angela Dinius

Executive Director

ND Association of Community Providers