

Testimony on Nursing and Basic Care Facilities Moratorium
Human Services Committee
January 15, 2025
House Bill 1154

Good afternoon, Chairman Ruby and members of the Human Services Committee. My name is Nikki Wegner, President of the North Dakota Long Term Care Association. We represent 182 assisted living, basic care, and skilled nursing facilities in North Dakota. Thank you for the opportunity to provide testimony in support of extending the moratorium on nursing facility and basic care beds for an additional four years.

Background and Purpose of the Moratorium

Historically, North Dakota has maintained one of the highest numbers of nursing home beds per capita in the United States. In 1995, the state implemented a moratorium to control bed capacity, preventing unnecessary expansion and encouraging a more balanced approach to long term care. Over time, this policy has successfully reduced licensed nursing facility beds from a peak of 7,124 to 4,978 today.

The moratorium has evolved to meet the needs of North Dakotans, allowing for strategic bed transfers and conversions. This flexibility has facilitated the addition of basic care beds in underserved areas and the conversion of nursing facility beds to basic care, while avoiding overbuilding that could destabilize existing facilities.

Why Extend the Moratorium?

Extending the moratorium for four more years is critical for the following reasons:

- **Preventing Overcapacity and Financial Instability:** Unchecked expansion of nursing and basic care beds risks financial instability for existing providers, particularly in rural areas. Overcapacity can dilute Medicaid and Medicare reimbursement rates, jeopardizing the financial sustainability of these facilities. States with similar moratorium policies have successfully controlled costs while maintaining high-quality care.
- **Stabilizing Workforce and Care Quality:** Workforce shortages remain a critical challenge in the long-term care sector. Adding beds would worsen staffing shortages and risk care quality. A moratorium supports focused efforts on workforce recruitment, retention, and training to strengthen the current system before expansion.
- **Public Preference and Federal Compliance:** Many North Dakotans prefer to receive care at home or in community-based settings rather than facilities. The moratorium has allowed resources to be redirected toward expanding home- and community-based services, aligning with federal expectations under the 2020 Department of Justice settlement, which mandates timely access to community-based care.
- **Promoting Strategic Resource Use and Sustainability:** A moratorium ensures existing resources, such as layaway beds, are prioritized to meet demand efficiently. Expanding capacity prematurely creates inefficiencies and unsustainable costs. Facilities can focus on improving infrastructure and services within current capacities, promoting thoughtful, sustainable growth.

Addressing Misconceptions

It is important to note that the moratorium does not create barriers for necessary expansions. Exceptions are in place to address specific needs, such as increasing basic care beds in underserved areas or converting nursing facility beds to basic care. These provisions demonstrate that the moratorium is not a one-size-fits-all policy but rather a strategic tool tailored to North Dakota's unique needs.

Conclusion

Our membership voted unanimously to extend the moratorium for the next four years. Extending the moratorium for four more years is a prudent and necessary step to ensure the long-term viability of North Dakota's long term care system. It allows the state to continue its thoughtful approach to capacity planning, prioritize community-based care, and protect the financial stability of existing facilities.

I urge the committee to support this extension and continue the legacy of sustainable and high-quality care for all North Dakotans. Thank you for your time and consideration. I am happy to answer any questions.

Respectfully submitted,

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