

Senate Appropriations, HR Division

House Bill 1012

Monday March 17, 2025

Chairman Dever and members of the committee,

My name is Tony Baker and I am the CEO of Pride, Inc. in Bismarck. Pride is one of 31 members of NDACP. Our members employ over 4000 DSP's and provide support to over 7000 of North Dakota's most vulnerable people. Thank you for the opportunity to submit testimony in favor of HB 1012.

1. Inflationary Increase of 4% and 3%

As 99% of DD provider income comes from Medicaid, it is essential to ensure that reimbursement rates are adjusted to account for inflation. An increase of 4% and 3% will help providers manage rising costs (i.e. Pride is looking at a 30% increase in health insurance costs in July of this year) while continuing to provide high-quality services to those in need. This increase aligns with the federal inflation levels for the previous two years and helps us remain competitive in the labor market.

2. Increase Reimbursement Rates on ICF and Res Hab to 100%

When the payment system was first implemented back in 2018, a rate matrix was developed which provided an hourly rate for various services provided. \$20.02 and \$20.10 are used as the average hourly wage for staff providing ICF and Residential Habilitation services. Because the new payment system was to be budget neutral in 2018, the rates for these services were reduced. For Pride, this means we are reimbursed at an average of \$18.41 per hour for our residential DSP's. Residential services are 24/7, nights, weekends, and holidays. These are the most difficult shifts to staff.

Pride is currently starting DSP's out at \$16.50 an hour with no experience and our average DSP wage is \$21.47 per hour. We are also paying \$10.00 per hour for sleep time (\$7.25 is built into the rate). Pride has about 250 DSPs. Over the last six months we have lost 68 DSPs. This is unsustainable, leads to increased burnout, lower quality, and less continuity for the State's most vulnerable people.

Adjusting the rates to 100% does not need to be implemented at one time. If rates increased by 1%-2% per year until they reached 100% there would be light at the end of the tunnel and give providers hope.

3. Remove the Requirement for Accreditation

The requirement for accreditation is outdated and burdensome for providers without contributing anything to the services we provide. In the last several years the State has continued to add reviews, audits, and monitoring for providers. Below is a list of monitoring and reviews which have been added:

- **Training and Monitoring:** This review looks at medication errors/injuries and reports of Abuse, Neglect & Exploitation. These incidents are reviewed by the State, Protection & Advocacy Project, and Regional Program Management. All High-Level incidents have a rigorous review process to ensure health and safety, as well as implementation of risk management steps to ensure the likelihood of a similar incident is minimized.
- **HCBS:** The survey is just one part of the larger Developmental Disabilities (DD) Division's quality management system. The goal is to provide assurances to The Centers for Medicare and Medicaid Services (CMS) that DD licensed providers are providing, and meeting conditions set forth by the DD Division and to ensure improvement and sustainability of waiver services. The survey is a quality mechanism used for waiver services provided by DD licensed providers. Information gathered through the survey is based on observation, record review, and interview. The purpose of the survey is to: 1) determine the provider's organizational performance of service delivery and improvement; 2) ensure quality services to individuals and services are received as identified in plans; 3) assess compliance with state, federal, and waiver requirements; 4) identify trends and strategies for system-wide improvements; 5) identify and encourage positive practices; and 6) remediate and develop strategies for improvement where there are issues identified.
- **Payment Error Rate Measurement (PERM):** Completed on Providers to ensure services that are being billed are being provided.
- **Provider Case Audit Reviews:** The process where the state's Medicaid program examines a healthcare provider's medical records and billing practices to ensure compliance with regulations, identifying potential instances of fraud, waste, or abuse.
- **Integrity Audits:** Completed by the State of ND on Providers to ensure services that are being billed are being provided.
- **Quality Enhancement Reviews (QER):** Completed by the DD Program Managers, completed on behalf of the individual, and where applicable, the individual's guardian to assess satisfaction with services as well as implementation of services. QERs involve the state's Department of Human Services conducting regular monitoring of individual service plans, performing quality checks to ensure clients have choice in their services and providers, and actively reviewing provider compliance with regulations through case file reviews, all aimed at improving the overall quality of developmental disability services across the state.

- Office of Inspector General (OIG): This is an audit of ND Department of Health and Human Services, but it's providers and individuals who are being observed and gathering data.
- Environmental Scans: Required for licensure by the department showing that the premises are in fit, safe, sanitary condition, and properly equipped to provide good care and treatment.
- National Core Indicator (NCI) assessment: conducted by a third-party entity to assess satisfaction with services. With a focus on people-driven data, one of the goals is to improve the systems that improve lives.

I urge you to support these items to strengthen the services and support which so many individuals and families depend.

Tony Baker, CEO
Pride, Inc.
tonyb@prideinc.org