

Testimony
Senate Bill No. 2316
Senate Human Services Committee
Senator Judy Lee, Chairman
January 27, 2025

Chairman Lee, and members of the Senate Human Services Committee, I am Sarah Aker, Executive Director of Medical Services with the Department of Health and Human Services (Department). I appear before you to provide neutral testimony related to Senate Bill No. 2316.

North Dakota Medicaid currently pays for long-term care services to individuals with ventilator or psychiatric needs. These individuals can receive services in a nursing facility or in their own home. If services are not available in North Dakota, ND Medicaid will pay for services in an out-of-state facility. The Medicaid cost of long-term care services for individuals with ventilator or psychiatric needs is included in the Governor's budget based on current utilization of services.

Subsection 1 of Section 1 requires the Department to contract with 4 regional providers for long-term care services for individuals with ventilator or psychiatric needs. The average cost per person for Nursing Facility services was \$135,686 in SFY2024. The department assumes that the contract will require the regional provider to reserve a bed for the purposes of the bill. This department estimates the yearly contract cost for each regional provider to be \$250,000, with an annual fiscal impact of \$1,000,000; \$2,000,000 per biennium. We anticipate that a contract for the 2025-2027 biennium would be approximately 18 months, so anticipate a \$1,500,000 fiscal impact for this bill. The Department anticipates a 50/50 administrative match on this bill to reserve beds for

Medicaid members. If the bill sponsor intends for the bill to reserve beds for non-Medicaid members, then the bill would require additional general funds.

Subsection 2 requires the Department to pay for costs of providing care at a certified long-term care facility in another state. The Department already covers the cost of providing care in another state if the services are not available within the state. Therefore, there is no fiscal impact for Subsection 2.

Subsection 4 of Section 1 states a long-term care facility is eligible to receive additional funding equal to the cost of care at an out-of-state facility if the individual has ventilator or psychiatric care needs was receiving services at an out-of-state facility in the previous year. According to the Genworth 2023 Cost of Care Survey, the national median cost of care in a nursing facility for 2023 was \$104,028. The average cost of care for a Medicaid individual in a nursing facility in North Dakota was \$122,631 for SFY 2023. North Dakota's average payments to nursing facilities generally exceeds the national average. The Department does not anticipate a fiscal impact for this subsection.

This concludes my testimony. I am happy to answer any questions the committee may have. Thank you.