1999 SENATE HUMAN SERVICES
SB 2037

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2037

Senate Human Services Committee

☐ Conference Committee

Hearing Date JANUARY 12, 1999

Tape Number	Side A	Side B	Meter #				
1	X		4,220				
1		X					
1/19/99	1	/ X	3,540				
Committee Clerk Signature Paral Laboles Church							

Minutes:

The hearing was opened on SB2037.

SENATOR KRAUTER introduced the bill with testimony taken from the interim committee minutes. 25% of all individuals in nursing home facilities are categorized in the two lowest case mix classifications which indicates that many of these individuals could likely receive the needed level of care in a home or community based setting at the average cost that is lower than the nursing care facility. Case management would establish admission and special needs assessment. Funding could come from Medicaid program.

SENATOR DEMERS asked what makes you think this will work now when we did it back in the mid-80's and repealed it. SENATOR KRAUTER answered that the qualified nursing home staff are seeing that we can provide some of those lower services in the community and the times are different because we have the opportunities to provide those services in a community based setting. They have done more in nursing homes now.

PAUL KRAMER, staff interim committee, explained the bill. Section 1 adds language regarding department providing the targeted case management services. Line 15 may provide... Section 2 Line 21 of page 2 they are to monitor the results of case management on pre-admission assessment. Section 3 relates to facilities duties regarding pre admission assessment. Language at top of page 3 that provides that assessment may not be used as a condition of admission to a facility. The assessment is to determine what type of service would best suit the person's needs, but cannot use it to deny admission to a facility. Section 4 is appropriation. \$274,000 is to come from within human services appropriation so the additional \$20,000 cost would come from the general fund. SENATOR THANE asked about the impact of the money on the department. Mr. KRAMER stated that the department could better answer, but he thought part of it would come from the Federal money from SPED program. SENATOR DEMERS: Does this only apply to Medicaid. Mr. KRAMER answered he was not sure but he presumed it would be all of them. DAVE ZENTNER, Dept of Human Services, supports bill with written testimony. SENATOR THANE asked in existing assessment who makes the decision. One case the family didn't think the person could stay at home, but the nursing home said the eligibility requirements weren't there for a nursing home. Who is contracted to do this assessment? Mr. ZENTNER replied that there are standards for admission into a nursing facility and when someone goes into a facility we have that level of care determination; based on medical condition, 24 hour needs, assistance with personal needs. Nursing homes can be rehabilitative. People can get out. The people in nursing homes do need the 24 hour nursing care. This assessment is what type of care

Page 3 Senate Human Services Committee Bill/Resolution Number SB2037 Hearing Date JANUARY 12, 1999

they need. SENATOR LEE asked how this bill fits together with bill that reduces the assets from \$50,000 to \$25,000 and SPED funding being apart of this. Mr. ZENTNER assumes the SPED budget was put together with the change in mind. There should be adequate funds to switch to targeted case management. MURIEL PETERSON answered that there are funds available. SENATOR DEMERS asked why not apply to all paying. What happens when private pay aren't aware of full range of options and a good percentage, if they would stay in a nursing home long enough would become Medicaid patients. Mr. ZENTNER replied there was concern if this was salable on a universal basis. If it works for the Medicaid population it will work for the entire universe. There would be no effect if they were in facility. This is only on admission. It would still be on a level of care.

SHELLY PETERSON, President of the ND Long Term Care Association, supports bill with written testimony. SENATOR THANE stated there is no assurance that the assessment will take care of the needs. SENATOR LEE asked what happens when a family member is in the hospital and will be discharged at noon and there is no where to go; no plans are made. MS. PETERSON commented that there is no mechanism in place on how that would be handled now. Mr. ZENTNER stated that the hope that the hospital discharge planner would start planning and understand the problem. Should we exempt emergency type admissions? How do you define what an emergency is? There is no such thing as an emergency. There is a proposed amendment; language problem. Managed care should read Care management page 1 line 4.

Ms. PETERSON commented on page 3, lines 1 & 2 and page 2, 27&28 are in conflict.

Need more specific criteria. SENATOR DEMERS asked if we were doing 2 different assessments? Ms. PETERSON stated it would be nice to have only one assessment. The

contract with the Tennessee company must stay the way it is set up and I don't think they could be combined, so yes there are two assessments.

JOHN GRAHAM, County Director of Social Services for Burleigh County, neutral on bill. Administration of bill falls on county. Multipurpose bill; the need it changes of pre admission assessment and then provides the funding of assessment to be done by target case managers. How are the case managers going to be defined? How is the targeted population going to be defined? Only alerting you to many issues that will come to surface after the fact of the bill. ARNOLD THOMPSON, ND Health Care Assoc., is neutral on bill. My organization was a member of the task force and had questions; we need to have answers to these questions before final action on this bill. There are two kinds of hospital discharges: hospitals to nursing homes. We need to be sure that the person is not inconvenienced, and that the internal apparatus is such with training with department through consignment of whatever. Hospitals to swing beds. That is usually not physical. It is a change of patient status, change of payment; location of patient is not changed whatsoever. When and what conditions would the assessment impede or accelerate status designation. SENATOR KILZER reflects concern impeding or slowing down the process of getting patients into their right place without delay. Social Service needs to start planning as soon as patient is in hospital. SENATOR DEMERS asked if patients don't have coverage in Medicare. Mr. THOMAS answered we need clarity in this bill. SENATOR THANE commented the best interest of the patient and family should be taken into consideration rather than the convenience of the facility.

PENNI WESTON, citizen, supports this bill. There needs to be someplace for people that do not need to be in a nursing home. Has been a Social worker and nurse.

SENATOR DEMERS asked do you see this in Social Services office? Mr. ZENTNER replied that targeted case program prohibits from specifically naming the county SS boards to do this. We must define who is qualified to do the service. Counties do this now for different programs. Other entities may be qualified to do this. SENATOR DEMERS asked if you have enough time to implement this by Aug. 1? The answer was yes.

The hearing was closed on SB2037.

Discussion was resumed on 1/19/99.

SENATOR DEMERS moved an amendment on page 1, line 4, substituting case management for managed care. SENATOR LEE seconded it. Discussion; the roll was called. Amendment passed 6-0. SENATOR LEE moved a DO PASS as amended and rereferred to the Appropriations Committee. SENATOR FISCHER seconded it. Roll call vote carried 6-0. SENATOR LEE will carry the bill.

FISCAL NOTE

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Narrative: This bill allows the Department to provide assessment and targeted case management services for the dis and elderly individuals at risk of entering nursing facilities or hospital swing bed facilities. The Department estimates 1,400 individuals will qualify and receive 10 hours of targeted case management services per ye is estimated that thirty percent of these individuals would ordinarily receive case management services per ye is estimated that thirty percent of these individuals would ordinarily receive case management services per ye is estimated that thirty percent of these individuals would ordinarily receive case management services per ye is estimated that thirty percent of these individuals would ordinarily receive case management services per ye is estimated that thirty percent of these individuals would ordinarily receive case management services per ye is estimated that thirty percent of these individuals would ordinarily receive case management services per ye is estimated that thirty percent of these individuals would ordinarily receive case management services per ye is estimated that thirty percent of these individuals would ordinarily receive case management services per ye is estimated that thirty percent of these individuals would ordinarily receive case management services per ye is estimated that thirty percent of the services and estimated that thirty percent of these individuals would ordinarily receive case management services on the district of the services are management services the district of the services are management services or hospital days will defend the special pergent of the services of the services of the district of the services of the district of the district	Bill / Resolution No.:		SB 2037			Ame	ndment to:			
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Phone No.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2037

Page 1, line 4, replace "managed care" with "case management"

Renumber accordingly

Date: 1/9/99
Roll Call Vote #: 2337

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 2037

Senate HUMAN SERVICES COM	MMITT	EE		Comn	nittee
Subcommittee on					
or Conference Committee					
Legislative Council Amendment Num	nber _	90/	40,0101		
Action Taken Amendmen	it				
Action Taken Motion Made By Len De Me	6	Sec By	conded <u>Len Lee</u>		
Senators	Yes	No	Senators	Yes	No
Senator Thane	V	110	Schatory	163	110
Senator Kilzer	V				
Senator Fischer	V				
Senator Lee					
Senator DeMers	V				
Senator Mutzenberger					
Total (yes) (no)					
Absent @					
Floor Assignment					
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Date: //9/99
Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 2037

Senate HUMAN SERVICES COM	MMITT	EE		Comn	nittee		
Subcommittee on							
Conference Committee							
Legislative Council Amendment Num	nber _	90/	40.8/0/				
Legislative Council Amendment Num Action Taken	as i	lines	del and rereg	eure	1		
Motion Made By Len Lee Seconded By Len Fischer							
Senators	Yes	No	Senators	Yes	No		
Senator Thane	V						
Senator Kilzer	~			- 1			
Senator Fischer	~						
Senator Lee	V						
Senator DeMers							
Senator Mutzenberger							
Total (yes) (no) Absent							
Floor Assignment Len L	e						
If the vote is on an amendment briefl	v indica	te inten	t·				

REPORT OF STANDING COMMITTEE (410) January 20, 1999 2:10 p.m.

Module No: SR-12-0918 Carrier: Lee

Insert LC: 90140.0101 Title: .0200

REPORT OF STANDING COMMITTEE

SB 2037: Human Services Committee (Sen. Thane, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2037 was placed on the Sixth order on the calendar.

Page 1, line 4, replace "managed care" with "case management"

Renumber accordingly

1999 SENATE APPROPRIATIONS

SB 2037

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2037

Senate Appropriations Committee

☐ Conference Committee

Hearing Date February 1, 1999

Tape Number	Side A	Side B	Meter #			
1	X		1-1455			
2-11-99 1		, X	1113-1210			
Committee Clerk Signature Hotting C. Hottenlerock						

Minutes:

SENATOR NETHING: Opened the hearing on SB2037; A BILL FOR AN ACT TO CREATE AND ENACT A NEW SECTION TO CHAPTER 50-24.3 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO THE DUTY OF NURSING FACILITIES TO ASSURE PREADMISSION ASSESSMENT OF MEDICAID RECIPIENTS; TO AMEND AND REENACT SECTIONS 50-24.3-01 AND 50-24.3-03 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO THE PROVISION OF TARGETED MANAGED CARE AND PREADMISSION ASSESSMENTS; AND TO PROVIDE AN APPROPRIATION.

DAVID ZENTER: Director of Medical Services for the Department of Human Service to testify in support of SB2037 (testimony attached (meter 40-490).

SENATOR NETHING: Please give an overview of what we are doing here.

DAVID ZENTER: Medicaid recipient or one who is applying for Medicaid, before they can enter a Nursing Home they have to have an assessment. That assessment determines care needs and what alternative there might be. It gives options for them and their families to determine what they want.

SENATOR NETHING: Who is the mechanic who will use the tool?

DAVID ZENTER: We will have to submit a State plan for targeting case management. Currently and primarily the Counties do all the SPED and Expanded SPED and they certainly would be a natural to do all the work.

SENATOR NETHING: The bill talks about a rather large appropriation but, as I understand it, the fiscal note says we only need \$22,000.

DAVID ZENTER: That's correct. I'm going to steal \$274,000 from Merial's budget. We now pay 100% General Funds with the case management dollars for SPED and Expanded SPED. We

are going to take those, match it with 70% money so that frees up that extra 70% General Funds that we can match the rest.

SENATOR NETHING: We already doing some case management but, it's limited to SPED.

DAVID ZENTER: That is correct. Now we are going to open it up to anyone who's in Medicaid who is at risk of entering a Nursing Home.

SENATOR BOWMAN: Shouldn't someplace down the line have a savings if this proves to be effective?

DAVID ZENTER: Correct. We might have a slowdown in the dollars we are going to need. I wouldn't want to predict that we would be spending less in Long Term Care Services.

SENATOR ST. AUBYN: We are going to spend an additional \$22,000 this biennium. Didn't we see savings right away in this if we are going to expend the money to do the case management yet in this next biennium?

DAVID ZENTER: There may be some savings. If you look at what happened in the Long Term Care budget, we estimated \$244M and we're spending about \$227M. I'd like to think our efforts in the area of alternative care has paid off. How much affect this will have we currently aren't sure. Because we can't influence peoples decisions, we can't say, take the lesser care.

SENATOR NETHING: If we have the right options of care, that seems to be where the success potential lies.

DAVID ZENTER: That's correct. We are in the process of building those options. In a lot of those cases, they don't exist.

SENATOR ST. AUBYN: It's not a lot of money when you are talking the overall budget but, I just wonder if this is going to give some alternatives so we can save some dollars. It seems like we should be able to reduce the budget during this next biennium, if we truly think it's going to save some money.

SENATOR NETHING: Your subcommittee will be working with this bill and you will be able to dig a shade deeper into it.

SENATOR KRAUTER: Mr. Chairman, your exactly correct when you define what we currently are doing. We're doing the management, giving them the tools on the SPED and Expanded SPED side. We need to expand that on the Medicaid side for Nursing Homes. That is what this will provide. We learned that during the interim. We were doing a good job on the one side, why not the other. That's exactly what this bill is putting us to do.

SENATOR TOMAC: The Counties are going to do this. How come we didn't have a negative fiscal effect to the Counties? If they are going to be doing more, can they absorb doing these 1400 extra cases?

DAVID ZENTER: The plan of course is to pay for that through this program. They are going to get the cost of providing this service.

CHESTER NELSON: The total Special Fund appropriation that you would like to see in this section is how much?

DAVID ZENTER: \$698,000, we are looking at grabbing \$274,000 in General Funds from the SPED and Expanded SPED program. A total of \$980,000.

SENATOR NETHING: There is an amendment that's drafted in our bill book relating to managed care with case management.

DAVID ZENTER: That was an error in semantics when it went into the bill. The bill drafters entered managed care when they really meant case management.

SENATOR BOWMAN: Do you have a master plan for care within the department that looks at the different levels of care, funding mechanisms and what this will do now as we screen the people and give them their options, hopefully to save some money or slow down the cost. Then, work with Washington so we don't continuously switch these programs every other year. In other words let's become very effective at what we do.

DAVID ZENTER: We have some visions of what we want to see. One of the bills we are looking at this time around that your not going to see is 2036, which takes a look at the whole process of how we're providing services in basic care and assisted living.

The hearing was closed on SB2037.

2/11/99

SENATOR NETHING: Reopened the hearing on SB2037.

SENATOR ST. AUBYN: Explained that this bill is incorporated in SB2012, Sections 9-11.

SENATOR NETHING: Called for the motion on SB2037.

SENATOR ST. AUBYN: Moved a Do Not Pass on Engrossed Bill SB2037.

SENATOR ANDRIST: Seconded the motion.

ROLL CALL: 14 YEAS, 0 NAYS, O ABSENT & NOT VOTING.

CARRIER: SENATOR TOMAC

SENATOR NETHING: Closed the hearing on SB2037.

			Dat Roll Call Vote	te:/ #:	11/9	9
1999 SENATE STANI BILL/RESOLUTION	DING C ON NO.	OMM	TTEE ROLL CA 2/3 2037	LL VOTES	}	
Senate APPROPRIATIONS					Comn	nittee
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Legislative Council Amendment Nun	nber _	94	MAMARAN	as		
Action Taken	Not	- P	455 AS	ENGR	1550	Ed
Motion Made By	Auby.	See M By	conded Sen	ANdRI	ist	
Senators	Yes	No	Senators	3	Yes	No
Senator Nething, Chairman						
Senator Naaden, Vice Chairman						
Senator Solberg		/				
Senator Lindaas	V					- 1
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If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410) February 12, 1999 10:02 a.m.

Module No: SR-29-2684 Carrier: Tomac Insert LC: Title:

REPORT OF STANDING COMMITTEE

SB 2037, as engrossed: Appropriations Committee (Sen. Nething, Chairman) recommends DO NOT PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2037 was placed on the Eleventh order on the calendar.

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1999 TESTIMONY

SB 2037

Testimony on SB 2037 Senate Human Services Committee January 12, 1999

Chairman Thane and members of the Senate Human Services Committee, thank you for the opportunity to testify on SB 2037. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. Our Association represents basic care and nursing facility providers. I am here today to testify on their behalf.

SB 2037 allows the Department of Human Services to provide targeted case management for disabled and elderly individuals at risk of entering a nursing facility or swing bed to assure that the individual's care alternatives are evaluated and considered.

The most critical aspect of this legislation is on the first page, lines ten and eleven, "The Department of Human Services shall establish a <u>mechanism to assess, prior to admission...</u>" In 1991 the North Dakota legislature repealed very similar legislation. The previous legislation required a pre-admission assessment prior to entry to a nursing facility. The legislation was not effective because the assessment occurred to late. The assessment occurred when families were applying for admission, their minds were made-up, they were exhausted and all they wanted was to place their family member into the entrusted care of the nursing facility.

What we need to assure with this legislation is that families and potential residents are reached early. Families need support and sometimes help arranging services. No one has a definitive answer on how best to provide this early contact, but we are supportive of working with the Department and consumers to assure they have information to access services to postpone or prevent entry into a nursing facility or swing bed.

Your support of SB 2037 is requested. Let the Department set up a mechanism and process that will truly help families arrange care for elderly family members.

I would be happy to answer any questions you might have.

Shelly Peterson, President North Dakota Long Term Care Association 120 West Thayer Avenue Bismarck, ND 58501 (701) 222-0660

TESTIMONY BEFORE THE SENATE HUMAN SERVICES COMMITTEE REGARDING SENATE BILL 2037 JANUARY 12, 1999

Chairman Thane, members of the committee, I am David Zentner, Director of Medical Services for the Department of Human Services. I appear before you today to provide information and to support this bill.

The Task Force on Long Term Care Planning firmly believes that access to case management and the use of needs assessments are vital to any successful effort to encourage the use of home and community-based care. Review of information from states that have successfully increased the use of home and community-based services and reduced the number of high functioning individuals entering nursing facilities revealed they used a strong case management component and mandatory assessment tools. The percentage of high functioning individuals residing in nursing facilities still exceeds 20% of occupied beds in North Dakota. While the Task Force believes that universal access to case management and needs assessments are necessary to encourage the use of home and community-based care, it realized that it must be demonstrated that these measures will work to improve the delivery system for long term care services in North Dakota. The Task Force concluded that the best way to demonstrate the advantages of care management was to institute pre-admission assessment and case management services for Medicaid eligible recipients.

It is imperative that all individuals understand what their options are before they and their families make placement decisions regarding the provision of long term care services. While nursing facility services are vital to the overall continuum of care, other less restrictive alternatives may also be appropriate including home based and other residential care services. The pre-admission needs assessment for individuals eligible for Medicaid wishing to enter a nursing facility will ensure

that all available service options are considered before a final decision is made regarding the type of long term care services that would best meet the care needs of each Medicaid recipient. Case management will provide the information necessary for individuals and their families to make informed decisions regarding their long term care needs.

Section 1 of the bill requires individuals who are eligible for Medicaid or are making application for Medicaid to receive an assessment of their health and social needs prior to admission to a nursing facility or swing bed facility. It also permits the department to provide targeted case management services for individuals at risk of entering nursing facilities or swing bed hospitals to ensure that care alternatives are evaluated and considered.

Section 2 sets forth how the department should establish and operate the preadmission assessment and targeted case management programs, requires the department to monitor the results of these programs and authorizes the department to contract with or delegate to any person to provide the targeted case management and pre-admission assessments.

Section 3 requires nursing facilities and swing bed hospitals to assure that each Medicaid recipient or applicant has received an assessment before admission.

Section 4 provides for an appropriation of about \$980,000, of which \$294,000 are general funds. It should be noted that about 30% of individuals receiving SPED services and all those receiving expanded SPED services are eligible for the Medicaid Program and are at risk of entering nursing facility. At present, all of these individuals receive case management services as a result of their eligibility for these programs. Presently, payments for these services are made with general funds. Since these individuals are eligible for Medicaid and targeted case management services, we can utilize 70% federal funds for these services and use

the extra general fund dollars to pay for most of the rest of the targeted case management program. We estimate that we will serve about 1,400 recipients per year. With this transfer of funds, only about \$22,000 in additional general funds will be needed to fund this new option that will ensure that individuals have the appropriate information to make an informed decision regarding their long term care needs.

I would also suggest a housekeeping amendment to this bill. On page one, line four, the bill refers to the provision of targeted managed care. The bill should be amended to replace "managed care" with "case management."

The department supports this bill and urges a due pass.

I would be happy to answer any questions you may have.

TESTIMONY BEFORE THE SENATE APPROPRIATIONS COMMITTEE REGARDING SENATE BILL 2037 FEBRUARY 1, 1999

Chairman Nething, members of the committee, I am David Zentner, Director of Medical Services for the Department of Human Services. I appear before you today to provide information and to support this bill.

The Task Force on Long Term Care Planning firmly believes that access to case management and the use of needs assessments are vital to any successful effort to encourage the use of home and community-based care. Review of information from states that have successfully increased the use of home and community-based services and reduced the number of high functioning individuals entering nursing facilities revealed they used a strong case management component and mandatory assessment tools. The percentage of high functioning individuals residing in nursing facilities still exceeds 20% of occupied beds in North Dakota. While the Task Force believes that universal access to case management and needs assessments are necessary to encourage the use of home and community-based care, it realized that it must be demonstrated that these measures will work to improve the delivery system for long term care services in North Dakota. The Task Force concluded that the best way to demonstrate the advantages of care management was to institute pre-admission assessment and case management services for Medicaid eligible recipients.

It is imperative that all individuals understand what their options are before they and their families make placement decisions regarding the provision of long term care services. While nursing facility services are vital to the overall continuum of care, other less restrictive alternatives may also be appropriate including home based and other residential care services. The pre-admission needs assessment for

individuals eligible for Medicaid wishing to enter a nursing facility will ensure that all available service options are considered before a final decision is made regarding the type of long term care services that would best meet the care needs of each Medicaid recipient. Case management will provide the information necessary for individuals and their families to make informed decisions regarding their long term care needs.

Section 1 of the bill requires individuals who are eligible for Medicaid or are making application for Medicaid to receive an assessment of their health and social needs prior to admission to a nursing facility or swing bed facility. It also permits the department to provide targeted case management services for individuals at risk of entering nursing facilities or swing bed hospitals to ensure that care alternatives are evaluated and considered.

Section 2 sets forth how the department should establish and operate the preadmission assessment and targeted case management programs, requires the department to monitor the results of these programs and authorizes the department to contract with or delegate to any person to provide the targeted case management and pre-admission assessments.

Section 3 requires nursing facilities and swing bed hospitals to assure that each Medicaid recipient or applicant has received an assessment before admission.

Section 4 provides for an appropriation of about \$980,000, of which \$294,000 are general funds. It should be noted that about 30% of individuals receiving SPED services and all those receiving expanded SPED services are eligible for the Medicaid Program and are at risk of entering a nursing facility. At present, all of these individuals receive case management services as a result of their eligibility for these programs. Payments for these services are made with general funds.

Since these individuals are eligible for Medicaid and targeted case management services, we can utilize 70% federal funds for these services and use the extra general fund dollars to pay for most of the rest of the targeted case management program. We estimate that we will serve about 1,400 recipients per year. With this transfer of funds, only about \$22,000 in additional general funds will be needed to fund this new option that will ensure that individuals have the appropriate information to make an informed decision regarding their long term care needs. The additional \$22,000 will come from funds already contained in the 1999-2001 budget appropriation for the Medicaid Program.

The department supports this bill and urges a due pass.

I would be happy to answer any questions you may have.