

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

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ROLL NUMBER

DESCRIPTION

1113

2001 HOUSE HUMAN SERVICES

HB 1113

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1113

House Human Services Committee

☐ Conference Committee

Hearing Date January 16, 2001

Tape Number	Side A	Side B	Meter #
Tape 1	X		Tape did not work
Committee Clerk Signature <i>Courne Easton</i>			

Minutes:

Chairman Price, Vice Chairman Devlin, Rep. Dosch, Rep. Galvin, Rep. Klein, Rep. Pollert, Rep. Porter, Rep. Tieman, Rep. Weiler, Rep. Weisz, Rep. Cleary, Rep. Metcalf, Rep. Niemeier, Rep. Sandvig

Chairman Price: Opened hearing on HB 1113

David Zentner: Director of Medical Services for the Department of Human Services. Presented testimony regarding task force's concern for the need to determine if the moratorium that prohibits any additional licensed bed capacity for basic care and nursing facilities should continue. Basic care facilities are part of the continuum of alternative care available to persons who need long-term care services. The task force did not want to discourage the development of any needed alternatives by restricting the number of licensed bed capacity for these facilities. The task force concluded that the moratorium should be repealed so that all facilities can be regulated based on the type of services they provide. The fiscal note does not anticipate any

additional costs to the Basic Care Assistance Program if the moratorium is repealed. It is unknown at this time how many, if any, additional basic care facilities will be built after the moratorium is repealed. Also, any new facilities would likely not be added until later in the new biennium.

Chairman Price: You don't have any surprises regarding federal funding coming in?

David Zentner: I don't foresee any problems. Hope to have it tucked in before session is over.

Shelly Peterson: President of the North Dakota Long Term Care Association. We are supportive of HB 1113 and urge a DO PASS. The consensus of basic care members is to repeal the moratorium. It is felt communities are getting around the moratorium by creating assisted living facilities, thus the moratorium was considered ineffective. It was also felt some communities are prevented by law in providing this level of care and thus individuals are forced to leave their communities for alternative care or enter the nursing facility prematurely. If they want to receive basic care, they must leave their community. (See testimony)

Rep. Pollert: What is the cost of average nursing care, assisted living, and basic care?

Shelly Peterson: Nursing care is \$109.98 per day, basic care is \$42.68 per day, and I don't have the cost for assisted living.

Deb Magnuson: Executive Director, Waterford at Harwood Groves. I believe that basic care and assisted living are indeed different options. In small communities, some long term care beds could be turned into basic care. This level of care requires less staff, may be more cost effective, and offers a much more home like setting than long term care. Lifting the moratorium would encourage the expansion of the full array of senior housing options. (See testimony)

Dean Throfelt: President of Edgewood Vista. If we can provide more services to resident of the state, there will be more people accessing those services and cost could go down.

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House Human Services Committee
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Rep. Porter: What is Vista's occupancy?

Dean Throfeit: 100% occupancy.

Rep. Niemeier: What services does basic care provide?

Dean Throfeit: Transportation, room and board, religious and social services.

Rep. Niemeier: Resident basically occupies a bedroom.

Dean Throfeit: Yes, that is correct.

Rep. Pollert: What is the rate for assisted living?

Dean Throfeit: It ranges from \$55 to \$65 per day for all services.

Rep. Pollert: For persons on a lower income, is it in the \$55-\$65 range?

Dean Throfeit: Yes.

Charles Bisnett: CEO, Pride Industry. Our 34 beds are basically patients from the State Hospital.

Chairman Price: Do you have contracts with the state?

Charles Bisnett: No, we are licensed through the state. We get funded through basic care facility.

Chairman Price: Are you meeting the needs of the state hospital?

Charles Bisnett: Yes.

Rep. Niemeier: Does your population call for more staffing?

Charles Bisnett: We have increased staffing and provided training for handling physically challenged.

Rep. Niemeier: Has this increased the cost?

Charles Bisnett: Yes.

Chairman Price: Closed hearing on HB 1113

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1113 b

House Human Services Committee

☐ Conference Committee

Hearing Date 01-24-01

Tape Number	Side A	Side B	Meter #
2	xx		4900--end
2		xx	1--900
Committee Clerk Signature <i>Corinne Easton</i>			

Minutes: Chair Price : Let's look at HB1113. There has been no provision in the budget for any expansion of basic care. There has been discussion in the IGT proposal that we allow some reduction of field nursing beds to basic care beds with some incentives based on need. There wasn't a whole lot of opposition to this bill, but since I've been we've totally fought the issue of too many nursing home beds. We are the highest in the nation for per capita nursing home beds. I don't want to go down that road with basic care. I oppose repealing the moratorium. I believe in allowing a certain percentage of basic care beds created two ways. One, from reduction of skilled care to basic where the need is shown. Two, we have an area that there is no basic care within "X" number of miles. We are trying to put as much as we can into the IGT bill.

Rep. Porter : I totally agree with you. I think this is another bill that deserves to be part of the study to find out what the need is. I don't think we should limit the growth within the next two years. I agree that putting limited growth within the IGT bill is 100% the best way to go.

Chair Price : Do you think we should put a specific number on it.

Rep. Porter : When they testified, they estimated the growth of the industry at 25%. I think this is quite high. I would be comfortable at 15%. That would be almost 200 beds in the next two years. The smoking gun on this is that amount of money available in the IGT loan pool. Anyone can walk in with 10% down and get the \$ 1M and put up the bricks and mortar, with or without the study. I don't want to have all these buildings sitting out there just because there was low cost money out there. We need to make sure that they are satisfying a need in the area.

Rep. Pollert : Currently you can't go from nursing home bed to basic care bed.

Chair Price : We have extra beds. There are enough beds out there, but the issue is where they are located. We don't know what we need, where, is the biggest problem.

Rep. Weisz : Initially, I supported this bill. We're trying to control cost. I would support killing this bill, if we work it in with the by down in IGT. **end side A, begin side B**

Rep. Metcalf : (3) In Valley City, the hospital can't make it. They want to convert some beds to basic care. We have no basic care in Valley City. Putting on a % control, I don't think is necessary.

Rep. Dosch : If there are no limits, will it all go to the big cities. I'm afraid of that.

Chair Price : If you look at the basic care chart, you see four Bismarck basic care facilities. The bill would have to be based on occupancy within the radius.

Rep. Niemeier : The assisted living facilities in my district have gone gang busters. More and more of them. They are pretty expensive. Lifting the moratorium would allow for some basic care facilities that could service a lot of people currently in nursing homes, or that might opt to go to the basic care facility.

Chair Price : The other side of it the assisted living could easily go to basic care and get the state to pay for it.

Rep. Sandvig : Mr. Zentner said he wants to move basic care from state dollars to federal dollars. There is a Medicaid waiver. If that goes through, then the state won't be paying for the basic care.

Rep. Weisz : This would only be a conversion of skilled nursing beds.

Rep. Cleary : I don't think nursing home in Bismarck would convert. They are full most of the time.

Chair Price : Does the committee feel that we should address the basic care issue in the IGT bill?

Rep. Metcalf : Is there anyway that it can be done so that if an organization wants to put in basic care or convert, that they won't have to go into the market and buy somebody's empty bed. We're talking about a problem with maybe this all can financially fit together.

Chair Price : Right now, in the IGT, we're looking at anything up to \$15,000 to the skilled nursing facility for closing that bed. That could be used for converting that bed.

Rep. Deyljn : We can deal with all of this in the IGT bill.

Chair Price : Appropriations would like this in the best possible form before it gets to them. All the policy discussions have been addressed here.

Rep. Porter : I move a **DO NOT PASS**.

Rep. Metcalf : I second.

VOTE: 13 YES and 1 NO with 0 absent. PASSED. Rep. Porter will carry the bill.

FISCAL NOTE

Requested by Legislative Council
12/18/2000

Bill/Resolution No.: HB 1113

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant your analysis.*

This bill repeals the moratorium on the expansion of basic care beds. It is unknown how many new beds would be developed after the moratorium is lifted. If any new beds are developed, it is unknown how many individuals who are eligible for the basic care assistance program, who currently are not accessing this service, would access this service. Therefore, a reasonable estimate can not be determined.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The executive budget includes \$8,025,120 for the basic care assistance program. This amount would be funded by \$5,609,666 in Federal funds, and \$2,415,454 in retained funds. The funding is based upon a flat occupancy of 469 beds and 8 functional assessments per month.

Name:	Brenda Weisz	Agency:	Department of Human Services
Phone Number:	328-2397	Date Prepared:	12/19/2000

Date: 1-24-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1113

House Human Services Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Rep. Porter Seconded By Rep. Metcalf

Representatives	Yes	No	Representatives	Yes	No
Rep. Clara Sue Price, Chairman	✓		Rep. Audrey Cleary	✓	
Rep. William Devlin, V, Chairman	✓		Rep. Ralph Metcalf	✓	
Rep. Mark Dosch	✓		Rep. Carol Niemeier	✓	
Rep. Pat Galvin	✓		Rep. Sally Sandvig		✓
Rep. Frank Klein	✓				
Rep. Chet Pollert	✓				
Rep. Todd Porter	✓				
Rep. Wayne Tieman	✓				
Rep. Dave Weiler	✓				
Rep. Robin Weisz	✓				

Total (Yes) 13 No 1

Absent _____

Floor Assignment Rep. Porter

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 24, 2001 12:19 p.m.

Module No: HR-12-1498
Carrier: Porter
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1113: Human Services Committee (Rep. Price, Chairman) recommends DO NOT PASS (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1113 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

HB 1113

**TESTIMONY BEFORE THE HOUSE HUMAN SERVICES COMMITTEE
REGARDING HOUSE BILL 1113
JANUARY 16, 2001**

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

One of the areas of interest to the Task Force on Long Term Care Planning concerned the need to determine if the moratorium that prohibits any additional licensed bed capacity for basic care and nursing facilities should continue. The Task Force determined that while the moratorium should continue for nursing facilities, it should be repealed for basic care facilities.

Basic care facilities are part of the continuum of alternative care available to persons who need long term care services. The Task Force did not want to discourage the development of any needed alternatives by restricting the number of licensed bed capacity for these facilities in North Dakota. It was concluded that the market should dictate the number of facilities available to the residents of North Dakota. In addition, the Task Force noted that the moratorium might have forced entities to construct assisted living facilities even though the facilities were intended to meet the needs of individuals who would qualify for basic care services. The Task Force concluded that the moratorium should be repealed so that all facilities can be regulated based on the type of services they provide.

The fiscal note does not anticipate any additional costs to the Basic Care Assistance Program if the moratorium is repealed. It is unknown at this time how many, if any, additional basic care facilities will be built after the moratorium is repealed. Also, any new facilities would likely not be added until later in the new biennium.

The Department supports this bill and requests that you give it a do pass.

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

Testimony on HB 1113
House Human Services Committee
January 16, 2001

Chairman Price and members of the House Human Services Committee, thank you for the opportunity to testify on HB 1113. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. I am here representing our members, providers of nursing care, basic care, and assisted living services.

We are supportive of HB 1113 and urge the committee DO PASS. I feel compelled to share with you we are not unanimous in this position. We have been discussing the basic care moratorium issue for the past eight months and I know I have at least one basic care member opposed and two with concerns. The consensus of basic care members, however is to repeal the moratorium. Let me share with you our thoughts behind this issue. It is felt communities are getting around the moratorium by creating assisted living facilities, thus the moratorium was considered ineffective.

It was also felt some communities are prevented by law in providing this level of care and thus individuals are forced to leave the community for alternative care or enter the nursing facility prematurely. As an example, Cooperstown, Mott, Mandan, Fargo, Underwood and many communities do not have basic care facilities. When individuals can no longer live alone and just need a little help, but not twenty-four hour nursing care or they don't have the resources for assisted living, what happens to them? If they want to receive basic care, they must leave their life long community of family and friends. Rural North Dakota is dying because of this migration to the cities for services.

Rural communities want to respond to this need and provide this level of care. Lifting the moratorium would help more people access basic care.

I'm concerned that the fiscal note says the fiscal impact can not be determined. We feel there will be growth and more than "nothing" should be planned.

In conclusion, North Dakota Long Term Care Association supports HB 1113 and appropriate funding to assure any expansion of basic care services are properly funded.

Thank you for the opportunity to testify on HB 1113. I would be happy to address any questions you might have.

Shelly Peterson, President
North Dakota Long Term Care Association
1900 North 11th Street
Bismarck, ND 58501
(701) 222-0660

Testimony on HB 1113

House Human Services Committee

January 16, 2001

Chairman Price, members of the House Human Services Committee, and Ms. Peterson, thank you for the opportunity to speak to HB 1113. I have had the privilege of practicing as an R.N. in the state of North Dakota for 25 years. During the last two years I have worked with the seniors who live at Waterford at Harwood Groves. We are a retirement and assisted living community in Fargo. 112 residents currently live with us.

The moratorium placed on basic care and long term care beds was instituted several years ago. During that time there have been a number changes made in the options available for senior living. I have been happy to see that alternate living situations have become more varied and more available. Life enrichment has become the name of the game.

I believe that basic care and assisted living are indeed different options. It is time that we have the ability to offer both to more people. The moratorium stifles the growth and development of this industry. In small communities, some long term care beds could be turned into basic care. This level of care requires less staff, may be more cost effective, and offers a much more home like setting than long term care.

In larger communities like Fargo, there are a surprisingly low number of basic care beds. The current population of seniors with memory disorders continues to grow. Basic care is a great option in the middle stages of this disease. Not all people with Alzheimer's disease need to be in wheelchairs. Most can function very well in a controlled, active setting. Basic Care beds would increase availability of this type of care. Again, lifting the moratorium would encourage the expansion of the full array of senior housing options.

I believe that lifting the ban on additional basic care beds will encourage the continued growth of senior living centers that are as self-directed and autonomous as possible.

Thank you for the opportunity to speak to you today.

Deb Magnuson, BSN, RN
Executive Director
Waterford at Harwood Groves
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701-476-1200