

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1191

2005 HOUSE HUMAN SERVICES

HB 1191

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1191

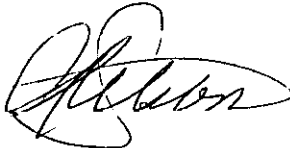
House Human Services Committee

Conference Committee

Hearing Date 01/10/05

Tape Number	Side A	Side B	Meter #
#1	x		770 - 3096

Committee Clerk Signature



Minutes:

Chairman Price Opened hearing on HB 1191. All committee members were present.

Rep. Devlin: See attached testimony

Shelly Peterson: See attached testimony

Rep. Kaldor: Sub section 4, what is the rationale behind it?

S. Peterson: It has never happened, for instance, Mott would convert to basic care beds back to nursing care beds, can transfer basic beds, after one year can't be transferred forever.

Rep. Kaldor: The new location will be prevented from converting that basic care to nursing care beds.

S. Peterson: Yes. If a facility would keep those basic care beds as basic care, then they could convert back to nursing facility status at the end of one year.

Rep. Potter: Why is there a need to do this?

S. Peterson: There has never been a problem with it, but it may be an issue with appropriations, and with higher levels of care, once they are converted to basic care, it is a question of wanting to extend more nursing home beds. If there would be an expansion, may not have sufficient appropriations to care for them. Nursing care beds - \$144.48, basic care beds - under \$55.00 a day.

Chairman Price: We have one of the higher per capita nursing home beds. I think we were 75 beds per 1000 at one point and thought we may be over built and were trying to move people from less restrictive setting and that's why we had an increase in basic care beds. An increase in assisted living and trying to move toward home/community base care, if it is appropriate.

Rep. Kaldor: I can understand that, I wondering if there are other areas of concern, with transfers, creating a problem in the same way.

S. Peterson: Yes, it potentially could, Dept. of Health suggested that a provision in the law that would say a nursing facility that converts beds, if they have never reconverted back to nursing beds within 5 years, that we should take an option of converting to basic care away. There was no support for that from our constituents. In 10 years we will have an explosion of 85 + population, so we might need now, but might need them in the future.

David Zentner, Director of Medical Services, Dept. of Human Services.

(See Attached Testimony) (MR#2530)

Chairman Price: Testify in favor?

Bruce Pritchett, Director of Account Facilities, ND Health Dept. (See attached Testimony)
(MR# 2956)

Page 3
House Human Services Committee
Bill/Resolution Number HB 1191
Hearing Date 01/10/05

Chairman Price: Anyone in favor/opposition to HB 1191. Close hearing.

Chairman Price: Any discussion on HB 1191.

Rep. Porter: Motion Do Pass as amended.

Rep. Potter: Second

Vote: 12 - 0 - 0. **Carrier:** Rep. Potter.

FISCAL NOTE
 Requested by Legislative Council
 01/07/2005

Bill/Resolution No.: HB 1191

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

This bill would amend and reenact NDCC section 23-16-01.1 relating to a moratorium on long-term care bed capacity.
 There is no fiscal impact.

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.*

Name: Brenda Weisz
 Phone Number: 328-2397

Agency: Human Services
 Date Prepared: 01/07/2005

50334.0101
Title.0200

Adopted by the Human Services Committee
January 10, 2005

VK
1/10/05

HOUSE AMENDMENTS TO HOUSE BILL NO. 1191 HS 1-11-05

Page 1, line 14, replace "converts" with "reverts"

Renumber accordingly

Date: 1/17/05
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House

HUMAN SERVICES

Committee

Check here for Conference Committee

Legislative Council Amendment Number

1191

Action Taken

~~#97~~ DO Pass as amd.

Motion Made By

Porter

Seconded By

Porter

Representatives	Yes	No	Representatives	Yes	No
Chairman Price	✓		Rep. Kaldor	✓	
V.Chrm Kreidt	✓		Rep. Potter	✓	
Rep. Damschen	✓		Rep. Sandvig	✓	
Rep. Devlin	✓				
Rep. Peitsch	✓				
Rep. Porter	✓				
Rep. Uglem	✓				
Rep. Weisz	✓				
Rep. Nelson	✓				

Total (Yes)

12

No

0

Absent

0

Floor Assignment

Porter

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

REPORT OF STANDING COMMITTEE (410)
January 11, 2005 11:09 a.m.

Module No: HR-06-0256
Carrier: Potter
Insert LC: 50334.0101 Title: .0200

REPORT OF STANDING COMMITTEE

HB 1191: Human Services Committee (Rep. Price, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1191 was placed on the Sixth order on the calendar.

Page 1, line 14, replace "converts" with "reverts"

Renumber accordingly

2005 SENATE HUMAN SERVICES

HB 1191

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1191

Senate Human Services Committee

Conference Committee

Hearing Date February 15, 2005

Tape Number	Side A	Side B	Meter #
1		x	1760-3440
2	x		2,645-2790

Committee Clerk Signature



Minutes:

Chairman Lee opened the public hearing on HB 1191. All members were present.

Chairman Lee reminded the committee that support of the bill was already presented by Representatives Devlin (Attachment 1) and Kreidt.

Testimony in favor of HB 1191

Shelly Peterson, President of the North Dakota Long Term Care Association. See written testimony (Attachment 2)

Senator Dever point out that the wording concerning tribal reservation purchasing nursing home beds and suggested that it be changed to 'an Indian tribe'. Ms. Peterson added that they took the language suggested by the Indian representative without any changes.

David Zentner, Director of Medical Services for the Department of Human Services: See written testimony (Attachment 3)

Bruce Prichert, Health Department: Echo support for this bill. Human Services and the Health Department have worked closely together on the wording for the bill and have no problem with it.

There was no further testimony on HB 1191. Chairman Lee closed the public hearing on HB 1191.

Chairman Lee reopened discussion on HB 1191. All members were present.

Senator Warner moved DO PASS on the amendment, seconded by Senator Brown.

VOTE: 5 YEAS, 0 NAYS, 0 ABSENT

Senator Lyson moved DO PASS as amended, seconded by Senator Dever.

VOTE: 5 YEAS, 0 NAYS, 0 ABSENT CARRIER: Senator Lyson

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1191


Senate Human Services Committee

Conference Committee

Hearing Date March 21, 2005

Tape Number	Side A	Side B	Meter #
1		X	49.2 - 50.1

Committee Clerk Signature



Minutes:

Senator Judy Lee, Chairman of the Senate Human Services Committee opened the committee work on HB 1191.

All members of the committee were present.

Senator Lee announced to the committee that the House does not concur on HB 1191 and that it only made sense to have the same members from the committee serving on HB 1190 to also be on the conference committee for HB 1191.

Senator Lee closed the committee work on HB 1191.

Proposed Amendments to Engrossed House Bill 1191
February 15, 2005

Page 2, line 21, replace “tribal reservation” with “tribe”

Page 2, line 22, after “beds” insert “on a reservation”

Renumber accordingly

50334.0201
Title.0300

Adopted by the Human Services Committee
February 15, 2005

JB
2-17-05

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1191

Page 2, line 21, replace "a tribal reservation" with "an Indian tribe" and after "beds" insert "on a
reservation"

Renumber accordingly

Date: 2-15-05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1191 HB

Senate Human Services

Committee

Check here for Conference Committee

Legislative Council Amendment Number

Action Taken *Do Pass amendment*

Motion Made By *Sen Warner* Seconded By *Sen Brown*

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee - Chairman	✓		Sen. John Warner	✓	
Sen. Dick Dever - Vice Chairman	✓				
Sen. Richard Brown	✓				
Sen. Stanley Lyson	✓				

Total (Yes) 5 No 0

Absent 0

Floor Assignment

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

Date: 2-15-05
Roll Call Vote #: 2

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1191

Senate Human Services

Committee

Check here for Conference Committee

Legislative Council Amendment Number

Action Taken *Do Pass as amended*

Motion Made By *Sen Lyson* Seconded By *Sen Dever*

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee - Chairman	✓		Sen. John Warner	✓	
Sen. Dick Dever - Vice Chairman	✓				
Sen. Richard Brown	✓				
Sen. Stanley Lyson	✓				

Total (Yes) 5 No 0

Absent

Floor Assignment *Sen Lyson*

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

REPORT OF STANDING COMMITTEE (410)
February 17, 2005 11:55 a.m.

Module No: SR-32-3345
Carrier: Lyson
Insert LC: 50334.0201 Title: .0300

REPORT OF STANDING COMMITTEE

HB 1191, as engrossed: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1191 was placed on the Sixth order on the calendar.

Page 2, line 21, replace "a tribal reservation" with "an Indian tribe" and after "beds" insert "on a reservation"

Renumber accordingly

2005 HOUSE HUMAN SERVICES

CONFERENCE COMMITTEE

HB 1191

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1191

House Human Services Committee

Conference Committee

Hearing Date March 23, 2005

Tape Number	Side A	Side B	Meter #
1	x		

Committee Clerk Signature



Minutes:

Rep. Kriedt opened the Conference committee on HB 1191.

Conference Committee Members: Rep. Kriedt, Devlin, Potter Sen. Lyson, Dever, Warner.

Senator Warner: Regarding the proposed amendment, what needs to be adjusted?

Sen. Dever: Page 2, line 2 , just needs to change "a tribal reservation" with "an Indian tribe".

Rep. Kriedt: As I understand then, the Senate recedes from the Senate amendments on page 2, line 21, remove? If so, I move that.

Rep. Potter: Second.

Senator Dever: I move a Do Pass as Amended.

Senator Lyson: Second.

Vote: 6-0-0.

Carrier: Rep. Potter

(Bill Number) HB 1191 (, as (re)engrossed): March 23, 2005

Your Conference Committee Human Services -

For the Senate:

And		And		VOTE
Y	N	Y	N	
✓				✓
✓				✓
✓				✓

For the House:

And		And		VOTE
Y	N	Y	N	
✓				✓
✓				✓
✓				✓

- ATT ✓ S. Lyson
- ✓ S. Deuer
- ✓ S. Warner

- ATT ✓ R. Kiebt
- ✓ R. Deolin
- ✓ R. Patter

Amnd-6-0-0 Vote 6-0-0

recommends that the (SENATE HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (830/HJ) page(s) 832-

pg 12 line 21

and place _____ on the Seventh order.

, adopt (further) amendments as follows, and place

on the Seventh order:

having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 3/23/05

CARRIER: Rep Patter

LC NO. _____ of amendment

LC NO. _____ of engrossment

Emergency clause added or deleted _____

Statement of purpose of amendment _____

(1) LC (2) LC (3) DESK (4) COMM.

(Bill Number) *HB 1191* (, as (re)engrossed):

Your Conference Committee *Human Services*

For the Senate:

<i>Sen Lyson</i>	<input checked="" type="checkbox"/>	<i>y</i>	<i>N</i>
<i>Sen Deuer</i>	<input checked="" type="checkbox"/>		
<i>Sen Warner</i>	<input checked="" type="checkbox"/>		

amend 6-0

For the House:

<i>Rep Kreidt</i>	<input checked="" type="checkbox"/>	<i>y</i>	<i>N</i>
<i>Rep Dublin</i>	<input checked="" type="checkbox"/>		
<i>Rep Patten</i>	<input checked="" type="checkbox"/>		

6-0-0

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

723/724 725/726 8724/8726 8723/8725

the (Senate/House) amendments on (SJ/HJ) page(s) *832 - SJ-607*
p92-line 21

and place on the Seventh order.

, adopt (further) amendments as follows, and place
HB1191 on the Seventh order:

having been unable to agree, recommends that the committee be discharged and a new committee be appointed. 690/515

((Re)Engrossed) was placed on the Seventh order of business on the calendar.

Attendance

<i>Senate</i>	<i>House</i>
<i>Lyson</i>	<i>Kreidt</i>
<i>Deuer</i>	<i>Dublin</i>
<i>Warner</i>	<i>Patten</i>

DATE: *3/23/05*

CARRIER: *Rep Patten*

LC NO. *50334.0202* of amendment

LC NO. *50334.0400* of engrossment

Emergency clause added or deleted _____

Statement of purpose of amendment _____

(1) LC (2) LC (3) DESK (4) COMM.

REPORT OF CONFERENCE COMMITTEE

HB 1191, as engrossed: Your conference committee (Sens. Lyson, Dever, Warner and Reps. Kreidt, Devlin, Potter) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 832, adopt amendments as follows, and place HB 1191 on the Seventh order:

That the Senate recede from its amendments as printed on page 832 of the House Journal and page 607 of the Senate Journal and that Engrossed House Bill No. 1191 be amended as follows:

Page 2, line 21, replace "a tribal reservation" with "an Indian tribe"

Renumber accordingly

Engrossed HB 1191 was placed on the Seventh order of business on the calendar.

2005 TESTIMONY

HB 1191

TESTIMONY BEFORE THE HOUSE HUMAN SERVICES COMMITTEE

REGARDING HB 1191

JANUARY 10, 2005

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

This legislation extends the moratorium which limits the number of nursing facility beds in North Dakota and clarifies how certain beds can be transferred from one facility to another.

Paragraph 1 establishes that no additional nursing facility beds can be added to the licensed capacity in the state during the next biennium.

Paragraph 2 permits facilities to convert transferred nursing facility beds to basic care beds if the transfer occurred before August 1, 2005. This will permit the construction of a basic care facility in Fargo where there is no participating provider in the Basic Care Assistance Program at this time.

Paragraph 3 permits facilities to convert nursing facility beds to basic care beds, and allows the beds to revert back to nursing facility licensed beds after a 12-month period if the beds remain with the facility.

Paragraph 4 permits facilities to transfer converted basic care beds to another facility, but prohibits those beds from reverting back to nursing facility licensed beds.

Paragraph 5 describes the process that Indian tribes can utilize if they wish to participate in the Medicaid programs, after they have acquired nursing facility beds through transfers from other nursing facilities.

The Department continues to support the need to limit the number of licensed nursing facility beds in North Dakota. While we have made strides to reduce the number of beds, there continues to be an occupancy problem for many facilities especially for those located in rural areas of the state. As of the end of November 2004, twenty-two (22) of the eighty (80) nursing facilities participating in the Medicaid program had less than 90% occupancy. For the above reason we believe the State continues to have an adequate number of beds to meet our immediate needs. If a shortage exists in a particular area of the State, there appears to be sufficient unused capacity at this time that could be transferred to meet that need.

The fiscal note indicates that this bill should not have any direct affect on the Department's appropriation for the next biennium.

We recommend you consider amending the word "convert" on line 14 of page 1 to read, "revert" to clarify that basic care beds can be again licensed as nursing facility beds, and are only those beds that were previously converted under the provisions of paragraph 3.

The Department supports this bill and recommends you consider a do pass.

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

January 10, 2005

Good morning Chairperson Price and esteemed members of the House Human Service Committee.

I am Rep. Bill Devlin, District 23 from Finley.

I am here to introduce HB1191 and urge a do pass recommendation from this committee.

Those of you that have been on this committee before have also seen this bill before. Briefly what the bill does is:

Extend the moratorium on Nursing Home beds through July 31, 2007 with one limited exception. As in the basic care bed this allows facilities to switch use of the beds. In this case we allow the facilities the option of reverting those basic care beds back to nursing facility status. We need to continue this flexibility.

The only new part of the HB 1191 is language that allows nursing facility beds that have need transferred and are waiting to be licensed (remember they have 48 months to be licensed) the option of converting immediately to basic care beds rather than nursing facility beds. We want to include that language to encourage lower and less costly levels of care and this provision does that. The Tribal provisions have been re-written but the content is untouched.

The Department will offer a one word amendment that I also support. Department representatives and Shelly Peterson of NDLTC can and probably will provide more information.

I urge a do pass on HB 1191 and would be happy to answer any questions but would like to point out that the experts are available and coming next.

Thank you!

William R. Devlin
State Representative, District 23

Testimony on HB 1191
House Human Services Committee
January 10, 2005

Chairman Price and members of the House Human Services Committee, thank you for the opportunity to testify on HB 1191. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. I am here today to testify in support of HB 1191.

HB 1191 sets the policy of determining expansion of nursing facilities in North Dakota. Again we found the current language confusing and problematic and requested the two departments help us draft new language for your consideration. I understand the Department of Human Services will be requesting one word change and we support their amendment.

HB 1191 continues to allow one exception to the moratorium. Prior to explaining the exception I would like to update the committee on nursing facility care in North Dakota. Facts about nursing facility care:

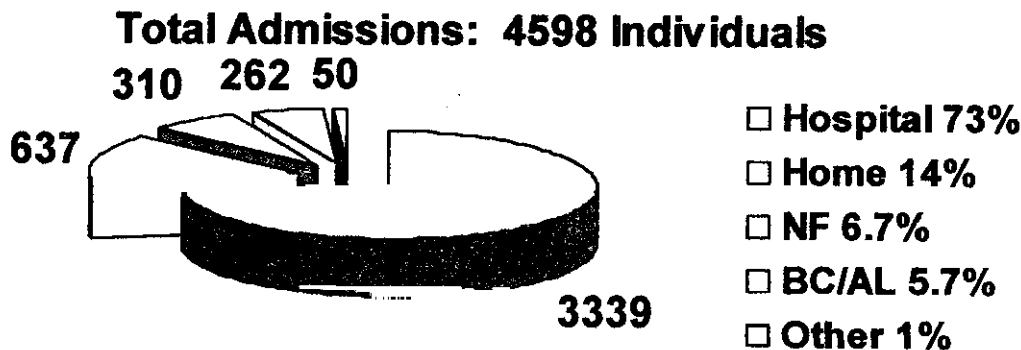
- North Dakota has 83 licensed and certified nursing facilities representing 6,523 beds (data taken from Department of Health's web site dated 09/24/04)
- Nursing facilities are 93% occupied.
- For every 100 residents, 56 are on Medicaid.
- The 2005 average cost for one day of nursing facility care is \$144.48.
- Nursing facilities provide twenty-four hour around the clock nursing care and you need physician orders to be admitted. Residents generally have complex medical needs that require a multi-disciplinary team approach.

In a twelve month period of time ending on June 30, 2004 we reviewed all nursing facility admission and discharge data and determined the following:

- Average Length of Stay: 96 days.
- Range of Average Length of Stay: 16 days to 210 days.

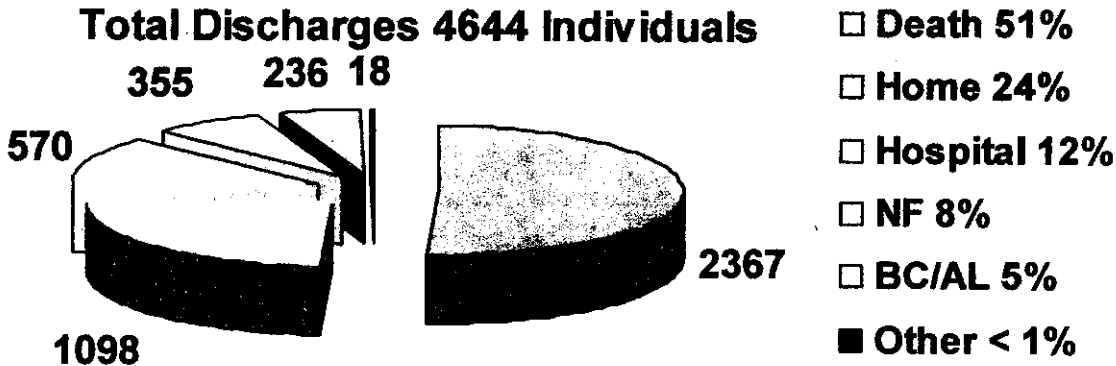
Admissions

Where Admissions Came From:



Discharges

Discharge Destination:



Hopefully this background helps you better understand the services provided by nursing facilities.

SUB-SECTION 1

As I stated at the beginning of my testimony there is only one exception to expanding nursing facility beds and that is very limited. I stated in my testimony on HB 1190 that nursing facilities are allowed to convert nursing facility beds to basic care beds. As shared with you very few nursing facilities have converted nursing facility beds to basic care. HB 1191 allows nursing facilities that have converted beds to basic care, to have the option of reverting those basic care beds back to nursing facility licensure. This provision was allowed in the 2001 session. To date, to my knowledge, not one converted basic care bed has reverted back to nursing facility licensure. This is a nice feature that gives a facility the flexibility to meet the changing needs of the individuals in their community.

SUB-SECTION 2

This section allows nursing facility beds to be sold and transferred across the state. A good example of how this has worked this past year is a number of rural facilities sold beds to Missouri Slope Lutheran Care Center in Bismarck. Bismarck has a great demand for more nursing facility beds and this transfer provision allows for the re-distribution of beds from low need areas (rural) to high demand areas. All transferred/sold beds must be licensed in the new location within forty-eight months of purchase. A new provision is requested in HB 1191, lines 22 and 23 on the first page. Currently we have some nursing facility beds in limbo, awaiting licensure in a new location. Rather than license those beds at a nursing facility level of care, the owner would like to convert those beds to a lower level of care, basic care.

An interpretation of the existing statute prevents a nursing facility from transferring nursing facility beds to a new location and immediately converting those beds to basic care. The entity has been told they need to transfer the nursing facility beds, licensure the beds as nursing facility in the new location and then convert to basic care, but only after the initial nursing facility

licensure. Building to a nursing facility licensure is very costly and not necessary, especially when you want to serve basic care residents. Sub-section two would allow beds currently awaiting nursing facility licensure to skip nursing facility licensure in the new location and build to basic care specifications.

SUB-SECTION 3

This sub-section allows nursing facilities the option of having beds that have been converted to basic care, revert back to nursing facility status. Again this provision has been allowed since 2001 and no one has ever used this provision.

SUB-SECTION 4

This sub-section states that nursing facility beds that are converted to basic care maybe transferred as basic care. However, once the basic care are transferred to another location, they can never be re-licensed as nursing facility beds.

SUB-SECTION 5

This new sub-section addresses reservations and was previously located in Sub-Section 3. This new language is updated from 2003 and leaves the provisions previously requested from the reservations intact.

This concludes my testimony on HB 1191. I would be happy to answer any questions you may have.

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

February 15, 2005

Good morning Chairman Lee and esteemed members of the Senate Human Service Committee. I am Rep. Bill Devlin, District 23 from Finley.

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Those of you that have been on this committee before have also seen this bill before. Briefly what the bill does is:

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Shelly Peterson of NDLTC can and probably will provide more information.

I urge a do pass on HB 1191 and would be happy to answer any questions but would like to point out that the experts are available and coming next.

Thank you!

William R. Devlin
State Representative, District 23

Testimony on HB 1191 Senate Human Services Committee February 15, 2005

Chairman Lee and members of the Senate Human Services Committee, thank you for the opportunity to testify on HB 1191. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. I am here today to testify in support of HB 1191.

HB 1191 sets the policy of determining expansion of nursing facilities in North Dakota. Again we found the current language confusing and problematic and requested the two departments help us draft new language for your consideration.

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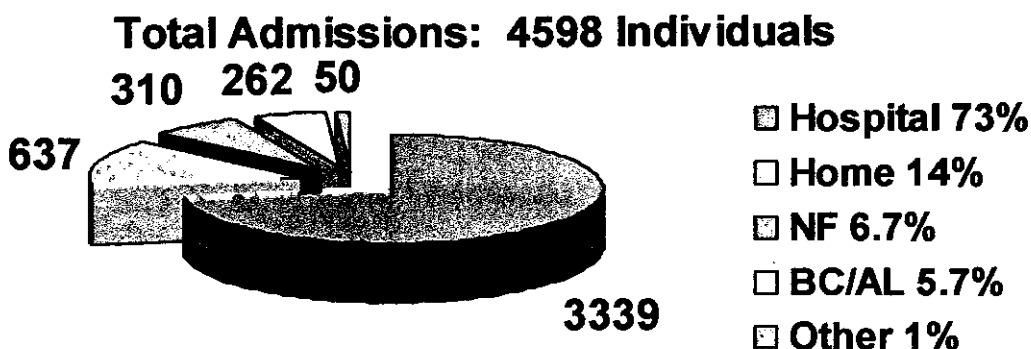
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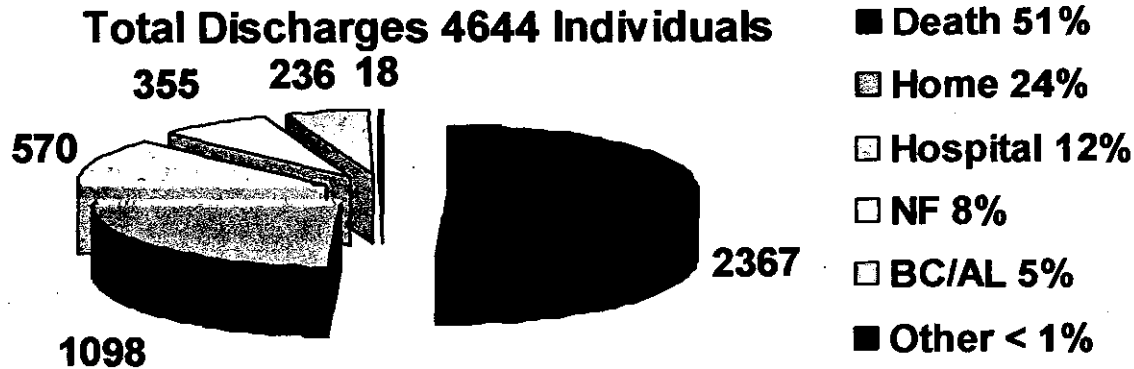
Admissions

Where Admissions Came From:



Discharges

Discharge Destination:



Hopefully this background helps you better understand the services provided by nursing facilities.

SUB-SECTION 1

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SUB-SECTION 2

This section allows nursing facility beds to be sold and transferred across the state. A good example of how this has worked this past year is a number of rural facilities sold beds to Missouri Slope Lutheran Care Center in Bismarck. Bismarck has a great demand for more nursing facility beds and this transfer provision allows for the re-distribution of beds from low need areas (rural) to high demand areas. All transferred/sold beds must be licensed in the new location within forty-eight months of purchase. A new provision is requested in HB 1191, lines 22 and 23 on the first page. Currently we have some nursing facility beds in limbo, awaiting licensure in a new location. Rather than license those beds at a nursing facility level of care, the owner would like to convert those beds to a lower level of care, basic care.

An interpretation of the existing statute prevents a nursing facility from transferring nursing facility beds to a new location and immediately converting those beds to basic care. The entity has been told they need to transfer the nursing facility beds, licensure the beds as nursing facility in the new location and then convert to basic care, but only after the initial nursing facility licensure. Building to a nursing facility licensure is very costly and not necessary, especially

when you want to serve basic care residents. Sub-section two would allow beds currently awaiting nursing facility licensure to skip nursing facility licensure in the new location and build to basic care specifications.

SUB-SECTION 3

This sub-section allows nursing facilities the option of having beds that have been converted to basic care, revert back to nursing facility status. Again this provision has been allowed since 2001 and no one has ever used this provision.

SUB-SECTION 4

This sub-section states that nursing facility beds that are converted to basic care maybe transferred as basic care. However, once the basic care are transferred to another location, they can never be re-licensed as nursing facility beds.

SUB-SECTION 5

This new sub-section addresses reservations and was previously located in Sub-Section 3. This new language is updated from 2003 and leaves the provisions previously requested from the reservations intact.

This concludes my testimony on HB 1191. I would be happy to answer any questions you may have.

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TESTIMONY BEFORE THE SENATE HUMAN SERVICES COMMITTEE

REGARDING HB 1191

FEBRUARY 15, 2005

Chairman Lee, 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.

This legislation extends the moratorium which limits the number of nursing facility beds in North Dakota and clarifies how certain beds can be transferred from one facility to another.

Paragraph 1 establishes that no additional nursing facility beds can be added to the licensed capacity in the state during the next biennium.

Paragraph 2 permits facilities to convert transferred nursing facility beds to basic care beds if the transfer occurred before August 1, 2005. This will permit the construction of a basic care facility in Fargo where there is no participating provider in the Basic Care Assistance Program at this time.

Paragraph 3 permits facilities to convert nursing facility beds to basic care beds, and allows the beds to revert back to nursing facility licensed beds after a 12-month period if the beds remain with the facility.

Paragraph 4 permits facilities to transfer converted basic care beds to another facility, but prohibits those beds from reverting back to nursing facility licensed beds.

Paragraph 5 describes the process that Indian tribes can utilize if they wish to participate in the Medicaid programs, after they have acquired nursing facility beds through transfers from other nursing facilities.

The Department continues to support the need to limit the number of licensed nursing facility beds in North Dakota. While we have made strides to reduce the number of beds, there continues to be an occupancy problem for many facilities especially for those located in rural areas of the state. As of the end of November 2004, twenty-two (22) of the eighty (80) nursing facilities participating in the Medicaid program had less than 90% occupancy. For the above reason we believe the State continues to have an adequate number of beds to meet our immediate needs. If a shortage exists in a particular area of the State, there appears to be sufficient unused capacity at this time that could be transferred to meet that need.

The fiscal note indicates that this bill should not have any direct affect on the Department's appropriation for the next biennium.

The Department supports this bill and recommends you consider a do pass.

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