2013 HOUSE HUMAN SERVICES

HB 1360

2013 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee
Fort Union Room, State Capitol

HB 1360
January 29, 2013
Job 17925

☐ Conference Committee

Explanation or reason for introduction of bill/resolution:

Provide an appropriation to the Department of Human Services for the program of all-inclusive care for the elderly.

Minutes: *Testimony 1, 2, 3, 4, 5*

Chairman Weisz opened the hearing on HB 1360.

Rep. Nancy Johnson from District 37 introduced and supported the bill.

2:23 **Tim Cox, President of Northland Healthcare Alliance** testified in support of the bill (See Testimony #1).

15:16 **Chairman Weisz**: Why do you put some individuals back into a facility?

Cox: We determine that they aren't safe in their current environment and need to move them. There are two types of placements in the long-term care setting. One is placement in temporary and one is in long term care.

Chairman Weisz: Are your services available for private pay?

Cox: Yes. We have a few who do that.

Chairman Weisz: Does long-term care insurance pay for your services?

Cox: We have had 2 instances where long-term care has paid for those services.

Rep. Laning: Do you think it is possible to transfer funds from the state's nursing care budget to a program like this?

Cox: From an efficiency standpoint, we feel these dollars are more efficiently used in this kind of environment.

Rep. Mooney: Do you know which communities you would like to target for expansion?

Cox: We received a project innovation grant recently. We have been in six communities, including Bismarck and Dickinson, where we are sponsoring some activity and care coordination. We would like to start PACE in those communities.

Rep. Mooney: Which communities would be included?

Cox: Yes. The communities that are a part of that grant are Hazen/Beulah, Bowman, LaMoure and Garrison.

21:10 **Mark Siblon, Executive Director of PACE in Bismarck and Dickinson** read the testimony of Gary Miller, President/CEO St. Alexius Medical Center, Northland PACE member.

22:55 **Josh Askvig, Associate State Director of Advocacy for AARP North Dakota** testified in support of the bill (See Testimony #3).

27:05 **Jon Frantsvog, Administrator and CEO of St. Benedict's Health Center and Benedict Court Assisted Living, in Dickinson** testified in support of the bill (See Testimony #4).

30:19 **Darreld Bertsch, President of ND Rural Health Association** testified in support of the bill (See Testimony #5).

Chairman Weisz closed.

2013 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee
Fort Union Room, State Capitol

HB 1360
February 6, 2013
Job 18360

☐ Conference Committee

Explanation or reason for introduction of bill/resolution:

Provide an appropriation to the Department of Human Services for the program of all-inclusive care for the elderly.

Minutes:

Chairman Weisz opened.

Chairman Weisz: Do we need to structure the language of this bill differently?

Committee discussed an amendment (01:34-18:43).

Rep. Porter: I move an amendment.

Rep. Silbernagel: Second.

Rep. Fehr: I move a Do Pass as amended.

Rep. Looysen: Second.

Roll Call Vote

Yes: 12

No: 0

Absent: 1

Looysen: Motion carried.

Chairman closed.

VK
2/6/13

13.0609.01001
Title.02000

Adopted by the Human Services Committee

February 6, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1360

Page 1, line 1, after "A BILL" replace the remainder of the bill with "to provide for the funding of the program of all-inclusive care for the elderly within the department of human services appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. DEPARTMENT OF HUMAN SERVICES TO FUND PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY. The department of human services shall provide funding for medicaid supplemental payments to programs for all-inclusive care for the elderly to expand service choices for the elderly within the funding levels approved for medical assistance grants by the sixty-third legislative assembly as part of the department of human services appropriation for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

Date: 2-6-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1360

House Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Porter Seconded By Silbernagel

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ			REP. MOONEY		
VICE-CHAIRMAN HOFSTAD			REP. MUSCHA		
REP. ANDERSON			REP. OVERSEN		
REP. DAMSCHEN					
REP. FEHR					
REP. KIEFERT					
REP. LANING					
REP. LOOYSEN					
REP. PORTER					
REP. SILBERNAGEL					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent: move amendment overstrike approp general fund in state treasury to department to human servic

Voice vote. Motion carried on line 4 insert

Date: 2-6-13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1360

House Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Fehr Seconded By Looysen

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ	✓		REP. MOONEY	✓	
VICE-CHAIRMAN HOFSTAD	✓		REP. MUSCHA	✓	
REP. ANDERSON	✓		REP. OVERSEN	A	
REP. DAMSCHEN	✓				
REP. FEHR	✓				
REP. KIEFERT	✓				
REP. LANING	✓				
REP. LOOYSEN	✓				
REP. PORTER	✓				
REP. SILBERNAGEL	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Looysen

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

REPORT OF STANDING COMMITTEE

HB 1360: Human Services Committee (Rep. Weisz, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1360 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "to provide for the funding of the program of all-inclusive care for the elderly within the department of human services appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. DEPARTMENT OF HUMAN SERVICES TO FUND PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY. The department of human services shall provide funding for medicaid supplemental payments to programs for all-inclusive care for the elderly to expand service choices for the elderly within the funding levels approved for medical assistance grants by the sixty-third legislative assembly as part of the department of human services appropriation for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

2013 SENATE HUMAN SERVICES

HB 1360

2013 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee
Red River Room, State Capitol

HB 1360
3/12/13
19763

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

To provide funding of the program of all-inclusive care for the elderly within the department of human services appropriation.

Minutes: "attached testimony."

Vice chairman Larsen opens the public hearing for HB 1360

Tim Cox president of Northland Healthcare Alliance. Testified in favor of HB 1360 See attachment #1 **Senator Axness** asks about the money follow the person program. **Senator Anderson** asks if additional appropriation is necessary. Senator Dever asks for clarification on nursing home eligible.

Rep. Nancy Johnson: a program for all inclusive care for the elderly, and it's a request to expand the area were the services can be given. There was a request for amendments. Testifies for a Do Pass. **Senator Dever** asks for clarification on the Fiscal Note. **Senator Anderson** discusses to expand so it's available to elders in various places across the state, not necessary spend more money; make it more available to areas that are restricted.

Josh Askvig Associate State Director of Advocacy for AARP of North Dakota. Testifies in favor of HB 1360. See attachment #2. **Senator Larsen** asks if this is a nationwide program.

Jon Frantsvog administrator and CEO **of St. Benedict's Health Center and Benedict Court Assisted Living in Dickinson**. Testified in support of HB 1360. See attached testimony #3 **Senator Axness**, asks for clarification about how services are being provided by staff.

Mark Siebel the executive director of the PACE program in Bismarck and Dickinson. Reads a letter on behalf of **Gary P. Miller** president/CEO of St. Alexius Medical Center. See attached testimony #4 **Senator Larsen**, asks how many people are currently on a case load and not in assisted living or basic care. Mr. Siebel provided written testimony from Darrold Bertsch. See attached testimony #5

Maggie Anderson interim Executive Director for DHS: Provides information on the fiscal note for the committee. **Senator Anderson** without any appropriation how would you expand? **Senator Dever** asks if there is benefit for us to rush it to appropriation. **Senator Dever** asks about committed dollars to the program.

Tim Cox: clarifies attachment #6

There is no other testimony for HB 1360

Chairwoman J. Lee Close the hearing for HB1360

2013 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee
Red River Room, State Capitol

HB 1360
3/14/13
19893

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

To provide funding of the program of all-inclusive care for the elderly within the department of human services appropriation

Minutes:

Chairwoman J. Lee opens the discussion for HB 1360

The committee discusses the fiscal note.

Chairwoman J. Lee asks if we need to have someone come to discuss HB 1360.

Chairwoman J lee. Refers to Darrold Bertsch testimony.

Senator Anderson refers to Tim Cox testimony and questions about the expansion of the program.

There is a discussion about the positive impact of the PACE program.

There is a discussion about nursing home funds and the PACE budget.

Chairwoman J lee discusses a proposed amendment to HB 1360.

Senator Anderson motions to amend HB 1360

Senator Larson Seconds

There is a discussion about 002 and 001 and the amendment.

The motion passes 5-0-0

The discussion is closed.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee
Red River Room, State Capitol

1360
3/18/13
20101

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

To provide funding of the program of all-inclusive care for the elderly within the department of human services appropriation

Minutes:

There is discussion about the amendment, and funding for the PACE program.

There is a discussion about the expansion in the rural areas and funding for expansion of the program.
Chairwoman J Lee refers to Tim Cox testimony.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee
Red River Room, State Capitol

1360
3-19-13
20193

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

To provide funding of the program of all-inclusive care for the elderly within the department of human services appropriation

Minutes: Attachments

Committee work:

Tim cox and Maggie Anderson are present.

Tim Cox discusses the costs for PACE versus Community Based Services. See attachment #7 Anderson asks for clarification on funding, and amendments.

There is discussion about proposed amendments. Clarification about programs and were funding is coming from.

Maggie Anderson Discusses funding for PACE services and the expansion see attachment #8 **Senator Dever** asks for clarification of proposed amendment.

There is discussion about the amendment, and the PACE program.

Senator Dever asked **Maggie Anderson** about community based programs in other states.

Senator Anderson motions to adopted amendment .02002

Senator Larsen seconds

The amendment passes 5-0

Senator Anderson motions for a do pass as amended.

Senator Larsen seconds.

DO PASS as Amended 5-0-0

Senator Anderson will carry

FISCAL NOTE
Requested by Legislative Council
02/07/2013

Amendment to: HB 1360

1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				$2,289,037		$4,168,308
Expenditures			$2,284,314	$2,289,037	$4,168,308	$4,168,308
Appropriations			$2,284,314	$2,289,037	$4,168,308	$4,168,308

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Section 1 authorizes the Department to provide funding for the expansion of the Programs for All-inclusive Care for the Elderly (PACE).

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB1360 provides for the expansion of the PACE program. PACE would expand to Minot, Fargo, and other rural areas. It is estimated that on average 39 additional individuals would receive services monthly in the 13-15 biennium and 65 individuals would be receive service monthly in 15-17 biennium.

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.*

The increase in revenues in each biennium is the additional federal funding the state will receive due to the increased expenditure relating to PACE expenditures.

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.*

The costs paid by Medicaid for PACE are estimated to increase by $4,573,351 in the 13-15 biennium, of which $2,284,314 would be from the general fund. The costs for the 15-17 biennium are estimated at $8,336,616, of which $4,168,308 would be general fund.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The Department will need an appropriation increase of $4,573,351 in 13-15 biennium, of which 2,284,314 would be from the General Fund and $2,289,037 would be from federal funds. The Department will need an appropriation increase of $8,336,616 in 15-17 biennium, of which $4,168,308 would be from the General Fund and $4,168,308 would be from federal funds.

Name: Debra A. McDermott

Agency: Department of Human Services

Telephone: 701 328-1980

Date Prepared: 02/11/2013

13.0609.02002
Title.03000

Prepared by the Legislative Council staff for
Senator J. Lee

March 8, 2013

3/19/13

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1360

Page 1, line 6, remove "supplemental"

Page 1, line 6, replace the second "for" with "of"

Page 1, line 7, replace "choices for the elderly within the" with "areas. A program of all-inclusive care for the elderly may be expanded into one urban area starting January 1, 2014. By March 31, 2014, if the"

Page 1, line 7, replace "medical assistance" with "long-term care"

Page 1, line 8, after "grants" insert ", not including developmental disability grants,"

Page 1, line 9, after "2015" insert ", demonstrate funding is available for further urban or rural expansion, the department may implement additional expansions. For a program of all-inclusive care for the elderly to expand service areas, the program provider shall supply monthly encounter claims data to the department for both the original and expanded service areas, as applicable"

Renumber accordingly

Date: 3-14-13
Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1360

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13.0609.02001

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Anderson Seconded By Larsen

Senators	Yes	No	Senator	Yes	No
Chariman Judy Lee	✓		Senator Tyler Axness	✓	
Vice Chairman Oley Larsen	✓				
Senator Dick Dever	✓				
Senator Howard Anderson, Jr.	✓				

Total (Yes) 6 No 0

Absent —

Floor Assignment —

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

2001 -

Date: 3-19-13
Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1360

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13.0609.02002

Action Taken: ☑ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Anderson Seconded By Larsen

Senators	Yes	No	Senator	Yes	No
Chariman Judy Lee	✓		Senator Tyler Axness	✓	
Vice Chairman Oley Larsen	✓				
Senator Dick Dever	✓				
Senator Howard Anderson, Jr.	✓				

Total (Yes) 5 No 0

Absent

Floor Assignment Anderson

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

Date: 3-19-13
Roll Call Vote #: _____

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1360

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Sen. Anderson Seconded By Sen. Larsen

Senators	Yes	No	Senator	Yes	No
Chariman Judy Lee	✓		Senator Tyler Axness	✓	
Vice Chairman Oley Larsen	✓				
Senator Dick Dever	✓				
Senator Howard Anderson, Jr.	✓				

Total (Yes) 5 No 0

Absent _____

Floor Assignment Sen. Anderson

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

REPORT OF STANDING COMMITTEE

HB 1360, as engrossed: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1360 was placed on the Sixth order on the calendar.

Page 1, line 6, remove "supplemental"

Page 1, line 6, replace the second "for" with "of"

Page 1, line 7, replace "choices for the elderly within the" with "areas. A program of all-inclusive care for the elderly may be expanded into one urban area starting January 1, 2014. By March 31, 2014, if the"

Page 1, line 7, replace "medical assistance" with "long-term care"

Page 1, line 8, after "grants" insert ", not including developmental disability grants,"

Page 1, line 9, after "2015" insert ", demonstrate funding is available for further urban or rural expansion, the department may implement additional expansions. For a program of all-inclusive care for the elderly to expand service areas, the program provider shall supply monthly encounter claims data to the department for both the original and expanded service areas, as applicable"

Renumber accordingly

2013 SENATE APPROPRIATIONS

HB 1360

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

HB 1360
03-25-2013
Job # 20382

☐ Conference Committee

Committee Clerk Signature Alice Delzer

Explanation or reason for introduction of bill/resolution:

A BILL for an all-inclusive care for the elderly within the DHS appropriation

Minutes:

Chairman Holmberg called the committee to order on Monday, March 25, 2013 at 9:30 am in regards to HB 1360. All committee members were present. Sheila M. Sandness from Legislative Council and Lori Laschkewitsch from OMB were present. This bill will go to the Human Service Subcommittee: Senators Kilzer, Lee, Erbele and Mathern. It is asking them to expend money from their budget regarding all-inclusive care for the elderly.

Deb McDermott, CFF for the DHS: 1360 is basically to expand our PACE program. There was a provider that currently provides these services. They wanted to expand services to different locations within the state. There was a bill that was brought forward to enable us to do that. The way the bill currently is amended is basically we would look at our cash flow in March of 2014 and if there's enough money that is available within the long-term care area excluding the DDD grants then the PACE program could be expanded within the state. (2.23)

Chairman Holmberg: You would need this bill in order to have the authority to do that?

Ms. McDermott: Yes, we would want authorization from the legislative body to basically expand the PACE program.

Chairman Holmberg: With the existing money? The money is there at the end of the day. The bill started out with appropriation and then it has since been changed. If you have the money you can allow the program to be expanded?

Ms. McDermott: That is correct within the appropriation we have within the 13-15 biennium. Because we are starting that late in the biennium it will obligate the Department possibly for future expenditures into the 15-17 biennium.

Senator Warner: Is this the one that started in a western city of the state as sort of a hybrid HMO with elder services?

Ms. McDermott: Basically, yes, the PACE program is currently in the Bismarck and Dickinson region and it is a managed care program.

Senator Kilzer: Was this an OAR?

Ms. McDermott: No, it was not an Optional Adjustment Request.

Chairman Holmberg: The subcommittee that deals with Dept. of Human Services will take another look at it. If they need more information they will get it.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

HB 1360 subcommittee
March 25, 2013
Job # 20434

☐ Conference Committee

Committee Clerk Signature Rose Laning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of human services for the program of all-inclusive care for the elderly.

Minutes:

Legislative Council - Becky J. Keller
OMB - Lori Laschkewitsch

Senator Kilzer opened the subcommittee hearing on HB 1360. **Senators Lee, Erbele** and **Mathern** were also present.

Senator Kilzer: HB 1360 expands the PACE (Program of All-inclusive Care for the Elderly) and has a fiscal note with it. He asked for someone to explain the difference between the engrossed version and original version.
Senator Erbele pointed out that there are three different versions of this bill.
The version before the committee was version 13.0609.03000.

Tim Cox, President of Northland Healthcare Alliance
The purpose of this bill was to expand PACE into additional communities. The bill has had many changes. There isn't an appropriation but it came thru the original budget with one site in an urban area being opened January 2014. If additional funding is approved from the long term care grants, then additional expansion could go into rural communities. We sought that in the original legislation.

Senator Kilzer asked for more detail on the budget part. Where do revenue funds come from?

Mr. Cox: The appropriation comes from Medicaid and with FMAP the appropriation is funded after October. It's on a 50-50 basis. We're at risk for all care. We enroll these participants and nursing home eligible. We take care of all care.

Senator Kilzer: This is a new program and is not on-going? It's expanded to two.

Mr. Cox: We started at Bismarck and Dickinson at same time. (5:38)

Senator Mathern: Positive development that they are willing to expand to other areas of the state. Why can't this be done without this legislation? Is there something that prevents the DHS from expanding this when we are using the same dollars? Maybe we should be considering further change. If this fits with anybody and within the budget, why not do it all over the state?

Deb McDermott, CFO, DHS: Basically the reason we felt this needed a bill was that we believe policy makers should be the ones to expand the services. We'd like direction in that effort.

Senator Erbele: How would I recognize the PACE program and what would it look like?

Mr. Cox: (07:47) He explained the history of the program and how the program works.

(09:09) Discussion continued on what the program is like and how it works. It is above basic care and there is a lot of flexibility in the way they take care of the individuals that are not necessarily mandated by regulation but by needs of the participants. There are two locations serving 70 participants.

Senator Mathern: He gave Mr. Cox the example: We as a state give you a monthly check to take care of Grandma and you take care of her whether she's in home, nursing home and you manage that. You can't come back and say she needs more money. It's managed care. Is that what we have here?

Mr. Cox: Yes, I'd agree with what you say, but don't like to use the term 'managed care".

Senator Kilzer: Do you like the word capitation instead of managed care?

Mr. Cox: Yes.

Senator Gary Lee: Is the money in the budget all federal money? .

Mr. Cox: No, It's mixed. He explained the state and federal funding.

Senator Kilzer: Are each of these 70 clients screened ahead of time?

Mr. Cox: Yes and there is an ongoing assessment done based on codes we put in place.

Senator Gary Lee: Half the money is general fund? (Yes)

Deb McDermott: This appropriation is starting in Fargo in January and the fiscal note is based on $5,000 a month for each person.

(15:35) Ms. McDermott explained the March 20 fiscal note and the new monies.
Monies currently projected to be expended for this program for the two locations is $6.8 million in total money for 11-13. Without the new dollars the executive budget for 13-15 would be $10.3 million for the PACE program - that is a base budget which would not include the additional people that are in the fiscal note.

Senator Gary Lee: Does this compete with some sort of private service out there?

Mr. Cox: This program is really unique. From a financial standpoint the dollars are just shifting around a little bit. These folks, who are nursing home eligible, are not going in to the most expensive modality. It's been structured in a way that it will fall within the boundaries in the dept. budget and they shift the dollars as needed.

Senator Gary Lee: Who hires these people who provide service, the state?

Mr. Cox: We manage the PACE center and hire the whole team.

Senator Kilzer: Do you have private patients outside of Medicaid?

Mr. Cox: We do have, but it's not a large number. Some are Medicare only. Most are dual eligible.

Senator Kilzer: Are you subject to the same law that nursing homes are that private pay can't be charged more than Medicaid?

Mr. Cox: Yes.

Senator Mathern What determines the match of federal/state dollars.

Ms. McDermott: Basically the match in this program is the FMAP. For the next biennium it will be 50-50.
She clarified that when they did the fiscal note they did it to reflect the additional cost for the PACE program. There will potentially be savings in other areas of their budget.

Senator Gary Lee: Do you contract with Mr. Cox for these services?

Ms. McDermott: Yes, we contract with Mr. Cox's entity.

Mr. Cox: The PACE organization is formed around a 3 way contract - DHS, Northland Pace Program, CMS.

Senator Mathern: Who initiates this - the elderly person, family member, hospital?

Mr. Cox: Probably all of those things. There are physicians who are taking the time to work with us. We have a marketing program and try to make this program available to those who need it.
There is no waiting list.

Senator Gary Lee: It seems like some of these services are already provided.

Mr. Cox: It takes care to another level. Just talk to seniors in the program and they will tell you there is a difference. He explained differences. Right now the largest part of the budget is PACE. It has doubled over the last two years. He explained the type of clients

they have and the flexibility that PACE has versus some of the structures out there that minimize the timeframe that can be used to take care of people.

Senator Mathern: This is something that we need and I'm impressed that they can move the money around to take care of things.

Senator Kilzer closed the hearing on HB 1360.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

HB 1360 subcommittee
March 27, 2013
Job # 20581

☐ Conference Committee

Committee Clerk Signature Rose Laning

Explanation or reason for introduction of bill/resolution:

A BILL for an all-inclusive care for the elderly within the DHS appropriation

Minutes: You may make reference to "attached testimony."

Legislative Council - Becky J. Keller
OMB - Lori Laschkewitsch

Senator Kilzer opened the subcommittee hearing on HB 1012**. Senators Lee, Erbele** and **Mathern** were also present.

Senator Mathern: There is a two pronged need to support this effort. (1) We have to continually work on alternatives to the institutional high cost services in nursing homes and provide for people to stay in their home longer. (2) It's difficult to place a person in a skilled facility. This helps us to solve that kind of problem without building more facilities.

Senator Kilzer: Is it true that the money is within the budget of Dept. of Human Services?

Senator Mathern: It uses the same match money available in terms of FMAP. The re-engrossed bill which is the .03000 version states it gives no special appropriation. It states, the funding levels as approved by the Dept. of Human Services appropriation for this next biennium. Instead of an elderly person going into a nursing home, they'd go into the PACE program. Then the dept. would use what they would have paid in the nursing home to pay for the PACE program.

Senator Kilzer: We could have the department verify that these 70 people were nursing home eligible.

Maggie Anderson, Interim Executive Director for the Department of Human Services, DHS: It's a mixture. As introduced, the bill contained an appropriation. House Human Services removed the appropriation. At the time the request was for the full expansion that the PACE program (Program of All-Inclusive Care for the Elderly) was requesting. The amendments in this version of the bill say that PACE can expand to one urban area on January 1, 2014. Then in March of 2014, if we have rollup money, they can expand into additional areas based on the rollup.

They won't be able to expand beyond January unless we have rollup. One to one comparison to nursing home costs is not totally true. Some would have gone into nursing home and some may be a combination of that. They are not the same costs It's a tiered structure and only available if we have rollup. Mr. Cox has come and asked to expand the program. We didn't think we had the authority to do that. By passing this bill, you would be granting the authority if there are rollup dollars.

Senator Gary Lee: You have dollars in your present budget to do what you do in Bismarck/Mandan.

Ms. Anderson: Yes.

Senator Mathern: Would the rollup dollars have to be in this program or can you go beyond that.

Ms. Anderson: It would not be specific to PACE. It will be specific to the long term care continuum, not including DD. It can't go to mental health or foster care or traditional medical services.

Senator Gary Lee: In your estimation, has this been a good partnership for you and Mr. Cox in terms of the services he provides in quality care and less costs that might otherwise be available should they not be in the market?

Ms. Anderson: The department thinks the PACE program is a good program for people in terms of selecting home and community based services. We have received very few complaints about the program. It has allowed people to remain in the community. The department has been able to partner with PACE on several transitions moving people from institutional service back to the community. The department thinks it is a great option within the Home and Community Based continuum and the Long Term Care continuum.

Senator Gary Lee: Who is the agreement with?

Ms. Anderson: There is a three way agreement with the PACE program: DHS, Northland Health Care Alliance and Centers for Medicare and Medicaid Services (CMS).

Senator Kilzer: From your perspective, there are 70 clients, are these numbers compatible with your potential service provider here. Would it benefit DHS to go this way rather than what we now have?

Ms. Anderson: The department didn't specifically budget for the expansion and would have included additional dollars in the budget if they had budgeted for it. They are willing to accept the Senate amendments and work within what they have knowing they have to look at their cash flow in March 2014 for future expansions. Is this a cost savings? She didn't know at this time.

Senator Mathern moved a Do Pass.

Senator Gary Lee seconded.

Discussion:
Senator Mathern appreciated the information from Ms. Anderson. It made him more comfortable to approve this with what the department does. Gives PACE program a continuing obligation to share information and if the dollars are not there, its' not going to get the beds. There are enough protections in place to wade into this area of alternatives for seniors. More options may be needed in the future for care and this is practicing one of them.

Senator Kilzer asked for the roll call vote.

Senator Gary Lee - yes
Senator Erbele - yes
Senator Mathern - yes
Senator Kilzer - yes

Roll call vote: Yea: 4 Nay: 0 Motion carried.

The recommendation to the full committee will be Do Pass and **Senator Kilzer** thanked everyone for participating in this new field.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

HB 1360
March 28, 2013
Job # 20589

☐ Conference Committee

Committee Clerk Signature Rose Laning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of human services for the program of all-inclusive care for the elderly.

Minutes:

Chairman Holmberg opened the discussion on HB 1360.

Senator Kilzer said this is services for the elderly. They aren't called managed care, but are called capitation. They efficiently place and make sure that the elderly people are in the appropriation setting. They save a lot of money by not having people in nursing homes and properly use community and home based care. They have 70 patients at the present time in Dickinson and Bismarck. They want to expand into Fargo or one of the urban centers in the east. They've done well. They're highly spoken of by the people in the Department of Human Services. The request is about $2M for the biennium to expand into an urban area. The $2M is the total and the general fund would be just under $900,000.

Senator Gary Lee: The only way they would be able to expand is if they had roll-up dollars that they could use to provide funds for that additional center. Otherwise it would just stay in Bismarck and Dickinson.

Senator Kilzer moved Do Pass on HB 1360.
Senator Mathern seconded the motion.

A roll call vote was taken. Yea: 11 Nay: 0 Absent: 2

The bill goes back to the Human Services committee and Senator Anderson will carry the bill on the floor.

FISCAL NOTE
Requested by Legislative Council
03/20/2013

Amendment to: HB 1360

1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				$855,582		$1,603,194
Expenditures			$855,582	$855,582	$1,603,194	$1,603,194
Appropriations			$855,582	$855,582	$1,603,194	$1,603,194

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Section 1 authorizes the Department to provide funding for the expansion of the Programs for All-inclusive Care for the Elderly (PACE).

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB1360 provides for the expansion of the PACE program. PACE may expand into one urban area effective January 1, 2014. It is estimated that on average 15 additional individuals would receive services monthly in the 13-15 biennium and 25 individuals would receive service monthly in 15-17 biennium. Section 1 also provides for futher expansion after March 31, 2014 if the Department can demonstrate that funding is available within the levels approved for the long-term care grants by the sixty-third legislative assembly. The amounts in 1A above only represent the funding for the expansion of one urban area.

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.*

The increase in revenues in each biennium is the additional federal funding the state will receive due to the increased expenditure relating to PACE expenditures.

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.*

The costs for PACE are estimated to increase by $1,711,164 for 18 months of the 13-15 biennium, of which $855,582 would be from the general fund. The costs for the 15-17 biennium are estimated at $3,206,388, of which $1,603,194 would be general fund.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The Department will need an appropriation increase of $1,711,164 for 18 months of the 13-15 biennium, of which $855,582 would be from the general fund and $855,582 would be from federal funds. The Department will need an appropriation increase of $3,206,388 in 15-17 biennium, of which $1,603,194 would be from the General Fund and $1,603,194 would be from federal funds.

Name: Debra A. McDermott

Agency: Department of Human Services

Telephone: 701 328-1980

Date Prepared: 03/22/2013

FISCAL NOTE
Requested by Legislative Council
02/07/2013

Amendment to: HB 1360

1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				$2,289,037		$4,168,308
Expenditures			$2,284,314	$2,289,037	$4,168,308	$4,168,308
Appropriations			$2,284,314	$2,289,037	$4,168,308	$4,168,308

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Section 1 authorizes the Department to provide funding for the expansion of the Programs for All-inclusive Care for the Elderly (PACE).

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB1360 provides for the expansion of the PACE program. PACE would expand to Minot, Fargo, and other rural areas. It is estimated that on average 39 additional individuals would receive services monthly in the 13-15 biennium and 65 individuals would be receive service monthly in 15-17 biennium.

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.*

The increase in revenues in each biennium is the additional federal funding the state will receive due to the increased expenditure relating to PACE expenditures.

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.*

The costs paid by Medicaid for PACE are estimated to increase by $4,573,351 in the 13-15 biennium, of which $2,284,314 would be from the general fund. The costs for the 15-17 biennium are estimated at $8,336,616, of which $4,168,308 would be general fund.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The Department will need an appropriation increase of $4,573,351 in 13-15 biennium, of which 2,284,314 would be from the General Fund and $2,289,037 would be from federal funds. The Department will need an appropriation increase of $8,336,616 in 15-17 biennium, of which $4,168,308 would be from the General Fund and $4,168,308 would be from federal funds.

Name: Debra A. McDermott

Agency: Department of Human Services

Telephone: 701 328-1980

Date Prepared: 02/11/2013

Date: 3-28-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1360

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken ☐ Adopt Amendment ☑ Do Pass
☐ Do Pass as Amended ☐ Do Not Pass

Motion Made By Kilzer Seconded By Mathern

Senators	Yes	No	Senator	Yes	No
Chariman Ray Holmberg	✓		Senator Tim Mathern	✓	
Co-Vice Chairman Bill Bowman	✓		Senator David O'Connell		
Co-Vice Chair Tony Grindberg	✓		Senator Larry Robinson	✓	
Senator Ralph Kilzer	✓		Senator John Warner		
Senator Karen Krebsbach	✓				
Senator Robert Erbele	✓				
Senator Terry Wanzek	✓				
Senator Ron Carlisle	✓				
Senator Gary Lee	✓				

Total (Yes) 11 No 0

Absent 2

Floor Assignment H.S. - Anderson

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

REPORT OF STANDING COMMITTEE

HB 1360, as engrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed HB 1360, as amended, was placed on the Fourteenth order on the calendar.

2013 TESTIMONY

HB 1360

#1

Testimony
House Bill No. 1360
House Human Services Committee
Representative Robin Weisz, Chairman

Chairman Weisz and members of the House Human Services Committee, my name is Tim Cox and I am President of Northland Healthcare Alliance. Northland is a member driven provider based organization of 20 hospitals and long-term care facilities located throughout North Dakota. For more than 8 years Northland Healthcare Alliance has worked to establish an effective PACE program to North Dakota. PACE is a (P) program of (A) all-inclusive (C) care to the (E) elderly. This program is a relatively new program that works to keep the frail elderly (nursing home eligible) independent and healthy. In developing Northland PACE we have pursued funding opportunities and were fortunate enough to receive one of 14 Rural PACE grants from CMS. We have currently been authorized to serve the communities of Bismarck/Mandan and Dickinson.

Our request today is to be able to expand the PACE program out to other communities in North Dakota in addition to the ones listed above. Let me tell you why it is important.

There are four important reasons; (1) the PACE Model is comprehensive and effective in delivering care to the frail elderly, (2) PACE provides a different alternative that gives another choice besides being in a nursing home, (3) it is a less costly option of care delivery and will save the state thousands and potentially millions as individuals are cared for through PACE (4) and it will postpone the need to build additional long-term care facilities in the near future. I will give more detail in each of these areas.

<u>Effective Delivery of Care Model</u>

PACE is a unique and wonderful program. Let me explain why and give you more information about it. First, you must be over 55 years of age to qualify. In addition you must be nursing home eligible. This means that each participant in

PACE must go through the same screening process that a potential resident of a nursing home passes through. So in effect, they qualify to be in a nursing home. The Northland PACE team goes through a rigorous process to determine whether this potential enrollee can live safely and independently at home, whether it be alone, with other family members, in assisted living or other living arrangements, with our assistance and support. This is a big difference.

Second, the PACE team is comprised of 11 professionals who are charged with the task of evaluating the medical condition of each person to determine how this care will be delivered. This required team includes a Primary Care Physician, Registered Nurse, a Dietician, a Master's Level Social Worker, a Physical Therapist, an Occupational Therapist, a Transportation Coordinator, a Home Health Coordinator, a PACE Center Director, a Personal Care Attendant and a Activity Coordinator. This group does the initial assessment to determine qualification, then after enrollment, they develop an intensive/extensive plan of care based on the needs of each participant (we call each person enrolled in PACE a participant). Then, the plan is put in place. The unique thing about this is the follow up to that plan of care. It must be reviewed at a minimum every six months but it is truly reviewed and modified regularly as the health and condition of each participant changes.

So let's say your mother was a potential candidate to this program. How would we handle it? First, we would meet with her and you if she wanted you to be there. We would discuss the program, discuss health issues and request permission to obtain past medical records and documentation. We would schedule an appointment to come to the house and have an on-site assessment to see if the home environment was safe; hallways clear of potential tripping hazards, etc. The team would review all information and conditions and then make a decision as to the ability of our program to fulfill the needs of your mother and provide the support and services to help maintain her health and improve her quality of life.

She would then enroll and we would begin to delivery good, focused personal care and you would be a hero.

PACE as a Different Option of Healthcare

The Northland PACE program is already making a difference. Several of our current participants moved into our PACE Program right out of a Long-term Facility. In visiting with them and members of their family they indicate that they have seen remarkable improvement in their health and quality of life. This is amazing given the short time in which we have been in operation. The PACE model is in many ways the future of healthcare. We have a steadily growing graying population and we need to figure out how to take care of their healthcare needs. The program shifts some of those that can be cared for in their own homes and provides for their needs with care plans that are tailored to those needs. Studies show that this is the best way to take care of people. It reduces errors in care delivery. It gives confidence to the participants and it saves dollars all the way around because it reduces the need for costly infrastructure and 24 hour care delivery.

Less Costly to the State Now

This model is one that is working. Statistics show that it reduces hospitalizations and makes them shorter when they occur. It will save the state many dollars as it keep individuals from moving into the Long-term Care Environment. In New York and Pennsylvania all dual eligilbles are required to go through a PACE screen to enroll in any state reimbursed Medicaid service for seniors. New York has conducted extensive studies on PACE as a service for seniors and they believe it saves the state significant dollars. PACE has been a program in New York for more than 20 years.

Let me give you some key numbers for our state. Currently the state pays on average of $51,193 for PACE participants annually. This is an all-inclusive fee that includes medications, hospitalizations, dental, audiology, optometry, clinic,

lab, x-ray, and social activities. The rate is fixed and we are charged with providing all healthcare services for those dollars.

The average cost of a Long-term Care Resident is $78,044. That is $213 per day. This cost does not include many of the above mentioned services which can add to that figure. The $78,044 is the base rate. Additionally, if PACE participants are placed in Long-term Care, Northland PACE covers the cost of that care. Currently, we have 9.2% of our participants in Long-term Care and an additional 5.6 % in Basic Care Services. We are the payers of that cost, which also saves the state significant dollars. This is part of the risk share proposition that we have under the PACE guidelines.

Will Save the State Funds in Future

As stated, the population of North Dakota is greying. Though there seems to be enough long-term care beds currently, data show that the future needs will require many more beds to meet the crunch of the baby boomers impact into retirement. It is incumbent upon us to prepare for that near future by developing alternate services that do not require the construction of costly long-term care facilities. PACE is a strong contender for a more cost effective option. By delaying the development of PACE services we really are mismanaging today's dollars. It takes hard work to develop PACE. This option is a more efficient use of dollars and the return on the dollars invested is almost two times higher.

Without support of House Bill 1360 we can only continue to provide this care in two locations, Bismarck/Mandan and Dickinson. We want to be able to gradually expand to other communities and provide this alternative option to more seniors. This is not community based services. PACE is different and more comprehensive. It truly is all-inclusive. As I stated earlier, this care is laser-like and provides the delivery of services at the right place at the right time.

I ask for your support of this bill. Thank you.

KEY PACE NUMBERS

Enrollees since Inception (Sept. 2008) – 127
(Some have passed on and some disenrolled)

Current Enrollees
- Bismarck – 50
- Dickinson - 22

Projected Enrollee by 2015
- Bismarck - 95
- Dickinson – 25
- Fargo - 25
- Minot - 17
- Other Rural Communities - 23
- **TOTAL - 185**

2012 Medicaid Expenditure on PACE
- Bismarck - $2,188,049
- Dickinson - $1,008,791

Projected Medicaid Expenditure 2013-2015
- Budgeted - Bismarck - $8,586,942
- Budgeted - Dickinson - $1,720,646

Expansion Request
- State Revenues - $ 1,998,124
- FMAP Revenues - $ 2,040,745

Tentative Planned Expansion Communities
- Minot
- Fargo
- Garrison
- Bowman
- Hazen/Beulah
- Lamoure

Average Annual Cost for a PACE Participant - $51,193
Additional Medicaid paid services that are inclusive in the PACE rate (i.e., ND Medicaid does not have to pay additional for audiology, dental, physician, hospital, lab, x-ray and other services that are extra in the Skilled Nursing Facility payment structure.)

Average Annual Cost for a Long-term Care Resident - $78,044

North Dakota PACE Rates History

September 1, 2009 – May 31, 2010

Age Group	Duals		Non-Duals
	Urban	Rural	
Under 65	$4,220	$4,035	$5,623
65-74	$3,621	$3,462	
75+	$3,790	$3,624	

June 1, 2010 – May 31, 2011

Age Group	Duals		Non-Duals
	Urban	Rural	
Under 65	$4,254	$4,036	$4,652
65-74	$4,128	$3,916	
75+	$4,407	$4,181	

June 1, 2011 - June 30, 2013

Age Group	Duals		Medicaid Only
	Urban	Rural	
55-64	$4,467	$4,238	$4,885
65-74	$4,334	$4,112	
75+	$4,627	$4,390	

St. Alexius Medical Center
PrimeCare

#2

Open letter of support for House Bill No. 1360
House Human Services Committee
Representative Weisz, Chairman
January 29, 2013

Due to a previous meeting commitment, I am not able to appear before the Committee to provide testimony in support of House Bill No. 1360 which would fund the expansion of the PACE program in North Dakota. PACE has proven to be a workable model for coordinated care for elderly North Dakota citizens. The program allows more in-home living, less hospitalization, and an overall improvement in the ability to coordinate complex medical needs.

As Mr. Cox's testimony states, "The PACE model is in many ways the future of healthcare. The model uses effective principles of care coordination as well as efficiently managing health issues and challenges for each participant." I believe the model has application for other age groups that could live independently at home with coordinated team care and a PACE-like center facility.

As we all continue to search for ways to provide needed care at lower costs, the PACE model can provide an expanded role in keeping people well and healthy. Thank you for allowing me to submit my letter of support.

Gary P. Miller
President/CEO
St. Alexius Medical Center
Northland PACE Member

#3

HB1360- SUPPORT PACE EXPANSION
Tuesday, January 29, 2013
House Human Services
Josh Askvig- AARP-ND
jaskvig@aarp.org or 701-989-0129

Chairman Weisz, members of the House Human Services Committees, I am Josh Askvig, Associate State Director of Advocacy for AARP North Dakota. We stand in support of HB1360.

As you have heard, HB1360 would expand the Program for the All-inclusive Care for the Elderly (PACE), for individuals who are "dual eligible" – that is eligible for both Medicaid and Medicare. AARP Policy strongly supports options for individuals to receive Long Term Services and Supports (LTSS) in Home and Community Based Settings (HCBS). Not only does our policy support this, it is what North Dakotans want. In a 2011 survey of North Dakotans 50+ one of the consistent concerns of individuals was how they were going to be able to safely stay in their homes as they age. Unfortunately, North Dakota consistently ranks near the bottom among states for providing options for the services and supports seniors need to live in their own homes. I attached a copy of the *2011 Long-term Care Scorecard,* which ranked North Dakota 41st out of the 50 states and the District of Columbia in "choice of setting or provider."

The good news is that PACE is one option for low to moderate income individuals to stay in their homes and receive the services they need. HB1360 would expand services from the current locations in Bismarck and Dickinson to operate in Minot and Fargo as well. Expanding this service will be beneficial for individuals in these areas in ways that individuals appreciate. Attached to my testimony is a copy of a report from December 2011, entitled *Experienced Voices: What Do Dual Eligibles Want From Their Care? Insights from Focus Groups with Older Adults Enrolled in Both Medicare and Medicaid.* This study looked at various methods of "managed care" for dual eligibles. One of which was the PACE Program in San Diego, California. This study showed that many individuals greatly appreciated the PACE program for the full scope of the care they provide. It truly is "all-inclusive" care which individuals have found beneficial and helpful. Additionally, "they appreciated the in-home assistance that allowed them to stay in their homes." Further, the report showed that their health was better since they joined PACE. Clearly, PACE is liked by individuals and provides options for people to stay home.

Last, but certainly not least, PACE is one method for cost containment in Medicaid and Medicare. The amount PACE receives is a flat fee which is to cover all of the services they provide. If it does not cover that service and someone needs the service PACE covers that cost. Thus PACE is forced to be efficient and provide high quality services within the resources given to them.

PACE is another option for North Dakota seniors to stay in their homes and HB1360 expands this for more individuals to have a choice. We strongly support this bill and urge this committee to give it a DO PASS RECOMMENDATION.

North Dakota: 2011 State Long-Term Services and Supports Scorecard Results

Raising Expectations: A State Scorecard on Long-Term Services and Supports for Older Adults, People with Physical Disabilities, and Family Caregivers is the first of its kind: a multi-dimensional approach to measure state-level performance of LTSS systems that provide assistance to older people, adults with disabilities, and family caregivers. The full report is available at www.longtermscorecard.org

Scorecard Purpose: Public policy plays an important role in LTSS systems by establishing who is eligible for assistance, what services are provided, how quality is monitored, and the ways in which family caregivers are supported. Actions of providers and other private sector forces also affect state performance, either independently, or in conjunction with the public sector. The *Scorecard* is designed to help states improve the performance of their LTSS systems so that older people and adults with disabilities in *all* states can exercise choice and control over their lives, thereby maximizing their independence and well-being.

Results: The *Scorecard* examines state performance across four key dimensions of LTSS system performance. Each dimension is composed of 3 to 9 data indicators, for a total of 25 indicators. All 50 states and the District of Columbia were ranked. North Dakota ranked:

Overall **18**

- Affordability and access **29**
- Choice of setting and provider **41**
- Quality of life and quality of care **2**
- Support for family caregivers **16**

State ranks on each indicator appear on the next page.

Impact of Improved Performance: If North Dakota improved its performance to the level of the highest-performing state:

- 1,089 more low- or moderate-income (<250% poverty) adults age 21+ with activity of daily living disabilities would be covered by Medicaid.
- 786 more new users of Medicaid LTSS would first receive services in home and community based settings instead of nursing homes.
- 882 nursing home residents with low care needs would instead be able to receive LTSS in the community.
- 231 unnecessary hospitalizations of people in nursing homes would be avoided.

NORTH DAKOTA

State Long-Term Services and Supports Scorecard Results

			2011 Scorecard		
Dimension and Indicator	State Rate	Rank	All States Median Rate	Top 5 States Average Rate	Best State Rate
OVERALL RANK		**18**			
AFFORDABILITY AND ACCESS		**29**			
Median annual nursing home private pay cost as a percentage of median household income age 65+ (2010)	233%	31	224%	171%	166%
Median annual home care private pay cost as a percentage of median household income age 65+ (2010)	113%	49	89%	69%	55%
Private long-term care insurance policies in effect per 1,000 population age 40+ (2009)	107	5	41	150	300
Percent of adults age 21+ with ADL disability at or below 250% of poverty receiving Medicaid or other government assistance health insurance (2008-09)	53.6%	13	49.9%	62.2%	63.6%
Medicaid LTSS participant years per 100 adults age 21+ with ADL disability in nursing homes or at/below 250% poverty in the community (2007)	34.1	25	36.1	63.4	74.6
ADRC/Single Entry Point functionality (composite indicator, scale 0-12) (2010)	4.3	45	7.7	10.5	11.0
CHOICE OF SETTING AND PROVIDER		**41**			
Percent of Medicaid and state-funded LTSS spending going to HCBS for older people and adults with physical disabilities (2009)	10.5%	51	29.7%	59.9%	63.9%
Percent of new Medicaid LTSS users first receiving services in the community (2007)	31.1%	39	49.9%	77.1%	83.3%
Number of people consumer-directing services per 1,000 adults age 18+ with disabilities (2010)	6.4	32	8.0	69.4	142.7
Tools and programs to facilitate consumer choice (composite indicator, scale 0-4) (2010)	*	*	2.75	3.79	4.00
Home health and personal care aides per 1,000 population age 65+ (2009)	36	23	34	88	108
Assisted living and residential care units per 1,000 population age 65+ (2010)	46	10	29	64	80
Percent of nursing home residents with low care needs (2007)	16.1%	36	11.9%	5.4%	1.3%
QUALITY OF LIFE AND QUALITY OF CARE		**2**			
Percent of adults age 18+ with disabilities in the community usually or always getting needed support (2009)	71.9%	13	68.5%	75.5%	78.2%
Percent of adults age 18+ with disabilities in the community satisfied or very satisfied with life (2009)	91.0%	3	85.0%	90.9%	92.4%
Rate of employment for adults with ADL disability age 18-64 relative to rate of employment for adults without ADL disability age 18-64 (2008-09)	56.6%	1	24.2%	42.4%	56.6%
Percent of high-risk nursing home residents with pressure sores (2008)	7.3%	3	11.1%	7.2%	6.6%
Percent of long-stay nursing home residents who were physically restrained (2008)	1.5%	5	3.3%	1.3%	0.9%
Nursing home staffing turnover: ratio of employee terminations to the average no. of active employees (2008)	33.6%	8	46.9%	27.2%	18.7%
Percent of long-stay nursing home residents with a hospital admission (2008)	13.4%	9	18.9%	10.4%	8.3%
Percent of home health episodes of care in which interventions to prevent pressure sores were included in the plan of care for at-risk patients (2010)	92%	16	90%	95%	97%
Percent of home health patients with a hospital admission (2008)	23.3%	2	29.0%	23.2%	21.8%
SUPPORT FOR FAMILY CAREGIVERS		**16**			
Percent of caregivers usually or always getting needed support (2009)	80.9%	9	78.2%	82.2%	84.0%
Legal and system supports for caregivers (composite indicator, scale 0-12) (2008-09)	1.50	47	3.17	5.90	6.43
Number of health maintenance tasks able to be delegated to LTSS workers (out of 16 tasks) (2011)	13	13	7.5	16	16

* Indicates data not available for this state.

Notes: ADL = Activities of Daily Living; ADRC = Aging and Disability Resource Center; HCBS = Home and Community Based Services; LTSS = Long Term Services and Supports.

Refer to Appendix B2 in *Raising Expectations: A State Scorecard on Long-Term Services and Supports for Older Adults, People with Physical Disabilities, and Family Caregivers* for indicator descriptions, data sources, and other notes about methodology. The full report is available at www.longtermscorecard.org

AARP Public Policy Institute

Experienced Voices: What Do Dual Eligibles Want From Their Care?

Insights from Focus Groups with Older Adults Enrolled in Both Medicare and Medicaid

Michael Perry
Mary C. Slosar
Naomi Mulligan Kolb
Lake Research Partners

Lynda Flowers
Keith Lind
AARP Public Policy Institute

might end at noon, but they might have to wait until 2 p.m. for the van to pick them up and take them home. People had high levels of dissatisfaction with long wait times.

- **People identified limitations in what CHP is able to provide.**

Although most felt that CHP is an excellent program, some shortcomings were identified. One family member said that CHP "is awesome when it comes to providing for home care…but for institutional placements, they are not as thoughtful." A guardian said she likes CHP for the most part, "but it's hard to place people with chronic brain injury because CHP doesn't pay well for these people." Another guardian agreed, saying, "The rates they set [for these complex types of patients] are inadequate."

"It's hard to place people with chronic brain injury because CHP doesn't pay well for these people."

- **People did not report having trouble using multiple program cards.**

Participants, their guardians, and their family members did not report having problems with multiple cards because they used the CHP card as their primary card and because they received lots of support from the CHP staff in negotiating services.

A Program of All-Inclusive Care for the Elderly: San Diego, California

St. Paul PACE Program

The Program of All-Inclusive Care for the Elderly (PACE) is a medical and social service program that combines federal and state funding to keep frail older people living in the community for as long as possible. Authorized by the Balanced Budget Act (BBA) of 1997, PACE is a capitated benefit that delivers a comprehensive service package—including long-term services and supports—using integrated Medicare and Medicaid financing. As of November 2011, there were 82 programs in 29 states serving about 23,000 people.[33,34] PACE programs are required to provide all Medicare- and Medicaid-covered services—including hospital and nursing home care—and any other services determined necessary by the interdisciplinary team.[35] To qualify for PACE, individuals must be—

- Age 55 or older
- Living in a PACE service area
- Able to live safely in the community at the time of enrollment
- Nursing home eligible (i.e., considered "frail")[36]

The St. Paul PACE program was established in March 2008 by St. Paul's Senior Homes & Services, a San Diego nonprofit organization with a mission to provide "a caring network of medical and social services to promote independence and dignity that enable San Diego's chronically ill elderly to remain at home."[37] The program currently enrolls 170 people and provides services at its PACE center to about 55 older people per day (or just over one-third of those enrolled in the program). Onsite services at the PACE center include a large day center that provides activities and hot meals, a spa and bathing facility, a physical and occupational therapy area, a gymnasium, and a full medical clinic.

Off site, the PACE program provides home care, including light house cleaning, laundry, shopping, meal preparation, bathing, and medication management.

The number of times people are required to come to the PACE center is determined by their physical or psychosocial needs. For example, an individual who would benefit from daily socialization, or who needs daily medical intervention (e.g., diabetes or wound care) or physical therapy might be prescribed a daily visit to the PACE center. Individuals with lesser needs might come to the center only once or twice a week.[38,39]

St. Paul's PACE program employs one full-time physician, six registered nurses, one physician's assistant, two physical therapists, one occupational therapist, ten home care providers, and eight day center workers. Once a month, the center employs the services of specialists.

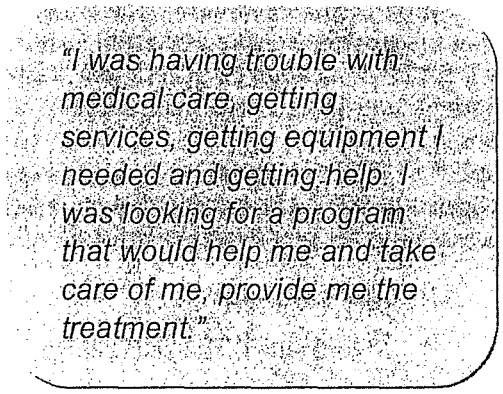
Major Findings

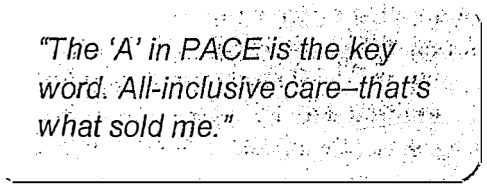
- **Participants heard about PACE from a variety of sources.**

Participants recalled hearing about PACE in a variety of ways. Many learned about the program from friends who were enrolled in or had otherwise heard about the program. One person learned about PACE through the CMS "Medicare and You" publication. One woman recalled learning about PACE when someone from the program spoke at her building; another found out about PACE when she saw the building while riding the bus.

- **Enrollees turned to PACE for a variety of reasons, including help with organizing their health care needs.**

Reasons for enrolling in PACE included frustrations with the care they were previously receiving, and the benefits that PACE provides. Many participants complained that they were having a difficult time getting the care they needed or wanted in their previous health care arrangements. Some participants also mentioned difficulty paying medical bills and having a sense that their doctors were not listening to them. One participant said, "I was having trouble with medical care, getting services, getting equipment I needed and getting help. I was looking for a program that would help me and take care of me, provide me the treatment."





Some of the main reasons participants were drawn to PACE included feeling that they would have better access to doctors, help with medical transportation, and assistance provided for household chores and errands. One participant explained, "I came here because there is better access to doctors, and one of the reasons I joined PACE is because I have a psychologist and a psychiatrist and

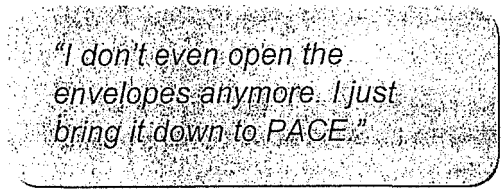
they have made a big difference in my life. I get to see the same doctors [at the PACE center] because when you go to the [outside] clinic you always see a different doctor."

The holistic nature of the program and having everything under one roof were very appealing to most participants. As one participant put it, "The A in PACE is the key word. All-inclusive care—that's what sold me."

- **Enrollees were very satisfied with their care.**

The participants reported high levels of satisfaction with their care. When asked to rate their satisfaction with their care under PACE on a scale from one (very unsatisfied) to ten (very satisfied), all participants gave ratings of nine or ten. Expressing his appreciation for PACE, one man said, "I don't know of any other insurance company or place that has all of the things that PACE has." A woman followed up his comment by saying, "We love it here." Another said, "Tell Washington we need more of these."

- **Having bills and appointments taken care of was a very attractive feature of PACE.**



They appreciated knowing that they did not have to worry about anything when it came to making appointments or handling bills. They found relief knowing that PACE would take care of everything, and they trusted the program to do everything that is needed for them. For example, one man described how he kept getting bills, but he trusted PACE to deal with them: "For some reason, the hospital keeps sending me bills, but I don't know why. I don't even open the envelopes anymore. I just bring it down to PACE."

- **They felt valued by PACE staff.**

PACE enrollees felt valued, respected, and listened to at PACE. One woman explained, "When I come for an emergency or something, as soon as I walk in, the staff members, they come and they greet you with a smile; they make me feel welcome."

- **They liked the convenience of receiving services under one roof.**

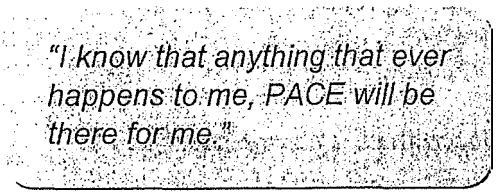
PACE enrollees liked the convenience of having all (or most) of the services they need in one place. They especially appreciated how the program arranged transportation if they needed to see a specialist who was not housed in the building. As one man described it, "If you need a specialist that is not here they will send us transportation to get there. Also, they send somebody from PACE with you [to your medical appointments]."

- **They appreciated the in-home assistance that allowed them to stay in their homes.**

In discussing what they liked about PACE, many participants said they liked the fact that PACE allowed them to continue living in their own homes and maintaining some level of independence. The in-home care they received as part of the program was key to being able to continue living in the community. People also mentioned that they liked the

help they got with household chores such as vacuuming and washing dishes, running errands, grocery shopping, and assistance with personal care and bathing.

- **They felt they could count on PACE staff for whatever they needed.**



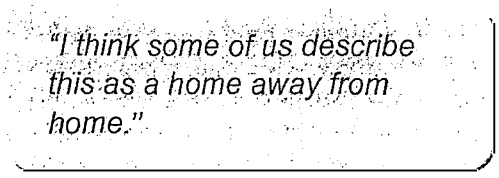
Participants had a lot of good things to say about their doctors, nurses, and social workers. Everyone had a social worker, and most said that their social workers are responsive to them and even know what medications they are on. They also mentioned their doctors as one of the best parts of the program. Overall, participants indicated a high level of trust and satisfaction with the PACE personnel. It was important to them that almost all of their care providers were located in the same place, and they felt that they could easily get the care they needed and answers to their questions. Many said that when they had an emergency or had to go to the hospital, they called PACE first (or second if they needed an ambulance). PACE staff were their go-to people—the people they felt they could count on. One woman captured this sentiment well when she said, "I know that anything that ever happens to me, PACE will be there for me."

Another woman described her sense of security and trust in PACE staff. "I am not afraid anymore. I am taken care of; people care about what happens to me. Those people that come here, and they are here when I come three days a week, and the staff is wonderful. No matter if I question things, if I feel something should be paid more attention to or I bring something up, I am not judged for that. I am considered all valuable and treated that way with respect. They consider what you are saying and try to explain things."

- **Most did not understand differences between Medicare and Medicaid.**

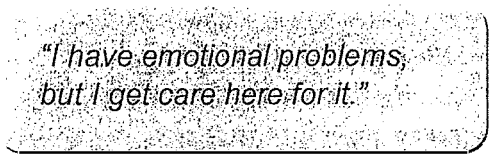
Although most people said that they did not understand the difference between Medicaid and Medicaid, it didn't matter to them because, as one man said, "With PACE, we don't have to know. They take care of everything."

- **The PACE facility was described as a "home away from home" for some.**



Participants indicated that they felt at home when they are at the PACE facility. In the words of one woman, "I think some of us describe this as a home away from home." Many liked the social aspects of being at the facility, mentioning the chance to be with friends and the ability to chat casually with doctors and nurses in the hallways. One man pointed out, "Another thing is, you are not sitting in a doctor's office reading a magazine that you really don't want to read while you are waiting for the doctor. You can be here doing things that you want to do while you are waiting for your appointment." Another participant added that the music at the facility is good, and many agreed. Participants also mentioned that the PACE staff members give them Christmas gifts and Valentine's Day cards; these personal touches seemed to make a difference to them.

- **They said their health was improving because of the care they received through PACE.**



Most participants said that their health had improved since they joined PACE. Many specifically mentioned how the physical therapy and mental health services have helped them. One man said, "I have emotional problems, but I get care here for it." One woman described her improvement this way: "[My health is] very good since I joined PACE. They have helped me transfer me back and forth to the doctors, and I am very happy and satisfied because they are very concerned about me and my health."

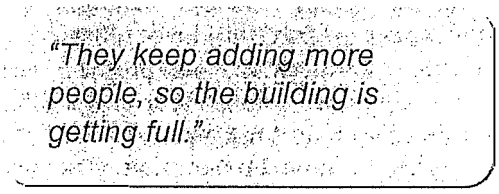
- **They liked having regular assessments of their needs and progress.**

Participants also cited the six-month assessment as an important part of the care they receive with PACE. They liked the checkups because someone from PACE comes to their homes to do a detailed interview, assess what additional services they may need, and note the progress they have made toward identified goals. One woman explained that during one of her assessment visits it was determined that she could use more help getting groceries. She explained, "When they are asking about this for the assessment, I told them that I was without wheels. They provided somebody."

- **They have had positive experiences with care transitions.**

People who had experienced hospitalizations were generally happy with their care transitions. One person who was discharged from the hospital to a rehabilitation center said, "My social worker was on top of everything and kept me in the loop. When I finally went home, I was able to manage." Another man who broke his wrist went from the hospital to a skilled nursing facility for two weeks before going home. He said, "It was a good process."

- **Some worried that PACE may not always have the capacity to serve them well.**



Some participants complained that there are sometimes long waits for services and meals and that the common areas at the PACE center were getting too crowded. They realized that the program is growing and taking on more and more members. A couple of participants referred to this issue as "growing pains." One man explained, "They keep adding more people, so the building is getting full." Another man said, "You have to have more patience, and at mealtime it takes a little bit longer." Overall, they do not see this as a big problem right now, but they worry that it will be a problem if PACE does not expand its space and staff.

- **People in this PACE program were generally satisfied with communication among their providers, but a few identified areas for improvement.**

Most felt that there was good communication among their providers. One man said, "I've never seen files like my doctor keeps about me. They showed me so many records of my visits and care that it is really unbelievable." Others felt left out of discussions about their care at times. For example, one woman explained, "That bothers me to a certain extent, but I don't know how they can change it. They have team meetings about what equipment someone might need, what referrals they might send and we are not part of those meetings. We are not asked for input about why it is important to us or what we feel we need or what we want. We are told and it happens without us there. I agree that I don't have any idea how they can work that out." Another woman mentioned another issue with communication, saying, "There is so much that goes on and so much happens, sometimes the message doesn't get through and you have to ask a few times... it is not a major disaster but there it is; it doesn't get through from one group to another group."

"There is so much that goes on and so much happens, sometimes the message doesn't get through and you have to ask a few times... it is not a disaster, but there it is, it doesn't get through from one group to another group."

- **One slight disadvantage of PACE is the chance that members might have to give up their doctors.**

While most were satisfied with the care they receive from their PACE doctors, at least one man mentioned that a slight disadvantage of PACE was having to give up a good doctor if he or she is not associated with the program. Specifically, he said, "One of the slight disadvantages to PACE [is] if you have a doctor that you really like you probably won't have him anymore. I had a neurologist that I really liked, but he is not a part of PACE." Another man said that he gave up his psychologist, but he did not mind. A woman also gave up her doctor, but didn't mind because she prefers the "one-stop shopping." Finally, one man took the creative route and convinced the program to make his doctor a participating provider.

"One of the slight disadvantages to PACE [is] if you have a doctor that you really like you probably won't have him anymore."

- **People had not used the formal Medicare and Medicaid appeals processes. However, they were satisfied with the internal grievance process the program uses to resolve disputes.**

People in the groups were aware of the PACE program's grievance process. One man actually used the process and said it worked well for him: "They even apologized." People did not need to use the more formal Medicare and Medicaid appeals processes. However, some participants mentioned that they would like a new system to report problems they are having with the program. Currently, they are asked to fill out a "grievance report" if they would like to point out a problem or if they have a complaint.

#4

Testimony
House Bill No. 1360
House Human Services Committee
Representative Robin Weisz, Chairman

Good Morning, I'm Jon Frantsvog, Administrator and CEO of St. Benedict's Health Center and Benedict Court Assisted Living, in Dickinson.

Chairman Weisz and members of the House Human Services Committee, thank you for your important work here at the legislature. This is one of the more important committees at the legislature because you have such a personal impact on the individual lives of the people of the state, and in many cases the most needy. I am here today to testify in support of House Bill 1360 which is simply an appropriation request to expand PACE to a few more communities. On the surface, this may seem a bit strange coming from a nursing home and assisted living administrator, but we have been involved with Northland PACE from its infancy in North Dakota. We work with PACE and provide services to the Dickinson PACE site, which is actually staffed by our employees and located in Benedict Court.

What has PACE done for us?

Our Vision at St. Benedict's and Benedict Court is to be a care community where health, independence and choice come to life. We're committed to helping those we serve achieve that vision in the most appropriate and least restrictive care environment possible. PACE is another option, in addition to skilled nursing and assisted living care, for us to offer to individuals. As we work together with PACE we have been able to offer this option that has been very beneficial to the participants that have enrolled. And, when they need additional services in the Long-term care environment, we have been able to provide them. It is a win-win for everyone.

It is my hope that, as Northland PACE expands to other communities, PACE will do as they've done with Benedict Court, and work with the local providers to partner for services and a location in which to develop the PACE Centers. Again this is very beneficial to the local communities because they now have the opportunity to offer another service of care on the healthcare continuum and provide a better fit of healthcare services for their loved ones in the community.

We are fortunate that Northland has already built the services in both the urban and rural environment. This will allow for a fairly seamless transition moving into other rural and urban communities. We support their approach to expansion and believe this is a wise investment for the state. I have story after story from individuals that love the services provided by PACE. These stories are told by families who are relieved that someone is supporting and watching out 24/7 for their loved one, from participants who get all the care they need and the independence they desire, and physicians who are pleased that difficult patients are now doing well. I urge you to support HB 1360 and thank you for your time.

#5

Testimony
House Bill No. 1360
House Human Services Committee
Representative Robin Weisz, Chairman

Chairman Weisz and members of the House Human Services Committee, my name is Darreld Bertsch and I am President of North Dakota Rural Health Association. Representing rural healthcare issues, we determined that we would support three projects this year in our efforts to assist rural health. We felt that the PACE program was a good program and that it is needed in rural communities also.

I am also the CEO of Sakakawea Medical Center and Coal Country Community Health Center. We have worked with Northland to develop care coordination in our community. We feel that the PACE program is the next step in providing additional services to the elderly in our community.

The request to be able to expand the PACE program out to other communities in North Dakota in addition to Bismarck and Dickinson is critical. There are not many options for care services in the rural areas and this proposal would expand the options for our frail elderly. I have watched the growth of the Northland PACE project and feel that it is truly providing good service to the seniors in Bismarck and Dickinson. This program has been able to show that the care coordination is effective in managing healthcare services in a cost effective manner. In addition, many of the elderly can live at home safely with good solid support with specific services to meet their needs. The model of care uses a team approach to care that creates the efficiencies to provide savings and quality care delivery. This is a good use of Medicaid funds and I urge you to support HB 1360. Thank you.

Testimony
House Bill No. 1360
Senate Human Services Committee
Senator Judy Lee, Chairman

Madam Chair Lee and members of the Senate Human Services Committee, my name is Tim Cox and I am President of Northland Healthcare Alliance. Northland is a member-driven, provider-based organization of 20 hospitals and long-term care facilities located throughout North Dakota. For more than 8 years Northland Healthcare Alliance has worked to establish an effective PACE program in North Dakota. PACE is a (P) program of (A) all-inclusive (C) care to the (E) elderly. This program is a relatively new program that works to keep the frail elderly (nursing home-eligible) independent and healthy. In developing Northland PACE we have pursued funding opportunities and were fortunate enough to receive one of 14 Rural PACE grants from CMS. We have currently been authorized to serve the communities of Bismarck/Mandan and Dickinson.

Our request today is to expand the PACE program out to other communities in North Dakota in addition to the ones listed above. Let me tell you why it is important.

There are four important reasons: (1) the PACE Model is comprehensive and effective in delivering care to the frail elderly; (2) PACE provides an alternative, another choice besides being in a nursing home; (3) it is a less costly option of care delivery and will save the state thousands and potentially millions as individuals are cared for through PACE; and (4) it will postpone the need to build additional long-term care facilities in the near future. I will give more detail in each of these areas.

Effective Delivery of Care Model

PACE is a unique and wonderful program. Let me explain why and give you more information about it.

First, participants must be over 55 years of age to qualify. In addition, they must be nursing home eligible. This means that each participant in PACE must go through the same screening process that a potential resident of a nursing home passes through. So in effect, they qualify to be in a nursing home. The Northland PACE team goes through a rigorous process to determine whether a potential enrollee can live safely and independently at home - whether it be alone, with other family members, in assisted living or other living arrangements - with our assistance and support. This is a big difference.

Second, the PACE team is comprised of 11 professionals who are charged with the task of evaluating the medical condition of each person to determine how this care will be delivered. This required team includes a Primary Care Physician, a Registered Nurse, a Dietician, a Master's Level Social Worker, a Physical Therapist, an Occupational Therapist, a Transportation Coordinator, a Home Health Coordinator, a PACE Center Director, a Personal Care Attendant and an Activity Coordinator. This group does the initial assessment to determine qualification. Then after enrollment, they develop an intensive/extensive plan of care based on the needs of each participant (we call each person enrolled in PACE a participant). Then, the plan is put in place. The unique thing about this is the follow up to that plan of care. It must be reviewed at a minimum of every six months but it is truly reviewed and modified regularly as the health and condition of each participant changes. The teams meet several times each week to review the status of participants and make changes as needed.

So let's say your mother was a potential candidate to this program. How would we handle it? First, we would meet with her and you - if she wanted you to be there. We would discuss the program, discuss health issues and request permission to obtain past medical records and documentation. We would schedule an appointment to come to the house and have an on-site assessment to see if the home environment is safe (hallways clear of potential tripping hazards, etc.). The team would review all information and conditions and then make a decision as to

the ability of our program to fulfill the needs of your mother and provide the support and services to help maintain her health and improve her quality of life. She would then enroll and we would begin to deliver good, focused personal care and we would take care of her until she dies. And she would be happy. The satisfaction rate of PACE participants is very high - in the high 90's.

PACE as a Different Option of Healthcare

The Northland PACE program is already making a difference. Several of our current participants moved into our PACE Program right out of a long-term facility. In visiting with them and members of their families, they indicate that they have seen remarkable improvement in their health and quality of life. This is amazing given the short time in which we have been in operation. The PACE model is in many ways the future of healthcare. We have a steadily growing graying population and we need to figure out how to take care of their healthcare needs. The program keeps some of those that can be cared for in their own homes and provides for their needs with care plans that are tailored to those needs. Studies show that this is the best way to take care of people. It reduces errors in care delivery. It gives confidence to the participants and it saves dollars all the way around because it reduces the need for costly infrastructure and 24-hour care delivery.

Less Costly to the State Now

This model is one that is working. Statistics show that it reduces hospitalizations and makes them shorter when they occur. Re-hospitalizations, a focus of CMS on Medicare participants, are less frequent with PACE participants. CMS is focused on this, because over 17 billion is spent on this mostly preventative occurrence. It will save the state many dollars as it also keeps individuals from moving into the long-term care environment. In New York and Pennsylvania, for instance, all dual eligibles are required to go through a PACE screening to enroll in any state reimbursed Medicaid service for seniors. New York has conducted extensive

studies on PACE as a service for seniors and they believe it saves the state significant dollars. PACE has been a program in New York for more than 20 years. Let me give you some key numbers for our state. Currently the state pays an average of $51,193 for PACE participants annually. This is an all-inclusive fee that includes medications, hospitalizations, dental, audiology, optometry, clinic, lab, x-ray, and social activities. The rate is fixed and we are charged with providing all healthcare services for those dollars.

The average cost of a long-term care resident is $78,044. That is $213 per day. This cost does not include many of the above mentioned services which can add to that figure. The $78,044 is the base rate.

Additionally, if PACE participants are placed in long-term care, Northland PACE covers the cost of that care. Currently, we have 9.2% of our participants in long-term care and an additional 5.6 % in Basic Care Services. We are the payers of that cost, which also saves the state significant dollars. This is part of the risk share proposition that we have under the PACE guidelines.

Will Save the State Funds in the Future

As stated, the population of North Dakota is greying. Though there seems to be enough long-term care beds currently, data show that future needs will require many more beds to meet the crunch of baby boomers' impact on retirement. It is incumbent upon us to prepare for that near future by developing alternate services that do not require the construction of costly long-term care facilities. PACE is a strong contender for a more cost effective option. By delaying the development of PACE services we really are mismanaging today's dollars. It takes hard work to develop PACE. This option is a more efficient use of dollars, and the return on the dollars invested is almost two times higher.

Without support of House Bill 1360 we can only continue to provide this care in two locations, Bismarck/Mandan and Dickinson. We want to be able to expand to other communities and provide this alternative option to more seniors. This is not

community based services. PACE is different and more comprehensive. It truly is all-inclusive. As I stated earlier, this care is laser-like and provides delivery of services at the right place at the right time.

I ask for your support of this bill. Thank you.

KEY PACE NUMBERS

Enrollees since Inception (Sept. 2008) – 127
(Some have passed on and some disenrolled)

Current Enrollees
- Bismarck – 50
- Dickinson - 22

Projected Enrollee by 2015
- Bismarck - 86
- Dickinson – 25
- Fargo - 25
- Minot - 17
- Other Rural Communities - 23
- **TOTAL - 176**

2012 Medicaid Expenditure on PACE
- Bismarck - $2,188,049
- Dickinson - $1,008,791

Projected Medicaid Expenditure 2013-2015
- Budgeted - Bismarck - $8,586,942
- Budgeted - Dickinson - $1,720,646

Expansion Request
- State Revenues - $ 1,582,126
- FMAP Revenues - $ 1,616,093

Tentative Planned Expansion Communities
- Minot
- Fargo
- Garrison
- Bowman
- Hazen/Beulah
- Lamoure

Average Annual Cost for a PACE Participant - $51,193
Additional Medicaid paid services that are inclusive in the PACE rate (i.e., ND Medicaid does not have to pay additional for audiology, dental, physician, hospital, lab, x-ray and other services that are extra in the Skilled Nursing Facility payment structure.)

Average Annual Cost for a Long-term Care Resident - $78,044

2

HB1360- SUPPORT PACE EXPANSION
Tuesday, March 12, 2013
Senate Human Services
Josh Askvig- AARP-ND
jaskvig@aarp.org or 701-989-0129

Chairman Lee, members of the Senate Human Services Committees, I am Josh Askvig, Associate State Director of Advocacy for AARP North Dakota. We stand in support of HB1360.

As you have heard, HB1360 would expand the Program for the All-inclusive Care for the Elderly (PACE), for individuals who are "dual eligible" – that is eligible for both Medicaid and Medicare. AARP policy strongly supports options for individuals to receive Long Term Services and Supports (LTSS) in Home and Community Based Settings (HCBS). Not only does our policy support this, it is what North Dakotans want. In a 2011 survey of North Dakotans 50+ one of the consistent concerns of individuals was how they were going to be able to safely stay in their homes as they age. Unfortunately, North Dakota consistently ranks near the bottom among states for providing options for the services and supports seniors need to live in their own homes. I attached a copy of the *2011 Long-term Care Scorecard,* which ranked North Dakota 41st out of the 50 states and the District of Columbia in "choice of setting or provider."

The good news is that PACE is one option for low to moderate income individuals to stay in their homes and receive the services they need. HB1360 would expand services from the current locations in Bismarck and Dickinson to operate in Minot and Fargo as well. Expanding this service will be beneficial for individuals in these areas in ways that individuals appreciate. Attached to my testimony is a copy of a report from December 2011, entitled *Experienced Voices: What Do Dual Eligibles Want From Their Care? Insights from Focus Groups with Older Adults Enrolled in Both Medicare and Medicaid.* This study looked at various methods of "managed care" for dual eligibles. One of which was the PACE Program in San Diego, California. This study showed that many individuals greatly appreciated the PACE program for the full scope of the care they provide. It truly is "all-inclusive" care which individuals have found beneficial and helpful. Additionally, "they appreciated the in-home assistance that allowed them to stay in their homes." Further, the report showed that their health was better since they joined PACE. Clearly, PACE is liked by individuals and provides options for people to stay home.

Last, but certainly not least, PACE is one method for cost containment in Medicaid and Medicare. The amount PACE receives is a flat fee which is to cover all of the services they provide. If it does not cover that service and someone needs the service PACE covers that cost. Thus PACE is forced to be efficient and provide high quality services within the resources given to them.

PACE is another option for North Dakota seniors to stay in their homes and HB1360 expands this for more individuals to have a choice. We strongly support this bill and urge this committee to give it a DO PASS RECOMMENDATION.

North Dakota: 2011 State Long-Term Services and Supports Scorecard Results

Raising Expectations: A State Scorecard on Long-Term Services and Supports for Older Adults, People with Physical Disabilities, and Family Caregivers is the first of its kind: a multi-dimensional approach to measure state-level performance of LTSS systems that provide assistance to older people, adults with disabilities, and family caregivers. The full report is available at www.longtermscorecard.org

Scorecard Purpose: Public policy plays an important role in LTSS systems by establishing who is eligible for assistance, what services are provided, how quality is monitored, and the ways in which family caregivers are supported. Actions of providers and other private sector forces also affect state performance, either independently, or in conjunction with the public sector. The *Scorecard* is designed to help states improve the performance of their LTSS systems so that older people and adults with disabilities in *all* states can exercise choice and control over their lives, thereby maximizing their independence and well-being.

Results: The *Scorecard* examines state performance across four key dimensions of LTSS system performance. Each dimension is composed of 3 to 9 data indicators, for a total of 25 indicators. All 50 states and the District of Columbia were ranked. North Dakota ranked:

Overall **18**

- Affordability and access **29**
- Choice of setting and provider **41**
- Quality of life and quality of care **2**
- Support for family caregivers **16**

State ranks on each indicator appear on the next page.

Impact of Improved Performance: If North Dakota improved its performance to the level of the highest-performing state:

- 1,089 more low- or moderate-income (<250% poverty) adults age 21+ with activity of daily living disabilities would be covered by Medicaid.
- 786 more new users of Medicaid LTSS would first receive services in home and community based settings instead of nursing homes.
- 882 nursing home residents with low care needs would instead be able to receive LTSS in the community.
- 231 unnecessary hospitalizations of people in nursing homes would be avoided.

NORTH DAKOTA

State Long-Term Services and Supports Scorecard Results

			2011 Scorecard		
Dimension and Indicator	State Rate	Rank	All States Median Rate	Top 5 States Average Rate	Best State Rate
OVERALL RANK		**18**			
AFFORDABILITY AND ACCESS		**29**			
Median annual nursing home private pay cost as a percentage of median household income age 65+ (2010)	233%	31	224%	171%	166%
Median annual home care private pay cost as a percentage of median household income age 65+ (2010)	113%	49	89%	69%	55%
Private long-term care insurance policies in effect per 1,000 population age 40+ (2009)	107	5	41	150	300
Percent of adults age 21+ with ADL disability at or below 250% of poverty receiving Medicaid or other government assistance health insurance (2008-09)	53.6%	13	49.9%	62.2%	63.6%
Medicaid LTSS participant years per 100 adults age 21+ with ADL disability in nursing homes or at/below 250% poverty in the community (2007)	34.1	25	36.1	63.4	74.6
ADRC/Single Entry Point functionality (composite indicator, scale 0-12) (2010)	4.3	45	7.7	10.5	11.0
CHOICE OF SETTING AND PROVIDER		**41**			
Percent of Medicaid and state-funded LTSS spending going to HCBS for older people and adults with physical disabilities (2009)	10.5%	51	29.7%	59.9%	63.9%
Percent of new Medicaid LTSS users first receiving services in the community (2007)	31.1%	39	49.9%	77.1%	83.3%
Number of people consumer-directing services per 1,000 adults age 18+ with disabilities (2010)	6.4	32	8.0	69.4	142.7
Tools and programs to facilitate consumer choice (composite indicator, scale 0-4) (2010)	*	*	2.75	3.79	4.00
Home health and personal care aides per 1,000 population age 65+ (2009)	36	23	34	88	108
Assisted living and residential care units per 1,000 population age 65+ (2010)	46	10	29	64	80
Percent of nursing home residents with low care needs (2007)	16.1%	36	11.9%	5.4%	1.3%
QUALITY OF LIFE AND QUALITY OF CARE		**2**			
Percent of adults age 18+ with disabilities in the community usually or always getting needed support (2009)	71.9%	13	68.5%	75.5%	78.2%
Percent of adults age 18+ with disabilities in the community satisfied or very satisfied with life (2009)	91.0%	3	85.0%	90.9%	92.4%
Rate of employment for adults with ADL disability age 18-64 relative to rate of employment for adults without ADL disability age 18-64 (2008-09)	56.6%	1	24.2%	42.4%	56.6%
Percent of high-risk nursing home residents with pressure sores (2008)	7.3%	3	11.1%	7.2%	6.6%
Percent of long-stay nursing home residents who were physically restrained (2008)	1.5%	5	3.3%	1.3%	0.9%
Nursing home staffing turnover: ratio of employee terminations to the average no. of active employees (2008)	33.6%	8	46.9%	27.2%	18.7%
Percent of long-stay nursing home residents with a hospital admission (2008)	13.4%	9	18.9%	10.4%	8.3%
Percent of home health episodes of care in which interventions to prevent pressure sores were included in the plan of care for at-risk patients (2010)	92%	16	90%	95%	97%
Percent of home health patients with a hospital admission (2008)	23.3%	2	29.0%	23.2%	21.8%
SUPPORT FOR FAMILY CAREGIVERS		**16**			
Percent of caregivers usually or always getting needed support (2009)	80.9%	9	78.2%	82.2%	84.0%
Legal and system supports for caregivers (composite indicator, scale 0-12) (2008-09)	1.50	47	3.17	5.90	6.43
Number of health maintenance tasks able to be delegated to LTSS workers (out of 16 tasks) (2011)	13	13	7.5	16	16

* Indicates data not available for this state.

Notes: ADL = Activities of Daily Living; ADRC = Aging and Disability Resource Center; HCBS = Home and Community Based Services; LTSS = Long Term Services and Supports.

Refer to Appendix B2 in *Raising Expectations: A State Scorecard on Long-Term Services and Supports for Older Adults, People with Physical Disabilities, and Family Caregivers* for indicator descriptions, data sources, and other notes about methodology. The full report is available at www.longtermscorecard.org

AARP Public Policy Institute

Experienced Voices: What Do Dual Eligibles Want From Their Care?

Insights from Focus Groups with Older Adults Enrolled in Both Medicare and Medicaid

Michael Perry
Mary C. Slosar
Naomi Mulligan Kolb
Lake Research Partners

Lynda Flowers
Keith Lind
AARP Public Policy Institute

might end at noon, but they might have to wait until 2 p.m. for the van to pick them up and take them home. People had high levels of dissatisfaction with long wait times.

- **People identified limitations in what CHP is able to provide.**

Although most felt that CHP is an excellent program, some shortcomings were identified. One family member said that CHP "is awesome when it comes to providing for home care…but for institutional placements, they are not as thoughtful." A guardian said she likes CHP for the most part, "but it's hard to place people with chronic brain injury because CHP doesn't pay well for these people." Another guardian agreed, saying, "The rates they set [for these complex types of patients] are inadequate."

"It's hard to place people with chronic brain injury because CHP doesn't pay well for these people."

- **People did not report having trouble using multiple program cards.**

Participants, their guardians, and their family members did not report having problems with multiple cards because they used the CHP card as their primary card and because they received lots of support from the CHP staff in negotiating services.

A Program of All-Inclusive Care for the Elderly: San Diego, California

St. Paul PACE Program

The Program of All-Inclusive Care for the Elderly (PACE) is a medical and social service program that combines federal and state funding to keep frail older people living in the community for as long as possible. Authorized by the Balanced Budget Act (BBA) of 1997, PACE is a capitated benefit that delivers a comprehensive service package—including long-term services and supports—using integrated Medicare and Medicaid financing. As of November 2011, there were 82 programs in 29 states serving about 23,000 people.[33,34] PACE programs are required to provide all Medicare- and Medicaid-covered services—including hospital and nursing home care—and any other services determined necessary by the interdisciplinary team.[35] To qualify for PACE, individuals must be—

- Age 55 or older
- Living in a PACE service area
- Able to live safely in the community at the time of enrollment
- Nursing home eligible (i.e., considered "frail")[36]

The St. Paul PACE program was established in March 2008 by St. Paul's Senior Homes & Services, a San Diego nonprofit organization with a mission to provide "a caring network of medical and social services to promote independence and dignity that enable San Diego's chronically ill elderly to remain at home."[37] The program currently enrolls 170 people and provides services at its PACE center to about 55 older people per day (or just over one-third of those enrolled in the program). Onsite services at the PACE center include a large day center that provides activities and hot meals, a spa and bathing facility, a physical and occupational therapy area, a gymnasium, and a full medical clinic.

Off site, the PACE program provides home care, including light house cleaning, laundry, shopping, meal preparation, bathing, and medication management.

The number of times people are required to come to the PACE center is determined by their physical or psychosocial needs. For example, an individual who would benefit from daily socialization, or who needs daily medical intervention (e.g., diabetes or wound care) or physical therapy might be prescribed a daily visit to the PACE center. Individuals with lesser needs might come to the center only once or twice a week.[38,39]

St. Paul's PACE program employs one full-time physician, six registered nurses, one physician's assistant, two physical therapists, one occupational therapist, ten home care providers, and eight day center workers. Once a month, the center employs the services of specialists.

Major Findings

- **Participants heard about PACE from a variety of sources.**

Participants recalled hearing about PACE in a variety of ways. Many learned about the program from friends who were enrolled in or had otherwise heard about the program. One person learned about PACE through the CMS "Medicare and You" publication. One woman recalled learning about PACE when someone from the program spoke at her building; another found out about PACE when she saw the building while riding the bus.

- **Enrollees turned to PACE for a variety of reasons, including help with organizing their health care needs.**

Reasons for enrolling in PACE included frustrations with the care they were previously receiving, and the benefits that PACE provides. Many participants complained that they were having a difficult time getting the care they needed or wanted in their previous health care arrangements. Some participants also mentioned difficulty paying medical bills and having a sense that their doctors were not listening to them. One participant said, "I was having trouble with medical care, getting services, getting equipment I needed and getting help. I was looking for a program that would help me and take care of me, provide me the treatment."

"I was having trouble with medical care, getting services, getting equipment I needed and getting help. I was looking for a program that would help me and take care of me, provide me the treatment."

"The 'A' in PACE is the key word. All-inclusive care–that's what sold me."

Some of the main reasons participants were drawn to PACE included feeling that they would have better access to doctors, help with medical transportation, and assistance provided for household chores and errands. One participant explained, "I came here because there is better access to doctors, and one of the reasons I joined PACE is because I have a psychologist and a psychiatrist and

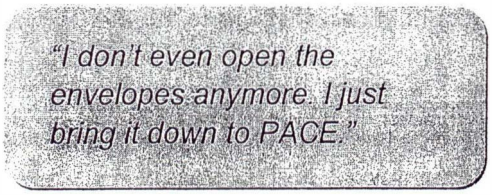
they have made a big difference in my life. I get to see the same doctors [at the PACE center] because when you go to the [outside] clinic you always see a different doctor."

The holistic nature of the program and having everything under one roof were very appealing to most participants. As one participant put it, "The A in PACE is the key word. All-inclusive care—that's what sold me."

- **Enrollees were very satisfied with their care.**

The participants reported high levels of satisfaction with their care. When asked to rate their satisfaction with their care under PACE on a scale from one (very unsatisfied) to ten (very satisfied), all participants gave ratings of nine or ten. Expressing his appreciation for PACE, one man said, "I don't know of any other insurance company or place that has all of the things that PACE has." A woman followed up his comment by saying, "We love it here." Another said, "Tell Washington we need more of these."

- **Having bills and appointments taken care of was a very attractive feature of PACE.**



They appreciated knowing that they did not have to worry about anything when it came to making appointments or handling bills. They found relief knowing that PACE would take care of everything, and they trusted the program to do everything that is needed for them. For example, one man described how he kept getting bills, but he trusted PACE to deal with them: "For some reason, the hospital keeps sending me bills, but I don't know why. I don't even open the envelopes anymore. I just bring it down to PACE."

- **They felt valued by PACE staff.**

PACE enrollees felt valued, respected, and listened to at PACE. One woman explained, "When I come for an emergency or something, as soon as I walk in, the staff members, they come and they greet you with a smile; they make me feel welcome."

- **They liked the convenience of receiving services under one roof.**

PACE enrollees liked the convenience of having all (or most) of the services they need in one place. They especially appreciated how the program arranged transportation if they needed to see a specialist who was not housed in the building. As one man described it, "If you need a specialist that is not here they will send us transportation to get there. Also, they send somebody from PACE with you [to your medical appointments]."

- **They appreciated the in-home assistance that allowed them to stay in their homes.**

In discussing what they liked about PACE, many participants said they liked the fact that PACE allowed them to continue living in their own homes and maintaining some level of independence. The in-home care they received as part of the program was key to being able to continue living in the community. People also mentioned that they liked the

help they got with household chores such as vacuuming and washing dishes, running errands, grocery shopping, and assistance with personal care and bathing.

- **They felt they could count on PACE staff for whatever they needed.**

"I know that anything that ever happens to me, PACE will be there for me."

Participants had a lot of good things to say about their doctors, nurses, and social workers. Everyone had a social worker, and most said that their social workers are responsive to them and even know what medications they are on. They also mentioned their doctors as one of the best parts of the program. Overall, participants indicated a high level of trust and satisfaction with the PACE personnel. It was important to them that almost all of their care providers were located in the same place, and they felt that they could easily get the care they needed and answers to their questions. Many said that when they had an emergency or had to go to the hospital, they called PACE first (or second if they needed an ambulance). PACE staff were their go-to people—the people they felt they could count on. One woman captured this sentiment well when she said, "I know that anything that ever happens to me, PACE will be there for me."

Another woman described her sense of security and trust in PACE staff. "I am not afraid anymore. I am taken care of; people care about what happens to me. Those people that come here, and they are here when I come three days a week, and the staff is wonderful. No matter if I question things, if I feel something should be paid more attention to or I bring something up, I am not judged for that. I am considered all valuable and treated that way with respect. They consider what you are saying and try to explain things."

- **Most did not understand differences between Medicare and Medicaid.**

Although most people said that they did not understand the difference between Medicaid and Medicaid, it didn't matter to them because, as one man said, "With PACE, we don't have to know. They take care of everything."

- **The PACE facility was described as a "home away from home" for some.**

"I think some of us describe this as a home away from home."

Participants indicated that they felt at home when they are at the PACE facility. In the words of one woman, "I think some of us describe this as a home away from home." Many liked the social aspects of being at the facility, mentioning the chance to be with friends and the ability to chat casually with doctors and nurses in the hallways. One man pointed out, "Another thing is, you are not sitting in a doctor's office reading a magazine that you really don't want to read while you are waiting for the doctor. You can be here doing things that you want to do while you are waiting for your appointment." Another participant added that the music at the facility is good, and many agreed. Participants also mentioned that the PACE staff members give them Christmas gifts and Valentine's Day cards; these personal touches seemed to make a difference to them.

- **They said their health was improving because of the care they received through PACE.**

"I have emotional problems, but I get care here for it."

Most participants said that their health had improved since they joined PACE. Many specifically mentioned how the physical therapy and mental health services have helped them. One man said, "I have emotional problems, but I get care here for it." One woman described her improvement this way: "[My health is] very good since I joined PACE. They have helped me transfer me back and forth to the doctors, and I am very happy and satisfied because they are very concerned about me and my health."

- **They liked having regular assessments of their needs and progress.**

Participants also cited the six-month assessment as an important part of the care they receive with PACE. They liked the checkups because someone from PACE comes to their homes to do a detailed interview, assess what additional services they may need, and note the progress they have made toward identified goals. One woman explained that during one of her assessment visits it was determined that she could use more help getting groceries. She explained, "When they are asking about this for the assessment, I told them that I was without wheels. They provided somebody."

- **They have had positive experiences with care transitions.**

People who had experienced hospitalizations were generally happy with their care transitions. One person who was discharged from the hospital to a rehabilitation center said, "My social worker was on top of everything and kept me in the loop. When I finally went home, I was able to manage." Another man who broke his wrist went from the hospital to a skilled nursing facility for two weeks before going home. He said, "It was a good process."

- **Some worried that PACE may not always have the capacity to serve them well.**

"They keep adding more people, so the building is getting full."

Some participants complained that there are sometimes long waits for services and meals and that the common areas at the PACE center were getting too crowded. They realized that the program is growing and taking on more and more members. A couple of participants referred to this issue as "growing pains." One man explained, "They keep adding more people, so the building is getting full." Another man said, "You have to have more patience, and at mealtime it takes a little bit longer." Overall, they do not see this as a big problem right now, but they worry that it will be a problem if PACE does not expand its space and staff.

- **People in this PACE program were generally satisfied with communication among their providers, but a few identified areas for improvement.**

Most felt that there was good communication among their providers. One man said, "I've never seen files like my doctor keeps about me. They showed me so many records of my visits and care that it is really unbelievable." Others felt left out of discussions about their care at times. For example, one woman explained, "That bothers me to a certain extent, but I don't know how they can change it. They have team meetings about what equipment someone might need, what referrals they might send and we are not part of those meetings. We are not asked for input about why it is important to us or what we feel we need or what we want. We are told and it happens without us there. I agree that I don't have any idea how they can work that out." Another woman mentioned another issue with communication, saying, "There is so much that goes on and so much happens, sometimes the message doesn't get through and you have to ask a few times… it is not a major disaster but there it is; it doesn't get through from one group to another group."

"There is so much that goes on and so much happens, sometimes the message doesn't get through and you have to ask a few times… it is not a disaster, but there it is; it doesn't get through from one group to another group."

- **One slight disadvantage of PACE is the chance that members might have to give up their doctors.**

While most were satisfied with the care they receive from their PACE doctors, at least one man mentioned that a slight disadvantage of PACE was having to give up a good doctor if he or she is not associated with the program. Specifically, he said, "One of the slight disadvantages to PACE [is] if you have a doctor that you really like you probably won't have him anymore. I had a neurologist that I really liked, but he is not a part of PACE." Another man said that he gave up his psychologist, but he did not mind. A woman also gave up her doctor, but didn't mind because she prefers the "one-stop shopping." Finally, one man took the creative route and convinced the program to make his doctor a participating provider.

"One of the slight disadvantages to PACE [is] if you have a doctor that you really like you probably won't have him anymore."

- **People had not used the formal Medicare and Medicaid appeals processes. However, they were satisfied with the internal grievance process the program uses to resolve disputes.**

People in the groups were aware of the PACE program's grievance process. One man actually used the process and said it worked well for him: "They even apologized." People did not need to use the more formal Medicare and Medicaid appeals processes. However, some participants mentioned that they would like a new system to report problems they are having with the program. Currently, they are asked to fill out a "grievance report" if they would like to point out a problem or if they have a complaint.

Testimony
House Bill No. 1360
Senate Human Services Committee
Senator Judy Lee, Chairman

Good Morning, I'm Jon Frantsvog, Administrator and CEO of St. Benedict's Health Center and Benedict Court Assisted Living, in Dickinson.

Chairman Lee and members of the Senate Human Services Committee, thank you for your important work here at the legislature. And thank you for serving on one of the more important committees at the legislature because you have such a personal impact on the individual lives of the people of the state, and in many cases the neediest. I am here today to testify in support of House Bill 1360 which is simply a request to expand PACE to a few more communities. On the surface, this may seem a bit strange, a nursing home and assisted living administrator advocating for a competing service, but I do so having been involved with Northland PACE from its infancy in North Dakota. We work with PACE and provide services to the Dickinson PACE site, which is actually staffed by our employees and located in Benedict Court.

What has PACE done for us?

Our Vision at St. Benedict's and Benedict Court is to be a care community where health, independence and choice come to life. We're committed to helping those we serve achieve that vision in the most appropriate and least restrictive care environment possible. PACE is another option, in addition to skilled nursing and assisted living care, for us to offer to individuals. As we work together with PACE we've been able to offer this option that has been very beneficial to the participants that have enrolled. And, when they need additional services in the long-term care environment, we have been able to provide them. It is a win-win for everyone.

It is my hope that, as Northland PACE expands to other communities, PACE will do as they've done with Benedict Court, and work with the local providers to partner for services and a location in which to develop the PACE Centers. Again this is very beneficial to the local communities because they now have the opportunity to offer another service of care on the healthcare continuum and provide a better fit of healthcare services for their loved ones in the community.

We are fortunate that Northland has already built the services in both the urban and rural environment. This will allow for a fairly seamless transition moving into other rural and urban communities. We support their approach to expansion and believe this is a wise investment for the state. I have heard story after story from individuals that love the services provided by PACE. These stories are told by families who are relieved that someone is supporting and watching out 24/7 for their loved one, from participants who get all the care they need and the independence they desire, and physicians who are pleased that difficult patients are now doing well. I urge you to support HB 1360 and thank you for your time.

St. Alexius Medical Center
PrimeCare

Open letter of support for Tim Cox's testimony on House Bill No. 1360
Senate Human Services Committee
Senator Judy Lee, Chairman
March 12, 2013

Due to a previous meeting commitment, I am not able to appear before the Committee to provide testimony in support of House Bill No. 1360 which would fund the expansion of the PACE program in North Dakota. PACE has proven to be a workable model for coordinated care for elderly North Dakota citizens. The program allows more in-home living, less hospitalization, and an overall improvement in the ability to coordinate complex medical needs.

As Mr. Cox's testimony states, "The PACE model is in many ways the future of healthcare. The model uses effective principles of care coordination as well as efficiently managing health issues and challenges for each participant." I believe the model has application for other age groups that could live independently at home with coordinated team care and a PACE-like center facility.

As we all continue to search for ways to provide needed care at lower costs, the PACE model can provide an expanded role in keeping people well and healthy. Thank you for allowing me to submit my letter of support.

Gary P. Miller
President/CEO
St. Alexius Medical Center
Northland PACE Member

5

Testimony
House Bill No. 1360
Senate Human Services Committee
Senator Judy Lee, Chairman

Chairman Lee and members of the Senate Human Services Committee, my name is Darrold Bertsch and I am President of North Dakota Rural Health Association. Representing rural healthcare issues, we determined that we would support three projects this year in our efforts to assist rural health. We felt that the PACE program was a good program and that it is needed in rural communities also.

I am also the CEO of Sakakawea Medical Center and Coal Country Community Health Center. We are working with Northland Healthcare Alliance to develop care coordination in our community. We feel that the PACE program is the next step in providing additional services to the elderly in our community.

The request to be able to expand the PACE program out to other communities in North Dakota in addition to Bismarck and Dickinson is critical. There are not many options for care services in the rural areas and this proposal would expand the options for our frail elderly. I have watched the growth of the Northland PACE project and feel that it is truly providing good service to the seniors in Bismarck and Dickinson. This program has been able to show that the care coordination is effective in managing healthcare services in a cost effective manner. In addition, many of the elderly can live at home safely with good solid support with specific services to meet their needs. The model of care uses a team approach to care that creates the efficiencies to provide savings and quality care delivery. This is a good use of Medicaid funds and I urge you to support HB 1360. Thank you.

STATE COSTS FOR CURRENT AND EXPANSION OF PACE PROGRAM IN NORTH DAKOTA

	7/1/2013	8/1/2013	9/1/2013	10/1/2013	11/1/2013	12/1/2013	1/1/2014	2/1/2014	3/1/2014	4/1/2014	5/1/2014	6/1/2014	TOTAL MM	Comparable Long-term Care Costs
Total Participants														
Bismarck	55	57	59	62	64	66	68	70	72	74	74	74	**795**	
Fargo	0	0	0	0	0	0	0	0	0	0	0	0	**0**	
Minot	0	0	0	0	0	6	7	8	9	10	10	10	**60**	
Dickinson	23	23	23	24	24	24	24	24	24	24	24	24	**285**	
Other Rural	0	0	0	0	6	8	10	12	14	16	18	18	**102**	
Total Participants	**78**	**80**	**82**	**86**	**94**	**104**	**109**	**114**	**119**	**124**	**126**	**126**	**1242**	
Skilled Nursing Comparable Costs														
2013 Medicaid $														
Urban State Share	$ 117,476	$ 121,747	$ 126,019	$ 134,850	$ 139,200	$ 156,600	$ 163,125	$ 169,650	$ 176,175	$ 182,700	$ 182,700	$ 182,700	**$ 1,852,942**	
Urban Fed Share	$ 125,029	$ 129,575	$ 134,122	$ 134,850	$ 139,200	$ 156,600	$ 163,125	$ 169,650	$ 176,175	$ 182,700	$ 182,700	$ 182,700	**$ 1,876,426**	
Rural ($4250*47.73%) = $2028.53	$ 46,656	$ 46,656	$ 46,656	$ 51,000	$ 63,750	$ 68,000	$ 72,250	$ 76,500	$ 80,750	$ 85,000	$ 89,250	$ 89,250	**$ 815,719**	
Rural Fed Share = $2221.48	$ 51,094	$ 51,094	$ 51,094	$ 51,000	$ 63,750	$ 68,000	$ 72,250	$ 76,500	$ 80,750	$ 85,000	$ 89,250	$ 89,250	**$ 829,032**	
Total 2013 Medicaid State $	**$ 164,132**	**$ 168,404**	**$ 172,675**	**$ 185,850**	**$ 202,950**	**$ 224,600**	**$ 235,375**	**$ 246,150**	**$ 256,925**	**$ 267,700**	**$ 271,950**	**$ 271,950**	**$ 2,668,661**	
Total Medicaid Costs	**$ 340,255**	**$ 349,073**	**$ 357,891**	**$ 371,700**	**$ 405,900**	**$ 449,200**	**$ 470,750**	**$ 492,300**	**$ 513,850**	**$ 535,400**	**$ 543,900**	**$ 543,900**	**$ 5,374,119**	$10,864,911
State Share of Bismarck & Dickinson	**$164,132**	**$168,403**	**$172,675**	**$185,850**	**$190,200**	**$194,550**	**$198,900**	**$203,250**	**$207,600**	**$211,950**	**$211,950**	**$211,950**	**$2,321,410**	
Difference	**$ 0**	**$ 0**	**$ 0**	**$ -**	**$ 12,750**	**$ 30,050**	**$ 36,475**	**$ 42,900**	**$ 49,325**	**$ 55,750**	**$ 60,000**	**$ 60,000**	**$ 347,251**	
Total Federal FMAP Share	**$ 176,123**	**$ 180,669**	**$ 185,216**	**$ 185,850**	**$ 202,950**	**$ 224,600**	**$ 235,375**	**$ 246,150**	**$ 256,925**	**$ 267,700**	**$ 271,950**	**$ 271,950**	**$ 2,705,458**	
Fed Share of Bismarck & Dickinson	**$179,743**	**$184,422**	**$189,100**	**$181,112**	**$185,383**	**$189,655**	**$193,927**	**$198,199**	**$202,471**	**$206,743**	**$206,743**	**$206,743**	**$2,324,239**	
Difference	**$ (3,621)**	**$ (3,752)**	**$ (3,884)**	**$ 4,738**	**$ 17,567**	**$ 34,945**	**$ 41,448**	**$ 47,951**	**$ 54,454**	**$ 60,957**	**$ 65,207**	**$ 65,207**	**$381,219**	
	7/1/2014	**8/1/2014**	**9/1/2014**	**10/1/2014**	**11/1/2014**	**12/1/2014**	**1/1/2015**	**2/1/2015**	**3/1/2015**	**4/1/2015**	**5/1/2015**	**6/1/2015**	**TOTAL MM**	
Total Participants														
Bismarck	75	76	77	78	79	80	81	82	83	84	85	86	**966**	
Fargo	5	7	9	11	12	12	13	14	15	15	16	25	**154**	
Minot	11	12	12	13	14	14	15	15	16	16	16	17	**171**	
Dickinson	25	25	25	25	25	25	25	25	25	25	25	25	**300**	
Other Rural	18	18	19	20	21	21	22	22	22	23	23	23	**252**	
Total Participants	**134**	**138**	**142**	**147**	**151**	**152**	**156**	**158**	**161**	**163**	**165**	**176**	**1843**	
2014 Medicaid $														
Urban State Costs	$ 197,925	$ 206,625	$ 213,150	$ 221,850	$ 228,375	$ 230,550	$ 237,075	$ 241,425	$ 247,950	$ 250,125	$ 254,475	$ 278,400	**$ 2,807,925**	
Fed Urban	$ 197,925	$ 206,625	$ 213,150	$ 221,850	$ 228,375	$ 230,550	$ 237,075	$ 241,425	$ 247,950	$ 250,125	$ 254,475	$ 278,400	**$ 2,807,925**	
State Rural	$ 91,375	$ 91,375	$ 93,500	$ 95,625	$ 97,750	$ 97,750	$ 99,875	$ 99,875	$ 99,875	$ 102,000	$ 102,000	$ 102,000	**$ 1,173,000**	
Fed Rural	$ 91,375	$ 91,375	$ 93,500	$ 95,625	$ 97,750	$ 97,750	$ 99,875	$ 99,875	$ 99,875	$ 102,000	$ 102,000	$ 102,000	**$ 1,173,000**	
Total 2014 Medicaid State $	**$ 289,300**	**$ 298,000**	**$ 306,650**	**$ 317,475**	**$ 326,125**	**$ 328,300**	**$ 336,950**	**$ 341,300**	**$ 347,825**	**$ 352,125**	**$ 356,475**	**$ 380,400**	**$ 3,980,925**	
Total Medicaid Cost	**$ 578,600**	**$ 596,000**	**$ 613,300**	**$ 634,950**	**$ 652,250**	**$ 656,600**	**$ 673,900**	**$ 682,600**	**$ 695,650**	**$ 704,250**	**$ 712,950**	**$ 760,800**	**$ 7,961,850**	$13,765,955
Bismarck & Dickinson	**$216,875**	**$219,050**	**$221,225**	**$223,400**	**$225,575**	**$227,750**	**$229,925**	**$232,100**	**$234,275**	**$236,450**	**$238,625**	**$240,800**	**$2,746,050**	
Difference	**$ 72,425**	**$ 78,950**	**$ 85,425**	**$ 94,075**	**$ 100,550**	**$ 100,550**	**$ 107,025**	**$ 109,200**	**$ 113,550**	**$ 115,675**	**$ 117,850**	**$ 139,600**	**$ 1,234,875**	
Total Federal FMAP Share	**$ 289,300**	**$ 298,000**	**$ 306,650**	**$ 317,475**	**$ 326,125**	**$ 328,300**	**$ 336,950**	**$ 341,300**	**$ 347,825**	**$ 352,125**	**$ 356,475**	**$ 380,400**	**$ 3,980,925**	
Fed Share of Bismarck & Dickinson	**$216,875**	**$219,050**	**$221,225**	**$223,400**	**$225,575**	**$227,750**	**$229,925**	**$232,100**	**$234,275**	**$236,450**	**$238,625**	**$240,800**	**$2,746,050**	
Difference	**$ 72,425**	**$ 78,950**	**$ 85,425**	**$ 94,075**	**$ 100,550**	**$ 100,550**	**$ 107,025**	**$ 109,200**	**$ 113,550**	**$ 115,675**	**$ 117,850**	**$ 139,600**	**$1,234,875**	

Total Increase of State Contribution $1,582,126 increase for the two year period. $24, 630,906

Total appropriation with Federal share is $ 3,198,219

7

Cost Summary for PACE versus Community Based Services

	PACE	Community Based Services
Monthly Costs	$3,540	$1,400
Benefits	All Services including Hospitalizations and Long-term Care	Home Based Services
Number of Current Participants	70	70
Average Monthly Cost	$247,800	$98,000
Nursing Home Payment (9 participants @$7800)		$70,200
Basic Care Payments (5 participants @ $3800)		$19,000
Deductibles for Inpatient & Outpatient (50 participants @$800 *)		$40,000
Medicaid Dental Costs		$3,015
Total Comparable	$247,800	$230,215

The numbers in this report reflect the current numbers of participants in Northland PACE. There have been times when the numbers in Long-term Care and Basic Care have been higher and with the capitated funds we are still at risk to pay them. This program incentivizes the PACE program to keep individuals healthy in order to continue into the future.

*This deductible amount is an estimate. We are working with the state to tie down this cost. The other numbers are based on current actual costs paid by Northland PACE and accurately reflect costs. These amounts would be costs that the state would incur if they were not paid for by Northland PACE out of the capitated dollars received.

Note: It is important that the funds received by Northland PACE are used in a focused manner to keep participants healthy, whole and safe. It includes the use of a team approach to care coordination which does impact the number of placements in Longterm and Basic Care settings. The number of nursing home placements will increase without this focused care. Studies show that the PACE model reduces hospitalizations and nursing home placements.

It should also be noted the the numbers set by the State for the PACE program were established by Milliman, an actuary firm hired by the state to determine the costs of delivering this type of care to this very frail population in this manner based on historical costs and the services provided. It is normal that the rates established should be close to the costs the state will pay for this population in any format. The difference is this model finally uses the principles of total care coordination that is more effective in maintaining health for this very frail population and has been shown to be more effective in keeping this population out of expensive inpatient and outpatient settings.

#8

Department of Human Services
Bills with a Fiscal Impact
2013-2015 Biennium

Bill Number	Description of Bill	Appropriation			Expenditures and FTE as Included in Fiscal Notes			
		FTE	General	Other	FTE	General	Other	Total
1170	Provides nursing and basic care facilities with an expedited ratesetting process to cover costs associated with Patient Protection and ACA as it relates to health insurance policies to the facilities' employees	-	-	-	-	830,922	830,922	1,661,844
1172	Allows nursing homes or basic care service providers the first preferred claim against a decedent's estate for outstanding recipient liability owed to the facility	-	-	-	-	49,810	50,190	100,000
1176	Allows individuals convicted of a drug felony to be eligible to participate in SNAP and TANF programs if at least seven years has elapsed since their most recent conviction.	-	-	-	-	11,136	489,168	500,304
1209	Restricts DHS from limiting compensation for top management personnel of a basic care facility with some exceptions.	-	-	-	-	435,481	-	435,481
1233	Provides for additional state financial support for county social service programs provided at the direction of the state	-	-	-	-	20,542,038	(19,947,758)	594,280
1274	Requires ND Medicaid to accept electronic prior authorizations submitted by prescribers through their e-prescribing software	-	-	-	1.00	74,831	224,493	299,324
1360	Provides for Medicaid supplemental payments to programs for all-inclusive care for the elderly	-	-	-	-	2,284,314	2,289,037	4,573,351
1362	Provides an appropriation to DHS any amount of federal funds relating to implementing the provisions for the expansion of the medical assistance program for the Patient Protection and ACA	-	-	-	3.00	248,789	157,742,548	157,991,337
2190	Allows a pharmacy to substitute biosimilars for a prescribed product only if specific requirements are met and gives individuals the right to refuse the biosimilar chosen by the pharmacist. Biosimilars are less costly; therefore, adding requirements to dispense biosimilars increases Medicaid cost. The Department believes the additional requirements discourage use of biosimilars.	-	-	-	-	208,614	210,206	418,820
2193	Provides an appropriation to DHS for autism-related programs	1.00	900,000	-	-	3,119,854	-	3,119,854
2254	Increases the preneed funeral set aside for Medicaid-eligible clients	-	-	-	-	162,879	164,121	327,000
2271	Provides for DHS to provide administrative services to the Committee of Employment of People with Disabilities.	-	-	-	-	27,954	12,000	39,954
2303	Requires DHS to expand Medicaid coverage for pregnant women who do not have private insurance	-	-	-	-	9,705,419	5,386,643	15,092,062
2323	Requires mandatory reporting of abuse or neglect of a vulnerable adult	-	-	-	2.00	431,116	-	431,116
	Totals	**1.00**	**900,000**	**-**	**6.00**	**38,133,157**	**147,451,570**	**185,584,727**