

FISCAL NOTE
Requested by Legislative Council
04/01/2015

Amendment to: SB 2272

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$2,655,638		\$2,857,071
Expenditures			\$2,655,638	\$2,655,638	\$2,857,071	\$2,857,071
Appropriations			\$791,099	\$(619,733)	\$2,857,071	\$2,857,071

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 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).*

SB2272 directs the Dept. to adjust rates for physical therapy, occupational therapy, and speech therapy to 50% of the Dept.'s fee schedule established using the RVU's, relative value units. And to rebase ambulance service fees to 80% of the 2014 Workforce Safety and Insurance fee schedule.

- 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.*

Section 1 directs the department to adjust its medical assistance payment rates for physical therapy services, occupational therapy services, and speech therapy services to fifty percent of the department's professional fee schedule established using the RVU's for the rate year beginning July 1, 2015. This will increase expenditures by 1,501,784 for the 15-17 biennium and will effect expenditures for both the Department of Human services (DHS) and the Department of Public Instruction (DPI).

DHS expenditures in the 15-17 Biennium will increase \$1,178,173 of which \$427,281 is General Fund and \$750,892 is Federal funds.

DPI expenditures in the 15-17 Biennium will increase \$323,611, of which 100% is General Fund.

Section 2 directs the department to rebase ambulance service fees to eighty percent of the 2014 Workforce Safety and Insurance fee schedule. This will increase expenditures by \$3,809,492, of which \$1,904,746 is General Fund and \$1,904,746 is Federal Funds.

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 revenue increase represents the additional amount of federal Medicaid funding the Department will be able to access due to the change in reimbursement rates for rebasing PT, OT, Speech Therapy and Ambulance services. The revenue increase is estimated at \$2,655,638 for the 15-17 biennium and \$2,857,071 for the 17-19 biennium.

- 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 estimated expenditures under the Medical Assistance grants line item will increase for both DHS and DPI for the 15-17 biennium and the 17-19 biennium.

DHS expenditures in the 15-17 Biennium will increase 4,987,665, of which \$2,332,027 is General Fund and \$2,655,638 are Federal funds. In the 17-19 biennium, estimated expenditures would increase \$5,370,856 of which, \$2,513,785 is general fund and \$2,857,071 are federal funds.

DPI expenditures in the 15-17 Biennium will increase \$323,611, of which 100% is General Fund. In the 17-19 biennium, estimated expenditures would increase \$343,286, of which 100% is 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The total DHS and DPI appropriation need for SB2272 for the 15-17 Biennium is 5,311,276, of which \$2,655,638 is General Fund and \$2,655,638 is Federal funds. These amounts have been partially funded in SB2012. Engrossed Senate bill 2012 with Senate adjustments includes \$1,000,000 for ambulance rebasing of which, \$500,000 is general fund and \$500,000 is Federal funds. And SB2012 includes \$4,139,910 for rebasing OT, PT, and Speech Therapy of which, \$1,364,539 is general fund and 2,775,371 is federal funds.

Therefore DHS and DPI appropriations will need to be adjusted as follows:

DHS will need a net appropriation decrease for the 15-17 biennium of (\$152,245), of which, \$467,488 is a General Fund increase and (\$619,733) is a Federal fund decrease.

DPI will need an appropriation increase for the 15-17 biennium of \$323,611, of which 100% is General Fund.

DHS will need an appropriation increase for the 17-19 biennium of \$5,370,856 of which, \$2,513,785 is General Fund and \$2,857,071, is Federal funds.

DPI will need an appropriation increase for the 17-19 biennium of \$343,286 of which 100% is General Fund.

Name: Debra McDermott

Agency: Department of Human Services

Telephone: 701 328-3695

Date Prepared: 04/03/2015

FISCAL NOTE
Requested by Legislative Council
02/24/2015

Amendment to: SB 2272

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$2,775,371		\$2,944,114
Expenditures			\$2,775,371	\$2,775,371	\$2,944,114	\$2,944,114
Appropriations			\$1,410,382		\$2,944,114	\$2,944,114

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 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).*

SB2272 directs the department to adjust its medical assistance payment rates for physical therapy services, occupational therapy services, and speech therapy services to seventy-five percent of the department's professional fee schedule established using the RVU's, relative value units.

- 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.*

Section 1 directs the department to adjust its medical assistance payment rates for physical therapy services, occupational therapy services, and speech therapy services to seventy-five percent of the department's professional fee schedule established using the RVU's for the rate year beginning July 1, 2015. This will increase expenditures by 5,550,742 for the 15-17 biennium and will effect both the Department of Human services(DHS) and the Department of Public instruction(DPI).

DHS expenditures in the 15-17 Biennium will increase 4,139,910, of which \$1,364,539 is General Fund and \$2,775,371 are Federal funds.

DPI expenditures in the 15-17 Biennium will increase \$1,410,832, of which 100% is General Fund.

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 revenue increase represents the additional amount of federal Medicaid funding the Department will be able to access due to the change in reimbursement rates for PT, OT, and Speech Therapy. The revenue increase is estimated at \$2,775,371 for the 15-17 biennium and \$2,944,114 for the 17-19 biennium.

- 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 estimated expenditures under the Medical Assistance grants line item will increase for both DHS and DPI for the 15-17 biennium and the 17-19 biennium.

DHS expenditures in the 15-17 Biennium will increase 4,139,910, of which \$1,364,539 is General Fund and \$2,775,371 are Federal funds. In the 17-19 biennium, estimated expenditures would increase \$4,391,617 of which, \$1,447,503 is general fund and \$2,944,114 are federal funds.

DPI expenditures in the 15-17 Biennium will increase \$1,410,832, of which 100% is General Fund. In the 17-19 biennium, estimated expenditures would increase \$1,496,611, of which 100% is 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The DHS appropriation for the 15-17 Biennium of 4,139,910, of which \$1,364,539 is General Fund and \$2,775,371 are Federal funds has been included in SB2012. In the 17-19 biennium, an appropriation increase of \$4,391,617 of which, \$1,447,503 is general fund and \$2,944,114 are federal funds will be needed.

The DPI appropriation will need to be increased for the 15-17 Biennium by \$1,410,832, of which 100% is General Fund. In the 17-19 biennium, an appropriation increase of \$1,496,611, of which 100% is General Fund will be needed.

Name: Debra McDermott

Agency: Department of Human Services

Telephone: 701 328-3695

Date Prepared: 02/26/2015

2015 SENATE HUMAN SERVICES

SB 2272

2015 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2272
2/2/2015
22951

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Donald Mueller

Explanation or reason for introduction of bill/resolution:

A bill relating to medical assistance coverage for certain services provided by pediatric therapists; and to provide an appropriation

Minutes:

Attach #1: Testimony by Stephen Olson
Attach #2: Testimony by Carol Olson
Attach #3: Proposed Amendments
Attach #4: Department of Human Services OAR's
Attach #5: Email written testimony from Kelsey Lund

Senator Axness introduced SB 2272 to Senate Human Services Committee. This deals with population early intervention where we can help individuals. Due to payment structure of Medicaid, they could lose services. (end 1:45)

Stephen Olson, an owner of Pediatric Therapy Partners, testified IN FAVOR of SB 2272 (attach #1) (2:00-11:30)

Chairman Judy Lee asked what is your current level.

Mr. Olson indicated their current level is about 20% to 25% of the Relative Value Unit (RVU) scale, which is about 26% of private insurances. It is on page 3 of his testimony. (12:38)

Senator Howard Anderson, Jr. stated that Mr. Olson's testimony talks about the purpose is to increase their reimbursement based on the relative value unit scale. However, he doesn't see it in the legislation.

Mr. Olson stated that they put the bill together quickly, we currently are getting reimbursed, but it is at a lower level than other providers.

V. Chairman Oley Larsen stated that North Dakota is one of the top providers with Medicaid reimbursement. How does this stack up compared with other states?

Mr. Olson indicated that he doesn't know about Texas, but using Minnesota, Minnesota reimbursement is much higher. The information when he looked at other states, in the

Midwest, some are elusive. For these specific services, North Dakota is one of the lowest. South Dakota is right along-side us, but other states around us are higher. In general, it is stated that North Dakota pays higher, and for majority of providers, that may be true. But for this service, we are lower reimbursement.

Chairman Judy Lee indicated it does vary from provider to provider.

Chairman Judy Lee noted the written testimony by letters for support of SB 2272.

Carol Olson, PhD, OTR/L, FAOTA, testified IN FAVOR of SB 2272 (attach #2) (17:03-18:34)

OPPOSITION TO SB 2272

No opposing testimony

NEUTRAL TESTIMONY to SB 2272

Julie Schwab, Department of Human Services, provided neutral testimony. (19:05-22:29)
Ms. Schwab provided proposed amendment (attach #3).

Chairman Judy Lee restated the intent of the amendments.

Julie Schwab provided next document, Department of Human Services OARs for the 2015-2017 Biennium (attach #4) (about 23:10-24:05)

Senator Howard Anderson, Jr. asked what is usual procedure for setting reimbursement rate for the wide range of people we pay for Medicaid services.

Ms. Schwab answered in the past, it has varied. Sometimes it goes off RVU's and sometimes other areas.

Senator Howard Anderson, Jr. restated his question; how does the Department of Human Services decide what the reimbursement rate is for everybody.

Ms. Schwab deferred to Eric Elkins

Eric Elkins, assistant director medical services division, Department of Human Services, we use a variety of methods. We look at other Medicaid reimbursement rates in other states and use that as a guide. Most are new services, so we have to establish a rate. For established services therapy, they were set on fee schedule previously and were set years ago. They have been inflated throughout the years. Most use the RVU schedule.

Chairman Judy Lee that's because that's the way they were done before?

Mr. Elkins - yes.

Senator Howard Anderson, Jr. followed up. Medicaid would look at budget before submitting to the Governor's office for approval, and then if increasing rates, you would put it in the proposed budget or optional budget request. Correct?

Mr. Elkins - that is correct.

Chairman Judy Lee asked if this was an OAR, so the governor's budget did not include it, but for consideration in the governor's budget

Mr. Elkins confirmed yes.

Chairman Judy Lee asked for a chart with various professions are for reimbursement. In your data, do you have a chart that shows the percentage, or based on RVU, or fees, and comparison between among the various providers you reimburse and where they might be compared to certain guidelines.

Mr. Elkins stated we don't have a chart of all the services in comparison with other states. Generally, for professional services, North Dakota Medicaid is now about 142% of Medicare for the same services.

Chairman Judy Lee asked how does this category compare with Medicare services.

Mr. Elkins didn't compare this service with Medicare, so is not sure.

Closed Public Hearing.

Additional Letter:

- **Kelsey Lund** (attach #5)

2015 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2272
2/3/2015
23053

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Donald Mueller

Explanation or reason for introduction of bill/resolution:

A bill relating to medical assistance coverage for certain services provided by pediatric therapists; and to provide an appropriation

Minutes:

Attach #1: SB 2272 Draft Amendment

Senator Dever had asked what it would like if the amendments were included in the bill. (attach #1)

(2:30)

Chairman Judy Lee reviewed the draft amendment, as proposed from Julie Schwab, Department of Human Services. Chairman Judy Lee further reviewed the text of the bill and recapped what was stated in prior testimony.

Senator Howard Anderson, Jr. made a motion to ADOPT AMENDMENT for SB 2272 as proposed from Julie Schwab, Department of Human Services. The motion was seconded by **Senator Axness**.

Discussion

Senator Howard Anderson, Jr. indicated that this might be the best opportunity for moving this forward.

Chairman Judy Lee asked if the Department of Human Services was okay. - they nodded in agreement.

Senator Dever wasn't sure about the funding between Department of Human Services and Department of Public Instruction? **Chairman Judy Lee** wanted to know how Department of Public Instruction works with this.

Maggie Anderson (DHS) some of the children who are receiving special education services at the schools are Medicaid eligible. They are able to bill Medicaid for those services. The general fund is in Department of Public Instruction and this goes out to the districts. The Department of Human Services draws the federal dollars down and pays the provider, so it is a general voucher transaction where Department of Public Instruction

sends the dollars to Department of Human Services. When looking at the specific codes that the pediatric therapists brought to their attention, and they ran the analysis, a good chunk of dollars are those that are being provided to children in school, and so they did it on that ratio.

Senator Dever the appropriation to Department of Public Instruction, is that also matched with federal funds through Medicaid?

Maggie Anderson (DHS) correct. That is why in the first sentence of appropriation it is \$1.364 million to Department of Human Services as well as the entire amount of the federal dollars, where Department of Public Instruction is only the general funds, because the Department of Human Services draws the federal match.

Senator Dever asked that \$50,000 was added to the number to make it work out.

Maggie Anderson (DHS) answered we actually used the numbers from their optional adjustment request, as we understood the bill to be.

Roll Call Vote to Amend

6 Yes, 0 No, 0 Absent. Motion passed.

Senator Warner moved that the Senate Human Services Committee give a DO PASS recommendation to SB 2272 AS AMENDED and re-refer to appropriations. The motion was seconded by **Senator Howard Anderson, Jr.** No discussion.

Roll Call Vote to DO PASS as Amended and Re-Refer to Appropriations

5 Yes, 1 No, 0 Absent. Motion passed.

Senator Warner will carry SB 2272 to the floor.

February 3, 2015

TV
2/3/15

PROPOSED AMENDMENTS TO SENATE BILL NO. 2272

Page 1, line 1, remove "create and enact a new section to chapter 50-24.1 of the North Dakota"

Page 1, remove line 2

Page 1, line 3, remove "therapists; and to"

Page 1, line 3, after "appropriation" insert "to the department of human services and the department of public instruction"

Page 1, remove lines 5 through 11

Page 1, line 12, remove "- PEDIATRIC"

Page 1, line 13, remove "THERAPISTS SERVICES"

Page 1, line 14, replace "\$2,750,000" with "\$1,364,539"

Page 1, line 15, replace "\$2,750,000" with "\$2,775,371"

Page 1, line 17, replace "providing" with "increasing the"

Page 1, line 17, after "payment" insert "levels"

Page 1, after line 19, insert:

"SECTION 2. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION.

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,410,832, or so much of the sum as may be necessary, to the department of public instruction for the purpose of increasing the payment levels for physical therapy services, occupational therapy services, and speech therapy services to recipients of medical assistance, for the biennium beginning July 1, 2015, and ending June 30, 2017."

Renumber accordingly

Date: 02/03 2015
Roll Call Vote #: 1

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES**
BILL/RESOLUTION NO. SB 2272

Senate Human Services

Committee

☐ Subcommittee

Amendment LC# or Description: 15.0624.01001 Title .02000

Recommendation: ☒ Adopt Amendment

☐ Do Pass

☐ Do Not Pass

☐ Without Committee Recommendation

☐ As Amended

☐ Rerefer to Appropriations

☐ Place on Consent Calendar

Other Actions:

☐ Reconsider

☐

Motion Made By

Anderson

Seconded By

Axness

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	✓		Senator Tyler Axness	✓	
Senator Oley Larson (V-Chair)	✓		Senator John M. Warner	✓	
Senator Howard C. Anderson, Jr.	✓				
Senator Dick Dever	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment

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

Date: 02/03 2015
Roll Call Vote #: 2

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2272

Senate Human Services Committee

☐ Subcommittee

Amendment LC# or Description: 15.0624.01001 Title. 02000

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☒ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐

Motion Made By Warner Seconded By Anderson

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	✓		Senator Tyler Axness	✓	
Senator Oley Larson (V-Chair)		✓	Senator John M. Warner	✓	
Senator Howard C. Anderson, Jr.	✓				
Senator Dick Dever	✓				

Total (Yes) 5 No 1

Absent 0

Floor Assignment Warner

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

REPORT OF STANDING COMMITTEE

SB 2272: 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, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2272 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "create and enact a new section to chapter 50-24.1 of the North Dakota"

Page 1, remove line 2

Page 1, line 3, remove "therapists; and to"

Page 1, line 3, after "appropriation" insert "to the department of human services and the department of public instruction"

Page 1, remove lines 5 through 11

Page 1, line 12, remove "- PEDIATRIC"

Page 1, line 13, remove "THERAPISTS SERVICES"

Page 1, line 14, replace "\$2,750,000" with "\$1,364,539"

Page 1, line 15, replace "\$2,750,000" with "\$2,775,371"

Page 1, line 17, replace "providing" with "increasing the"

Page 1, line 17, after "payment" insert "levels"

Page 1, after line 19, insert:

"SECTION 2. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,410,832, or so much of the sum as may be necessary, to the department of public instruction for the purpose of increasing the payment levels for physical therapy services, occupational therapy services, and speech therapy services to recipients of medical assistance, for the biennium beginning July 1, 2015, and ending June 30, 2017."

Renumber accordingly

2015 SENATE APPROPRIATIONS

SB 2272

2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2272
2/9/2015
Job # 23461

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Donald Mueller

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of human services and the department of public instruction.

Minutes:

Attachment 1-2

Legislative Council - Alex Cronquist
OMB - Sheila Peterson

Chairman Holmberg called the committee to order on SB 2272.

Senator Tyler Axness, State Senator, District 16, Bill Sponsor: Introduced SB 2272 for reimbursement for services provided by pediatric therapists. The bill came from a group of provider stakeholders concerned with the reimbursement rates for children on Medicaid. The reimbursement rate for this group is significantly lower, and this will get them reimbursed equally to their counterparts. It is about a 75% reimbursement rate.

There have been amendments since it was drafted. I introduced it because rather than OAR, I believe in early intervention. These children rely on Medicaid services, and those children not receiving early intervention will have long term impacts that will cost the state more in the long run. It will save the state money and allow the children to grow up and be productive citizens.

Senator Heckaman this brings providers up to 75% reimbursement. What is the current percent of reimbursement?

Senator Axness: Deferred, but at the end of 2014 talking with one of the individuals, he saw a reimbursement as low as 18-to-20% for the services.

Senator Kilzer: Is this an OAR that was not included? **Senator Axness** responded Yes. **Senator Kilzer** continued stating the OARS are level 1-7, what level is this? **Senator Axness** deferred, as he does not know the answer.

(4:00)

Tammy Sayer, Owner of Little Miracles Pediatric Therapy and Child Care Center, Grand Forks, ND: Testified in favor of SB 2272.

Testimony - Attachment 1.

Pediatric Therapy Service Provider Work Group - Attachment 2.

(9:03)

Senator Mathern: Why do you think this has gone on so long where this reimbursement rate is so much different than the other providers?

Tammy Sayer: The state has an existing format for establishing rates for reimbursement for new treatment codes, but there is no set process for rebasing for existing treatment codes. Our treatment codes have been around for decades. The preset baseline and each biennium there is a 4% increase, but a 4% increase on \$14 versus a 4% on \$100, there is a difference in how the numbers go up.

Senator Kilzer (10:18) When was re-basing done last for your specific codes?

Tammy Sayer: the Department of Human Services indicated there has not been any re-basing of the services.

Senator Kilzer: Have you ever requested it

Tammy Sayer: We didn't realize there was such a discrepancy, and haven't looked at it. As we were looking at our practices and making difficult decisions, we began modifying our business plans and analyzed the CPT codes and compared to other professionals and found the discrepancies. We did not request re-basing.

Senator Heckaman: What's the process for asking for re-basing?

(12:25)

Erik Elkins, Assistant Director of Medical Services Division, Dept. of Human Services: Testified in favor of SB 2272.

The process for requesting a re-base of fees usually comes from a provider group. In 2009, we did some re-basing for ambulance, chiropractic, hospitals, physicians, which were requested by those various groups. This usually comes as a request as the budget is being built and put into an OAR.

Senator Heckaman: when were the rates for these services set?

Erik Elkins: I don't know when they were re-based - it would be over 10 years ago. They've received inflationary increases, but haven't been re-based.

Senator Kilzer: Are there a lot of other medical services that have not been re-based. Can we assume that occupational therapy and speech therapy have not been re-based also?

Erik Elkins: This bill is pediatric therapies, but the code involved with this impacts all therapies, including occupational, speech and physical therapies. That set of codes have not been re-based in over 10 years. A lot of the professional services are reimbursed off of

the relative value unit (RVU) methodology. These services are reimbursed off of a straight fee schedule. The RVU with the conversion factors are updated every year based off of the legislative increase. But this particular set of services is based off of a fee schedule.

Senator Kilzer: how about things such as laboratory services

Erik Elkins: Laboratory services per our regulations are reimbursed at the Medicare Laboratory fee schedule. Those are updated every year when the new Medicare laboratory fee schedules are released.

Senator Kilzer: so the physical therapy would not be related to Medicare schedules?

Erik Elkins: Correct.

Chairman Holmberg closed the hearing on SB 2272.

2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2272
2/13/2015
Job # 23853

☒ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Eva Liebelt for Alice Dechow

Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for DHS (DHS/DPI) for Physical Therapists

Minutes:

No Attachments

Senator Kilzer called the subcommittee to order on Friday, February 13, 2015 at 11:00 am in regards to SB 2272.

PRESENT: Senator Kilzer, Senator Mathern, Senator Erbele, Michael Johnson, Legislative Council and Becky Deichert, OMB.

Senator Kilzer: This is a medical service bill relating to reimbursements for therapists and I note that Senator Mathern is one of the sponsors for the bill.

Senator Mathern: What I understand is that the providers across the state of these services have a wide range of paying clients and in the review of the payment levels these providers found that the level for reimbursement for Medicaid clients is dramatically lower than the cost of providing the service. In further review they found that the rate of reimbursement was much lower, so essentially the upticks we have provided to other providers over the years have not applied to this group. Now they have fallen way behind other medical providers.

Senator Kilzer: When you say other medical providers, you mean there is discrepancy in what Medicaid pays to one provider compared to another provider?

Senator Mathern: As a percent of their cost, yes there is a discrepancy. What we pay to ambulance service, hospital psychiatric care, nursing home, this group of providers has a lower percent of reimbursements to this costs. There is an unequal system in place. Some we have rebased regularly, and some we have not done. So the bill comes from their attempt to correct what they see as injustice in the payment system.

Senator Kilzer: So you were asked to put this bill in by the providers?

Senator Mathern: Right I wasn't personally asked but I did sign on to the bill, as I believed the issue to be something that needed to be corrected.

Senator Kilzer: I would like to approach this with a couple of different questions. First of all, I would like to find out what the history of the budget has been for the department of human services over the past several biennia in providing this medical service to these three providers. The second thing is talk about the comparison with Medicare reimbursement, and then additional for the future, talk about how long it's been since rebasing? Is there someone from the department that can tell me about the expenditure for this particular medical service over the past biennia?

Maggie Anderson, DHS: She referenced Attachment G, the medical services testimony of Julie Schwab's testimony. (5:50-10:09)

Senator Kilzer: I would like to go back a couple of biennium in the total for each one of those. I would also like to know how the level of reimbursement for these services compares to the Medicare reimbursement for the same service.

Eric Elkins: Assistant of Medical Services for the Department of Human Services: In answer to your question on the Medicare comparison, it varies by code so because these different therapy codes were set long ago if you compare them to Medicare each one is different as far as the percentage. He said it is a wide variance. (11:02-11:54)

Senator Kilzer: I understand what you are saying but there isn't a trend that one is better than the other overall if you look at the whole picture do you think they are reasonably the same?

Eric Elkins: With the way these fees were set several years ago, it is not the same as if we were using relative value rates. If we switched to those then there is a general percentage because they are all based off a conversion factor. With these fees, I could figure an average but then I would want to look at the utilization of each code to. They vary from 140% of Medicare to where we are actually paying more than Medicare. (12:17-13:04)

Senator Kilzer: The Medicaid level is sometimes lower and sometimes higher than Medicare and they are about equal in the overall picture?

Eric Elkins: In the overall picture the way our current fees are set, most are lower than Medicare.

Senator Mathern: For the study that you did to come out with these figures, you probably went through a process that is almost like rebasing, did you compare it with other medical providers? How did you come with this dollar amount as your proposal in your OAR?

Eric Elkins: We looked at all our claims incurred with these therapy procedure codes for a time period. Then we looked at what the difference would be if we changed to this methodology of reimbursing using the RVU methodology 75% rate. That difference was calculated to be the impact. If we switched to the RVU methodology these fees would be

more in line with how we reimburse physicians and other types of providers because we use the RVU methodology for those types of providers.

Senator Mathern: Would you prefer to use that methodology but is using the same methodology useful in the administration of Medicaid.

Eric Elkins: We have many services that are priced using a different methodology. Using this for these codes would standardize it so they are like most of the professional services. In that aspect, it would be more universal than a standalone fee schedule. (15:59-16:24)

Senator Mathern: Would providers like that method?

Eric Elkins: I can't speak to how the providers would react to that but because they put this forward I would assume they would be okay with it.

Senator Mathern: I am talking outside the dollar amount, the method.

Eric Elkins: The methodology in the end they just see the reimbursement that they get from us so I am not sure how we come to that amount would matter that much.

Senator Kilzer: If you were to do rebasing what would be your time schedule, how long would you take to put the new fee schedule in place?

Eric Elkin: I am not exactly sure on that one. We did the rebasing back in 2009. I would say at least a year or more. (17:40-18:11)

Senator Kilzer: The question would come up in two years. Is the alternative to change the 75% of the RVU?

Eric Elkins: I believe yes if we went to the 75% of RVU. (18:56-19:14)

Senator Kilzer: Is the RVU as satisfactory as what would be the result of rebasing to all concerned?

Eric Elkins: I can't speak to the providers. They were satisfied with changing the 75% of the RVU. (19:29-19:58)

Senator Kilzer: Could I talk to one of the providers?

Heather Arnt: Co-owner of Red Door Pediatric Therapy: I am a speech pathologist. At the start of this we are paid on a professional fee schedule which is visible on the DHS website, it is a public document. We get an indication every June. We did not realize that other similar or like providers were on the RVU. I think as a provider and as an employer all on RVU to have a streamline approach where we are all on that RVU schedule would certainly be easier. (20:22-21:26)

Senator Kilzer: So you would like that?

Heather Arnt: We would like to decrease the discrepancy. Speech and hearing often get lumped together but audiology is reimbursed around 80%, it's really just specific to speech pathology services. (21:30-22:43)

Senator Mathern: I would have one further question. Would the OAR accomplish the RVU methodology if that was funded or would 2012 or this bill need to be amended to accomplish the methodology and the dollar amount.

Maggie Anderson: Said she would speak from a handout that was attached to her testimony, Attachment F. (23:44-25:22)

Senator Mathern: Funding the OAR at the level you requested or passing this bill has the same outcome.

Maggie Anderson: Yes.

Senator Kilzer: This will be in our priority list, when we go over the OARS in 2012. It will be discussed at that time the hearing was closed on SB 2272.

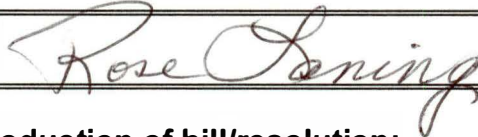
2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2272
2/17/2015
Job # 24031

☒ Subcommittee
☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation to the department of human services and the department of public instruction.

Minutes:

Legislative Council - Michael Johnson
OMB - Lori Laschkewitsch

Senator Kilzer called the sub-committee to order on SB 2272. **Senator Erbele** and **Senator Mathern** were also present.

Senator Kilzer asked Maggie if they like to rebase everything at the same time - or one or two services.

Maggie Anderson, Dept. of Human Services: If we did rebasing at one time, it would take more than interim. We need more clarity on what you mean by rebasing. Before, you asked us to collect cost information. In some ways, the Optional Adjustment Requests was rebasing them to get them on the RVU schedule, so they're tied to the physician rebasing you did in year 2009.

Senator Kilzer: I didn't like their complaints. They want to be paid like this other special group and I'm not sure I agree with that. If that's the only alternative, I'll go along with it. I just don't want to hear that we haven't been rebased for 10 years.

Maggie Anderson: Medicare establishes those relative values units (RVU) and we use a conversion factor and Medicare uses a conversion factor. Explained the fee schedule and conversion factors.

Since you rebased the physician fee schedule in 2009, we haven't really had any complaints from anyone who's paid off the RVUs.

Senator Kilzer: Would you like to do it at .75 of RVU like you described?

Maggie Anderson: It would be consistent with the way we're paying other practitioners. It would be a less administrative burden for us and less for us to explain to CMS of why we're setting up a different rate setting mechanism.

Senator Kilzer asked Deb McDermott - have you looked into this? (Answer - no)

Maggie Anderson: In SB 2272, It doesn't speak to the RVU or to resetting that fee schedule. If you're assured that we're going to carry it out and set it to that, certainly you could amend that to say that the department will use that to re-set the reimbursement rates to 75% of the RVU.

Senator Kilzer asked Legislative Council to use the language "75% of the department's professional fee schedule".

Senator Kilzer asked Deb if there was less utilization and the RVU stayed the same.

Deb McDermott: Our budget was built based on historical cost and caseload. This bill as well as the OAR takes it to 75% of the RVU schedule.

Senator Kilzer: I'm talking the fiscal note for the upcoming session and keep the per level of service the same as it is now. We won't increase their reimbursement until we get the rebasing done, correct?

Deb McDermott: We wouldn't really rebase them per se. The OAR as well as the bill is what we would need if we took our current caseload that was included in our budget right now and use it at 75% of the RV factor. The amount of money that we would need is in the bill. It was OAR #5 and would change the fee schedule effective July 1, 2015.

Senator Mathern: They have actually done the work already so it could go into effect immediately, but then they would need this money. These providers would have no relief between now and 2017.

Senator Kilzer: If we can get the new fee schedule into effect by then, it wouldn't matter.

Senator Mathern: But they can put it into effect in July 1, 2015.

Senator Kilzer: I do want to see the proper answer to this question about not having rebased or done anything in 10 years. I want some type of reference rather than just the 3 or 4 % increase every year that's been going on for 10 years.

Deb McDermott: If we had the money, the \$5.6M that's in the bill, then we could get the fee schedule changed and start paying at that rate on July 1, 2015.

Maggie Anderson: We did the equivalent of rebasing when we built the OAR. We didn't collect cost information. We just rebased them to 75% of the professional fee schedule. We've already done the analysis of what their current fee schedule would be. When they came in with their request, they asked us to pay them 80% of the commercial fee schedule. We pay practitioners off the RVU. We changed the RVU in July even tho they get updated

in January because our inflation for providers kicks in in July. Then we have to re-adjust in July. We would be ready to go with this \$5.6M that's in the OAR on July 1. There are actually less than 20 codes that are billed. We essentially did the rebasing when we did the OAR.

Allen Knudson, Legislative Council: Clarified the wording in the bill or in SB 2012?

Senator Kilzer: In 2012.

Senator Kilzer said if we get bill hog-housed and passed, that will take care of it. So the language will be here and the money in SB 2012.

Senator Mathern: We can act on the bill and then just until we see the amendments.

Senator Kilzer moved Do Pass as hog house amended with a definite formula for reimbursement for these three medical service providers.

Senator Mathern seconded.

Senator Mathern - yes.

Senator Kilzer - yes.

Senator Erbele - yes.

Vote 3 -0

2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2272
2/18/2015
Job #24094

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act for an appropriation to DHS and DPI (Do Pass as Amended)

Minutes:

Attachment # 1

Chairman Holmberg called the committee to order on Wednesday, February 18, 2015, in regards to SB 2272. All committee members were present. Lori Laschkewitsch, OMB and Michael Johnson, Legislative Council were also present.

Senator Kilzer presented Amendment # 15.0624.02001, Attachment # 1. He moved the amendment. 2nd by Senator Mathern.

Chairman Holmberg: all in favor of the amendment say aye. It carried.

Senator Kilzer moved a Do Pass as Amended on SB 2272. 2nd by Senator Mathern.

Discussion followed.

Chairman Holmberg: Call the roll on a Do Pass as Amended on SB 2272.

A Roll Call vote was taken. Yea: 13; Nay: 0; Absent: 0.

Senator Kilzer will carry the bill.

The hearing was closed on SB 2272.

February 18, 2015

780
2/18/15

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2272

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to direct the department of human services to adjust medical assistance payment rates for selected services."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. DEPARTMENT OF HUMAN SERVICES - MEDICAL ASSISTANCE PAYMENT RATE ADJUSTMENTS. The department of human services shall adjust its medical assistance payment rates for physical therapy services, occupational therapy services, and speech therapy services to seventy-five percent of the department's professional fee schedule established using the relative value units for the rate year beginning July 1, 2015."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes appropriations to the Department of Human Services and Department of Public Instruction and directs the Department of Human Services to adjust medical assistance payment rates for physical therapy, occupational therapy, and speech therapy services to 75 percent of the department's professional fee schedule beginning July 2015.

Date: 2-17-15
Roll Call Vote #: 1

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2272

Senate Appropriations Committee

☒ Subcommittee

Amendment LC# or Description:

do pass as HogHouse Amended

Recommendation:

☐ Adopt Amendment

☒ Do Pass

☐ Do Not Pass

☐ Without Committee Recommendation

☐ As Amended

☐ Rerefer to Appropriations

☐ Place on Consent Calendar

Other Actions:

☐ Reconsider

☐

Motion Made By _____ Seconded By _____

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Heckaman		
Senator Bowman			Senator Mathern	<input checked="" type="checkbox"/>	
Senator Krebsbach			Senator O'Connell		
Senator Carlisle			Senator Robinson		
Senator Sorvaag					
Senator G. Lee					
Senator Kilzer	<input checked="" type="checkbox"/>				
Senator Erbele	<input checked="" type="checkbox"/>				
Senator Wanzek					

Total (Yes) 3 No 0

Absent _____

Floor Assignment _____

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

Date: 2-18-15
Roll Call Vote #: 1

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2272

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: 15.06 24.02001

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Kilzer Seconded By Mathern

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Heckaman		
Senator Bowman			Senator Mathern		
Senator Krebsbach			Senator O'Connell		
Senator Carlisle			Senator Robinson		
Senator Sorvaag					
Senator G. Lee					
Senator Kilzer					
Senator Erbele					
Senator Wanzek					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Carried

Date: 2-18-15
Roll Call Vote #: 2

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2272

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Kilzer Seconded By Mathern

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Heckaman	✓	
Senator Bowman	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator O'Connell	✓	
Senator Carlisle	✓		Senator Robinson	✓	
Senator Sorvaag	✓				
Senator G. Lee	✓				
Senator Kilzer	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent _____

Floor Assignment Kilzer

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

REPORT OF STANDING COMMITTEE

SB 2272, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2272 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to direct the department of human services to adjust medical assistance payment rates for selected services.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. DEPARTMENT OF HUMAN SERVICES - MEDICAL ASSISTANCE PAYMENT RATE ADJUSTMENTS. The department of human services shall adjust its medical assistance payment rates for physical therapy services, occupational therapy services, and speech therapy services to seventy-five percent of the department's professional fee schedule established using the relative value units for the rate year beginning July 1, 2015."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes appropriations to the Department of Human Services and Department of Public Instruction and directs the Department of Human Services to adjust medical assistance payment rates for physical therapy, occupational therapy, and speech therapy services to 75 percent of the department's professional fee schedule beginning July 2015.

2015 HOUSE HUMAN SERVICES

SB 2272

2015 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Union Room, State Capitol

SB 2272
3/16/2015
Job #24883

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Vicky Crabtree

Explanation or reason for introduction of bill/resolution:

Direct the DHS to adjust medical assistance payment rates for selected services.

Minutes:

Testimonies 1-2

Chairman Weisz called the hearing to order on SB 2272.

Sen. Tyler Axness: From District 16 parts of Fargo and West Fargo introduced and testified in support of the bill. The bill before you looks pretty different from the one I introduced at the beginning of the session. The changes made on Senate side is this is intended get reimbursement from Medicaid for services provided for pediatric therapy and other services for up to the 75% mark. These particular providers have been left out of getting their reimbursement bumped up. The DHS introduced this idea as an optional budget request. The Governor did not select it. The bill directs the DHS to set the rate at 75%. The money needed for that reimbursement is actually in SB 2012 which is the DHS budget. I stand behind this bill because these are early intervention programs for children.

Chairman Weisz: What is the current reimbursement rate?

Sen. Axness: It really depends on what service it is. I have seen some reimbursed as low as 20% and others in the middle. That information will be coming up from behind.

Chairman Weisz: You indicated the money was in the budget?

Sen. Axness: Yes, Senate Appropriations took the money out of this bill and amended it into the budget itself. So the money is in SB 2012.

4:58

Stephen Olson: Owner of Pediatric Therapy Partners testified in support of the bill.
(See Testimony #1)

14:02

Rep. Fehr: Who does the diagnostic work to do the referral to determine what services are appropriate?

Olson: A physician gives us an order that the child needs these services.

Rep. Fehr: You are talking about a doctor, a physician and not a nurse practitioner.

Olson: Either would be able to do that.

15:46

Kelly Deweese: On behalf of the ND Occupational Therapy Association testified in support of the bill. (See Testimony #2)

17:52

Rep. Rich Becker: Are you saying that the services of the PT, OT and speech, whoever sets these medical percentages are saying that your services are worth only 25%? That is a big gap and I'm wondering why things got that way.

Deweese: That is a good question. We were left out of that and we are trying to get back into the area of 75%.

Rep. Rich Becker: What other groupings may be between the 25% and 75%? What other service providers?

Deweese: I can get that information for you.

NO OPPOSITION

Rep. Porter: I have a question for the department. Inside of your fee schedule, the relative value of 75%; how does that compare inside of the other professions that are being reimbursed?

Eric Elkins: From the DHS. The 75% of value relative unit, for example nurse practitioners, we reimburse them at 75% physicians are reimbursed at 100% of relative value unit and chiropractors are on a fee schedule.

Rep. Porter: How does the referral system inside of these practices work and utilization and controls in place to safeguard against over payment?

Elkins: A referral is needed by a primary care physician. Once the referral is made we have limits on therapy services, speech, OT, and PT. If those limits are reached we then review requests from the therapists for additional therapy services if they are needed.

Rep. Porter: Inside of your budgeting process, this one did not make it into the budget. How did you look at the reimbursement to the market and why wasn't it considered?

Elkins: Typically when we are building our budget we don't look at every service or category where their reimbursement is in comparison to other reimbursements of private or Medicare. I believe an across the board provider increase was budgeted, but this wasn't specifically looked at.

Rep. Porter: Is there a single provider group that you deal with that thinks they are paid what their par is inside the Medicaid system?

Elkins: It is a hard question for me to answer.

Rep. Porter: If I asked 5 doctors if they get a fair reimbursement rate from ND, what do you think they would tell me?

Elkins: I'm not sure. It is hard for me to answer.

Chairman Weisz: Currently they are being paid on a fee schedule, correct?

Elkins: That is correct.

Chairman Weisz: The testimony says it reflects roughly 20% RVU. Would you agree with that?

Elkins: I think the 20% was when you compared it to commercial rates.

Chairman Weisz closed the hearing on SB 2272.

2015 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee Fort Union Room, State Capitol

SB 2272
3/30/2015
25626

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Donna Whetham

Explanation or reason for introduction of bill/resolution:

Direct the department of human services to adjust medical assistance payment rates for selected services.

Attachment # 1&2.

Minutes:

Chairman Weisz: reopened the hearing on SB 2272. This bill has to do with the Physical Therapist's (PT), Occupational Therapist's (OT), Speech Therapist's (ST), moving them up to 75% of the Relative Value Units (RVU).

Rep Porter: The general policy discussion that I would have on this bill is just from an informational standpoint of the process. Inside the Governor's budget there was \$3.8 million dollars that was funded for rebasing Emergency Medical Services (EMS) across the state. The language that was discussed was 80% of the 2014 Workforce Safety and Insurance rates to insure the ambulance services remain viable across the state and to insure services remain available for the North Dakota Medicaid enrollees. That was funded and in the budget that came out of the Governor's office. The PT and OT component was not funded. This bill was put in Version 1000 that includes the \$ 2.75 million and then the language to move them to 75% of the professional fee schedule. As the SB 2012 worked through the system, they cut out the Appropriation of \$2.75 million and moved it into the budget. They then took \$2.8 million of the \$3.8 million dollars that was put in there by the Governor for EMS and gave the PT, OT component \$2.7 million dollars. So this was funded by taking the money away from EMS that was put in by the Governor's budget. I have a problem how this process is going because EMS has been in the same list of providers that have not been moved up. EMS worked through the entire interim and got put in the budget by the Governor. I have an issue with another provider coming in and taking the money. I think it is unfair to all the ambulance services across the state that the Senate took the vast majority of the money that the Governor used in the budget process and gave it to another provider group. To put EMS back at equal standing inside of the Appropriations process I thought it would be fair to add a Section 2 to SB 2272 that just put the Departments language back in. It would say to rebase the Medicaid ambulance services to 80% of the 2014 Workforce Safety and Insurance rates to ensure the

ambulance services remain viable across the state and to insure services remain available for the North Dakota Medicaid enrollees.

Chairman Weisz: Can you tell us currently what EMS is paid at on Medicaid? I realize going to WSI is a shift.

Rep Porter: I can't give you those numbers off the top of my head. The last time we did anything it moved EMS just above Medicare. When they did the big study in 2009 or 2011, Medicare was still \$200-\$300 per call below the average cost of providing the service. It moved Medicaid above that but it still didn't them up to what that study came back and said the cost of providing service across the state was.

Chairman Weisz: Do you want to make that motion?

Rep Porter: I move that we amend SB 2272 to add Section 2, the Department is to rebase the Medicaid ambulance services to 80% of the 2014 Workforce Safety and Insurance rates to ensure the ambulance services remain viable across the state and to ensure services remain available for the North Dakota Medicaid Enrollees.

Rep D. Anderson: seconded.

Chairman Weisz: To be clear that language takes it to where the Governor's budget was?

Rep Porter: I would add on the back side of that " the future year rate increases would be consistent with provider inflation authorized by the legislature". The amendment would have that sentence added. (See Attachment #2).

Maggie Anderson: Executive Director of North Dakota Department of Human Services: You wanted a comparison to Medicare?

Chairman Weisz: No, I wanted to know how that compared to the percentage increase to others being reimbursed today on Medicaid and I am assuming the increase is the \$3.8 million dollars because that was in the Governor's budget. So what percentage are they getting?

M. Anderson: (9:10- 11:28) Our total ambulance budget in the current biennium is \$8 million and when we get the cost to case load, our case load would have increased the budget by \$1.6 million dollars. It would have been in that neighborhood of \$9.5 million dollars and that area also had inflation. Oh but here are the actual numbers, our cost to case load was about a wash, \$300,000 costs increase and \$500,000 case load decrease and inflation was \$500,000 and the ambulance rebasing. Our total changes were \$4.1 million dollars and to the Senate our request was \$12 million in total funds.

Rep Porter: That language with that funding amount was in the Governor's budget that went to the Senate.

Rep Becker: Representative Porter, I am understanding what you are trying to do, but for my clarification I am not sure I am following the 75% payment for the Physical Therapists, Occupational Therapists, and Speech Therapists and you picked 80%, where did the 80% number come from?

Rep Porter: The two providers are paid on a different type of fee schedule so their relative value unit that they are using is the fee schedule for those professional services. EMS is based on a base rate and mileage only. So to have a bench mark of what the private insurance companies are using inside of their fee schedules, the only one the Department had access to was Workforce Safety and Insurance because Blue Cross Blue Shield fee schedule is proprietary so they can't know what Blue Cross reimburses so typically they use another government agency to base that on.

Chairman Weisz: If nobody gets everything they want in the Governor's budget and if we send this out at 80% how is that going to affect that?

Rep Porter: I think the weight of this policy committee, the Senate cut it down from 80% down to 20%, the weight of this policy committee putting it back to 80% and sending a bill over in direct correlation to where the rest of the money went certainly puts EMS back on at least equal footings for negotiations. By sending SB 2272 out without the EMS component with the weight of the policy committee to Appropriations I think it does a disservice to EMS and that is where the money came from. It puts EMS back at a level playing field.

Rep Fehr: I understand Maggie's \$9.5 million, but that is not the fiscal note on this amendment is it, do we know what that is?

Chairman Weisz: That would be \$2.8 million.

Rep Porter: It would be \$3.8 million but there is still \$1 million left from what the Senate had done.

Chairman Weisz: They took \$2.8 million dollars out.

Rep Porter: In the Governor's budget it started out with this language and \$3.8 million dollars and the Senate took this language out and took \$2.8 million out and left \$1 million for the EMS component in an increase.

Chairman Weisz: There was still \$9.6 million in the original from last year's budget and they left \$1 million of an increase in there instead of the \$3.8 that was in the Governor's budget. Does that clear that up for you?

Rep Fehr: Yes. As a committee we are at a disadvantage because we have not heard the testimony and I am wondering where does this leave us? Assuming this gets passed Appropriations and gets to the conference committee we are at a disadvantage to not knowing the details we haven't heard here.

Rep Porter: I think this bill with the policy recommendations on it and will get to Appropriations and they will see what we think for both PT and EMS and they will vote this

down and adopt the Appropriations component of it that they see fit. I think the bill is important from my amendment standpoint because it puts EMS back at the table for discussions going back to the original recommendation of the Governor.

Rep Fehr: They can recommend but they can't kill it without it going back to the House for an up or down vote.

Chairman Weisz: Any other discussion? Seeing none.

Voice vote taken: Motion carried.

Rep Porter: I move to amend SB 2272 in Section 1 on line 7 removing "75" and putting it at "50" of the Departments fee schedule.

Rep Hofstad: seconded.

Chairman Weisz: I have a question on your handout. (See Attachment #1) When it says 50% that means so codes that are already above 50% stay there?

Maggie Anderson: Yes that is correct, we wouldn't reduce any fees. (See Attachment # 1). You had asked them at 40% and 50% and the motion is for 50% and that is the middle of the 3 columns and the information to the right is units of service and there is a portion of this impact that hits DPI because of PT, OT and Speech that is done through the schools and a portion that hits the Medicaid program directly to the Department. The top section is Medicaid the middle is DPI and the bottom is the total. You have been talking about the \$5.5 million dollar to go to the 75%, the middle portion would be the motion Representative Porter made to go to 50% and the 3rd column is if it is at 40%. You have it broken out to what is needed by Department versus DPI's.

Chairman Weisz: This was an optional OAR?

Maggie Anderson: This was an optional adjustment request (OAR) that was not funded in the executive budget and what was requested was the 75% not the 50%.

Chairman Weisz: The OAR was at 75% and this would get them half way there this biennium.

Rep Oversen: I will oppose the motion to reduce them. That will just force them to return next session and probably again after that if we don't do it. Looking back at the testimony of this bill it is mostly therapists that are serving children with disabilities and mostly on Medicaid so they will not be able to access these services elsewhere. We are putting them on waiting lists if we don't have enough providers who will take Medicaid. These services increase their quality of life. If we can do better to provide those services we ought to.

Chairman Weisz: The way it sounds 75% would have been over 80% of the average reimbursements is what they are estimating of average private insurance reimbursement rate.

Rep Becker: I would have to believe if we were dealing with some of the original budget numbers we probably would do a 75% or higher, but the fact that every bill is being looked at, we might be better off to go for what we might get. I don't disagree with Representative Oversen, but even if they come back we might be in a better position to treat this bill and many others in a better capacity.

Rep Muscha: This relates back to my issue with our abortion again, Occupational, Physical and Speech, these are kids that are born with issues and we made a loud statement last session about that. I definitely can't support the 75 down to 50%.

Chairman Weisz: Any further discussion? Seeing none the clerk will call the roll for the amendment to SB 2272 .

A Roll Call Vote was taken. Yes: 8 No: 5 Absent: 0. Motion carried.

Chairman Weisz: We have an amended bill before us. (See Attachment #2). Committee what are your wishes?

Rep Porter: Do Pass as Amended and rerefer to Appropriations on SB 2272.

Rep Fehr: seconded.

A Roll Call Vote was taken. Yes: 13 No: 0 Absent: 0. Motion carried.

Rep Seibel: will carry the bill.

82
3/31/15

March 30, 2015

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2272

Page 1, line 7, replace "seventy-five" with "fifty"

Page 1, after line 8, insert:

"SECTION 2. DEPARTMENT OF HUMAN SERVICES - MEDICAL ASSISTANCE AMBULANCE SERVICES. The department of human services shall rebase the medical assistance ambulance services fee schedule to eighty percent of the 2014 workforce safety and insurance fee schedule to ensure the ambulance services remain viable across the state; and to ensure ambulance services remain available for medical assistance enrollees. Future inflationary increases are subject to legislative authorization."

Renumber accordingly

Date: 3-30-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2272

House Human Services Committee

☐ Subcommittee

Amendment LC# or Description: add a section 2.

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Porter Seconded By Rep. D. Anderson

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz			Rep. Mooney		
Vice-Chair Hofstad			Rep. Muscha		
Rep. Bert Anderson			Rep. Oversen		
Rep. Dick Anderson					
Rep. Rich S. Becker					
Rep. Damschen					
Rep. Fehr					
Rep. Kiefert					
Rep. Porter					
Rep. Seibel					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Add a section 2
Dept To Rebate the ambulance services by 80%

Date: 3-30-15
Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2272

House Human Services Committee

☐ Subcommittee

Amendment LC# or Description: amend section 1, replace 75 with 50.

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Porter Seconded By Rep. Hofstad

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	✓		Rep. Mooney		✓
Vice-Chair Hofstad		✓	Rep. Muscha		✓
Rep. Bert Anderson	✓		Rep. Oversen		✓
Rep. Dick Anderson	✓				
Rep. Rich S. Becker		✓			
Rep. Damschen	✓				
Rep. Fehr	✓				
Rep. Kiefert	✓				
Rep. Porter	✓				
Rep. Seibel	✓				

Total (Yes) 8 No 5

Absent 0

Floor Assignment _____

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

Amend section 1 remove 75 and
replace with 50

Date: 3-30-15
Roll Call Vote #: 3

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2272

House Human Services Committee

☐ Subcommittee

Amendment LC# or Description: 15.0624.03001

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☒ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Porter Seconded By Rep. Fehr

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Rep. Mooney	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Vice-Chair Hofstad	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Rep. Muscha	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Rep. Bert Anderson	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Rep. Oversen	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Rep. Dick Anderson	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Rep. Rich S. Becker	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Rep. Damschen	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Rep. Fehr	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Rep. Kiefert	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Rep. Porter	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Rep. Seibel	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			

Total (Yes) 13 No 0

Absent _____

Floor Assignment Rep. Seibel

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

REPORT OF STANDING COMMITTEE

SB 2272, as reengrossed: Human Services Committee (Rep. Weisz, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed SB 2272 was placed on the Sixth order on the calendar.

Page 1, line 7, replace "seventy-five" with "fifty"

Page 1, after line 8, insert:

"SECTION 2. DEPARTMENT OF HUMAN SERVICES - MEDICAL ASSISTANCE AMBULANCE SERVICES. The department of human services shall rebase the medical assistance ambulance services fee schedule to eighty percent of the 2014 workforce safety and insurance fee schedule to ensure the ambulance services remain viable across the state; and to ensure ambulance services remain available for medical assistance enrollees. Future inflationary increases are subject to legislative authorization."

Renumber accordingly

2015 HOUSE APPROPRIATIONS

SB 2272

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2272
4/3/2015
Job #25800

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Beckie Struge

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to direct the department of human services to adjust medical assistance payment rates for selected services.

Minutes:

Chairman Jeff Delzer opened the meeting.

Representative Robin Weisz: Spoke on the bill.

Chairman Jeff Delzer: That was in the Governor's budget. What is the current reimbursement rate?

1:58

Weisz: It was \$2.8M increase to take it to the 80%, the it would roughly be a 30-40% increase. I believe the 2013-15 budget was about \$9.6M, now it will be \$12.3M at the 80%.

Representative Pollert: We have the language for the therapists in the DHS budget. The Senators put the increase of \$3.8M ambulance down to \$1M. This bill is putting it back to \$3.8M.

Weisz: We don't have the fiscal note yet.

Chairman Jeff Delzer: We will have to hold this then.

3:38

Representative Pollert: Chairman Weisz and I talked about the 50% and what that means. What I understand is depending on what this committee wants to do with 2272. There is a little discrepancy between SB 2272 and here as well. Really section 1, because of what we've done in the DHS budget, they know what to do with the 50% - if that stays there through conference committee.

Weisz: Currently ambulances are being reimbursed anywhere from 53% of the WSI to 72.3, depending on the service. Advanced life support and non-emergency transport is at 53. Fixed wing air mileage is at 72.

Chairman Jeff Delzer: What's WSI rate compared to other insurances?

Weisz: The North Dakota Medicaid fee schedule, for example, would be \$8.36, and WSI would be \$14.

Chairman Jeff Delzer: Why are they using WSI?

Weisz: I'm not sure, in the case of EMS why went to WSI versus RVU for the other.

Representative Nelson: One of the issues is that the fee schedule ranges from 53% to 70% depending on the code. By doing that there are some winner, and some losers. Air ambulance is paid a higher rate than ground ambulance. We are proposing that they are all paid at the same percentage as WSI.

Representative Nelson: It's hard to track ambulance repayments.

Representative Hogan: In Section 1, do you the average relative value units are for other providers?

8:14

Chairman Jeff Delzer: We will probably discuss that when we deal with SB 2012.

Weisz: It varies, doctors are at 140.

Representative Pollert: The idea behind the 50% is because of our current. We understand they hadn't been re-based when we re-based. I think we are working up to that. We are suggesting 50%, but we need to get to 75% by the next biennium.

Chairman Jeff Delzer: We are at 50% on F-map - all of this works with that too, unless they (federal) change their language all together.

Chairman Jeff Delzer closes meeting on SB 2272.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2272
4/8/2015
25949

- ☐ Subcommittee
☐ Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to direct the department of human services to adjust medical assistance payment rates for selected services.

Minutes:

Chairman Jeff Delzer: I don't know that I have looked real hard at this one. Representative Pollert did you guys look at this?

Representative Pollert: I remember that the Senate had reduced the ambulance from 3.8 million down 1 million again and then the policy committee added this back to the bill.

Representative Nelson: In Section 1 of the re-engrossed .04000, the 50 percent is what we just passed in 2012. Section 2 we rebased the ambulance to WSI but its not at 80 percent I believe it is at 63 percent and that is where that sits in 2012.

Chairman Jeff Delzer: I do not believe that we should have separate bills that deal with this it should be dealt with in the budget.

Representative Nelson: Motion for do not pass

Vice Chairman Keith Kempenich: Seconded

Representative Pollert: When we talked about the RVU's and the 50 percent we had talked about whether SB 2272 was needed in the section. Because of what we talked about we should be in shape to implement the 50 percent without this bill.

Chairman Jeff Delzer: That is where it belongs it belongs in the budget bill.

Representative Hogan: I know that we thought because they are at 25 percent now we do 50 and look at 75 percent perhaps over time, because aren't other providers near to the 70 75 percent RVU?

Representative Pollert: That is very true and the reason we did the 50 percent thinking we are going to need to step in this because if we were in the same picture where we were at in December we wouldn't have looked at that we would have just done it.

Representative Hogan: At least for the record the intent is that we will look at this again in two years to look at the 75 percent.

Chairman Jeff Delzer: It will be 1012 two years from now.

Representative Pollert: The speech therapists were not rebased and we understand that it's just that the picture has changes so we went to 50 percent. Whereas the ambulance has been rebased and everybody else was this particular group got forgot.

Chairman Jeff Delzer: We might as well be honest about it, the doctors ended up way high by something that happened four years ago and we are trying to catch up with that to some degree too.

Motion for a Do Not Pass.

Motion made by Representative Nelson.

Seconded by Representative Kempenich.

Total yes 19. No 2. Absent 2.

Motion carries.

Floor assignment Representative Nelson.

Date: 4/8/15Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2272House: Appropriations Committee☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☒ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
 Other Actions: ☐ Reconsider ☐ _____

Motion Made By: NelsonSeconded By: Kempenich

Representatives	Yes	No	Absent
Chairman Jeff Delzer	✓		
Vice Chairman Keith Kempenich	✓		
Representative Bellew	✓		
Representative Brandenburg			—
Representative Boehning	✓		
Representative Dosch	✓		
Representative Kreidt	✓		
Representative Martinson	✓		
Representative Monson	✓		
Representative Nelson	✓		
Representative Pollert	✓		
Representative Sanford	✓		
Representative Schmidt	✓		
Representative Silbernagel	✓		
Representative Skarphol	✓		
Representative Streyle	✓		
Representative Thoreson	✓		
Representative Vigesaa	✓		
Representative Boe	✓		
Representative Glassheim			—
Representative Guggisberg		✓	
Representative Hogan		✓	
Representative Holman	✓		
TOTALS	19	2	2

Floor Assignment: Nelson

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

REPORT OF STANDING COMMITTEE

SB 2272, as reengrossed and amended: Appropriations Committee (Rep. Delzer, Chairman) recommends DO NOT PASS (19 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). Reengrossed SB 2272, as amended, was placed on the Fourteenth order on the calendar.

2015 TESTIMONY

SB 2272

Pediatric Therapy Service Provider Work Group

02/02/15

SB2272

Dear Senator:

Hello, my name is Stephen Olson. I am one of the owners of Pediatric Therapy Partners, the largest pediatric outpatient therapy practice in North Dakota, serving children for occupational therapy, physical therapy, and speech language pathology. We serve over 600 children at any one time and an average of 1500 children each year. These children have many different medical diagnoses including but not limited to Autism, Cerebral Palsy, Down Syndrome, developmental delay, neurological deficit, chromosomal abnormalities and many others. I have been working with children for 15 plus years and during that time have had the opportunity to work in many areas including schools, early intervention, acute hospital, specialty clinics, serve as the reviewer for Blue Cross Blue Shield and currently serve as a governor appointed medical provider on the Interagency Coordinating Committee (ICC) for the state of ND.

I am here representing the Pediatric Therapy Service Provider Work Group. This group is made up of four private outpatient therapy practices from across the state of ND. Collectively we serve approximately 75% of the children receiving outpatient services in the state of ND. Each week we serve 100's of children and each year 1000's. Clinic demographics indicate that 30% of the children serviced in our facilities utilize ND Medicaid as their primary medical insurance, while another 20% utilize ND Medicaid as a secondary medical insurance. Therefore, 50% of the children receiving services in our outpatient clinics have ND Medicaid. This is compared to 9% of patient served in institutions or hospitals across the state.

At this time I want to take the opportunity to comment regarding Senate **Bill 2272**. The practice of occupational therapy, physical therapy, and speech-language therapy is science-driven, evidence-based, and enables people of all ages to live life to its fullest by promoting health and minimizing the functional effects of illness, injury, and disability therefore maximizing their functional potential. This means for children who receive direct therapy services at a young age, they are able to learn the skills necessary to effectively participate in home and community environments, often times resulting in less cost for service over the long term.

Educationally, speech pathologists and occupational therapists are required to hold a Master's degree in order to be licensed in the state of ND, while physical therapy programs now require a doctorate degree. The current reimbursement level from ND Medicaid for these services is far from enough to cover the cost of utilizing these essential providers to continue providing these services. Senate **Bill 2272** requests an increase of reimbursement up to 75% of the RVU rate or approximately 82% of the average private insurance reimbursement rate, which would eliminate the significant discrepancy between these professionally-based treatment codes and **all other** professionally based outpatient services, including but not limited to audiology, chiropractic's, and dietetics, which per the current ND Medicaid professional fee schedule are reimbursed at an average of 75% of the RVU rate or an average of 82% of the average private insurance rate. Please note that the unit "RVU" made of a formula ND Medicaid uses to determine most professional fee reimbursement levels. By report

Pediatric Therapy Service Provider Work Group

of NDMA it is made up of a combination of private insurance reimbursement and Medicare reimbursement levels for each type of provider. We have sought out an answer for why this inequity has occurred amongst professional medical service providers but there has been no answer for it from ND Medicaid or the DHS. What this means in dollars and cents is an increase in the DHS budget related to Medicaid reimbursement of professional outpatient services of \$2.75 million/ year or \$5.5 million/biennium.

The state of North Dakota is growing; The Department of Human Services has indicated that the number of people on Medicaid is increasing exponentially. There is a waiting list for the Autism Waiver, and a need for continued support of the Developmental Disabilities waiver. The decision made on Senate **Bill 2272** will have a critical impact on children utilizing ND Medicaid that require and benefit from speech, occupational, and physical therapy.

We love what we do; the services we provide have a direct impact on children. When you have a direct impact on children, you have a direct impact on families. If this bill does not pass, professional outpatient therapy practices will be required to drastically modify our guidelines, resulting in a significant decrease in the number of individuals we will be able to serve with ND Medicaid, based solely on the discrepant reimbursement indicated on the professional fee scale. We absolutely do not want this to happen. We recognize that it is counter-productive to decreasing available services for children, while the number of families utilizing Medicaid increases as do the wait lists for available waiver services.

I encourage you to **vote YES on Senate Bill 2272**. The passing of this bill will allow us to continue providing these essential outpatient speech, occupational, and physical therapy services to hundreds of children throughout the state.

Thank you for considering my concerns and the impact that your decision will have for these children and families.

Respectfully Submitted

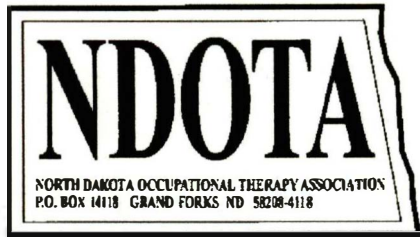
Stephen Olson

If there are further questions regarding this matter please do not hesitate to contact me at solson@pediatrictherapypartners.com.

Pediatric Therapy Service Provider Work Group

Q&A

1. ***What is the difference between institutional versus professional billing for outpatient therapy services?*** Institutional billing is reimbursed on a cost to service basis. Hospitals are considered "institutions" and are reimbursed on a cost to service basis. Professional billing is reimbursed based on a professional fee schedule. Professional billing pertains to private clinics.
2. ***What is the percentage of clients served by institutions versus professional outpatient settings (occupational therapy, physical therapy, speech-language therapy) whom utilize ND Medicaid for their insurance?*** Institutions (ie: Hospitals) = 9%, Professional outpatient settings = 50%
3. ***Do professional outpatient services have limits on what they are reimbursed for services?***
Yes, professional outpatient services are reimbursed based on the set NDMA fee schedule. Unlike institutional settings, our reimbursement is not based on what it costs to provide the service. We can't raise our billing rates based on what it costs to provide services.
Example: Practice A bills \$200.00 for 4 units (1 hour) of skilled OT intervention. Utilizing the current professional Medicaid fee schedule each unit is reimbursed at \$15.93 per unit, totaling \$63.72 for the visit. Patient has no recipient liability. Remaining difference is written off by Practice A.
4. ***What is the current RVU for like providers?*** 75%
5. ***What is the current RVU for professional outpatient services?*** 20-25%
6. ***Why are the above RVU percentages so different?*** Per DHS, they have been unable to answer this question.
7. ***What population of patients do we serve?*** Professional outpatient services provide intervention to hundreds of children with diagnoses including, but not limited to: Autism, Downs Syndrome, Cerebral Palsy, Developmental Delay.
8. ***How will the decision on Bill 2272 impact the clients utilizing ND Medicaid?*** If this bill doesn't pass, outpatient therapy practices will be required to change guidelines, resulting in a significant decrease in the number of individual we will be able to serve with ND Medicaid. This will directly impact children served on the Autism and Developmental Disabilities waiver as many of these children are served by outpatient therapy practices.
9. ***What level of professionals do outpatient therapy practices employ to provide these services?***
All therapists require masters or doctorate level education as well as additional training in the area of pediatrics.



Attach #2
02/02/15
SB2272
J#22951

February 2, 2015

Dear Chairman Lee,

On behalf of the North Dakota Occupational Therapy Association, I am writing this letter regarding Senate Bill 2272. The North Dakota Occupational Therapy Association supports this bill as a first step in addressing low Medicaid reimbursement rates experienced by occupational therapists, physical therapists, and speech language therapists in the state of North Dakota.

As the committee is aware, pediatric providers across the state have identified that up to 60% of their clientele are served by North Dakota Medicaid. Low Medicaid reimbursement rates have historically been offset by individuals with private insurance allowing providers to continue to serve all clients. However, this trend continues to change secondary to the Affordable Care Act making it difficult to provide services and stay afloat financially. In addition, fee schedule rates of reimbursement across health care services have not been equitable.

It is important that reimbursement rates be at a level that allows occupational therapists, physical therapists, and speech language therapists to continue to serve our pediatric clients across the state of North Dakota. Our state has a longstanding history of providing excellent care for our children with disabilities and this bill is one example of that commitment. Thank you for your time.

Carol Olson, PhD, OTR/L, FAOTA
North Dakota Occupational Therapy Association

PROPOSED AMENDMENTS TO SENATE BILL NO. 2272

Attach#3
SB 2272
02/02/15
J# 22951

Page 1, line 1, remove "create and enact a new section to chapter 50-24.1 of the North Dakota"

Page 1, remove line 2

Page 1, line 3, remove "therapists; and to"

Page 1, line 3, after "appropriation" insert "to increase medicaid reimbursement for physical therapy services, occupational therapy services, and speech therapy services"

Page 1, line 5, remove "A new section to chapter 50-24.1 of the North Dakota Century Code is created"

Page 1, remove lines 6 through 11

Page 1, line 12, remove "**SECTION 2.**"

Page 1, line 12, after "**SERVICES**" insert "- **DEPARTMENT OF PUBLIC INSTRUCTION**"

Page 1, line 14, replace "\$2,750,000" with "\$1,364,539"

Page 1, line 15, replace "\$2,750,000" with "\$2,775,371"

Page 1, line 16, after "services" insert ", and there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,410,832 to the department of public instruction,"

Page 1, line 17, replace "providing" with "increasing the"

Page 1, line 17, after "payment" insert "levels"

Renumber accordingly

Department of Human Services OARs for the 2015-2017 Biennium
as of January 5, 2015

Row #	Priority	Category	Description	FTE	General	Federal	Other	Total
1	01	Salary Equity	Staff Retention - 90% of Market		7,116,270	3,183,730		10,300,000
2	02	Energy Impact	Oil Patch Add-On for Staff of the Williston, Minot and Dickinson Regions		2,856,811	512,865		3,369,676
3	03	Capacity	Increase Child Care Provider Rates		2,022,099			2,022,099
4	03	Capacity	Ambulance Rate Increase		1,904,746	1,904,746		3,809,492
5	03	Capacity	Physical Therapy/Occupational Therapy/Speech Therapy Rate Increase		2,775,371	2,775,371		5,550,742
6	03	Capacity	Spousal Impoverishment (January 2016 Effective Date)		617,544	617,544		1,235,088
7	03	Capacity	ND State Council on Developmental Disabilities FTE	1.00		34,018		34,018
8	03	Capacity	Vulnerable Adult Protective Services		1,080,073			1,080,073
9	03	Capacity	Guardianship Establishment (Vulnerable Adults)(52 Slots)		130,000			130,000
10	03	Capacity	Chafee Independent Living		178,361			178,361
11	03	Capacity	Change in Federal Child Care Laws FTE	1.5	172,459	118,681		291,140
12	03	Capacity	Extended Services - Seriously Mentally Ill (50 Slots)		554,989			554,989
13	03	Capacity	Supported Employment for Integrated Dual Disorder Treatment (IDDT) (46-52 Slots)		928,248			928,248
14	03	Capacity	Prevocational Skills - TBI (26 Slots)		422,000			422,000
15	03	Capacity	Extended Services - Other (24 Slots)		122,796			122,796
16	03	Capacity	Extended Services - TBI (35 Slots)		180,783			180,783
17	03	Capacity	Developmental Disabilities Nurse FTE	1.0	91,454	91,455		182,909
18	03	Capacity	Increase in Wards for DD Guardianship (20 Slots)		155,919			155,919
19	03	Capacity	Autism Administrative Staff Officer FTE	1.0	114,829	59,249		174,078
20	03	Capacity	Increase in Current Autism Waiver Slots (December 2015 Effective Date) (30 Slots)		880,800	880,800		1,761,600
21	03	Capacity	Additional Autism Voucher Slots (20 Slots)		500,002			500,002
22	03	Capacity	Child Welfare Regional Supervisor FTEs (NC, SE, WC)	3.0	437,771	52,273		490,044
23	03	Capacity	10 Bed Crisis Residential/Transitional Living (NCHSC) (January 2016 Effective Date)		685,895	174,744	43,344	903,983
24	03	Capacity	DD Case Manager FTEs (NC, LR, NE)	3.0	249,669	188,349		438,018
25	03	Capacity	4 Bed Alternative Care Services (WCHSC) (January 2016 Effective Date)		283,500			283,500
26	03	Capacity	IDDT Programming (WCHSC)	3.0	393,295			393,295
27	03	Capacity	10 Bed Residential Addiction (BLHSC) (July 1, 2016 Effective Date)		601,699			601,699
28	03	Capacity	15 Bed Expansion for Tompkins Rehabilitation and Correction Center Program (SH FTE)	11.0	1,520,369			1,520,369
Total Capacity				24.50	17,004,671	6,897,230	43,344	23,945,245
29	04	Inflation - 4% / 4%	Medicaid Provider Inflation		12,613,459	13,109,946	105,588	25,828,993
30	04	Inflation - 4% / 4%	Long Term Care Provider Inflation		10,995,761	9,634,317	44,200	20,674,278
31	04	Inflation - 4% / 4%	Program & Policy Other Inflation		2,218,766	115,920	11,042	2,345,728
32	04	Inflation - 4% / 4%	Foster Care and Adoption Provider Inflation		3,987,842	1,707,781	1,166,235	6,861,858
33	04	Inflation - 4% / 4%	DD Provider Inflation		15,879,645	16,062,573		31,942,218
34	04	Inflation - 4% / 4%	Autism Provider Inflation		105,468	105,468		210,936
35	04	Inflation - 4% / 4%	HSC Contracted Provider Inflation		2,259,956			2,259,956
Total Inflation				-	48,060,897	40,736,005	1,327,065	90,123,967
36	05	Information Technology	Eligibility System Modernization Project		18,427,988	24,803,643		43,231,631
37	06	Enhancement of Services	Assisted Living FTE (January 2016 Effective Date)	1.0	146,234			146,234
38	06	Enhancement of Services	LTC Consultant for Pay for Performance		40,000	10,000		50,000
39	06	Enhancement of Services	Personal Care with Supervision		649,118	649,118		1,298,236
40	06	Enhancement of Services	Companionship Services (January 2016 Effective Date)		123,020	123,020		246,040
41	06	Enhancement of Services	Post Adoption Services (January 2016 Effective Date)		169,140	91,195		260,335
42	06	Enhancement of Services	Family Team Decision Making		300,000			300,000
43	06	Enhancement of Services	Parents LEAD (Listen, Educate, Ask, Discuss)		420,000			420,000
44	06	Enhancement of Services	Trauma-Informed System of Care		229,130	58,500		287,630
45	06	Enhancement of Services	ND Cares		130,000			130,000
46	06	Enhancement of Services	Increase Age Limit of Autism Waiver through 9 years (December 2015 Effective Date) (12 Slots)		352,320	352,320		704,640

Attachment #4 SB 2012
J# 2015
02/02/15

4.2

Department of Human Services OARS for the 2015-2017 Biennium
as of January 5, 2015

Row #	Priority	Category	Description	FTE	General	Federal	Other	Total
47	06	Enhancement of Services	Mobile On-Call Crisis Services (Statewide HSC) (Staggered Implementation Dates)		1,000,000			1,000,000
48	06	Enhancement of Services	Peer Support Specialists (Statewide HSC)		1,294,238			1,294,238
49	06	Enhancement of Services	DD Crisis Beds (Statewide HSC)		76,800			76,800
50	06	Enhancement of Services	Medically Fragile ICF in Grafton ND (LSTC) (January 2016 Effective Date)		750,000	750,000		1,500,000
Total Enhancement of Services				-	5,680,000	2,034,153	-	7,714,153
51	07	Capital Projects	Heating Plant Repairs & Upgrades (SH)		1,509,156			1,509,156
52	07	Capital Projects	Surveillance Cameras (SH)		390,000			390,000
53	07	Capital Projects	Central Air for Tompkins Building (SH)		557,606			557,606
54	07	Capital Projects	Heating Plant Repairs & Upgrades (LSTC)		230,000			230,000
55	07	Capital Projects	6 Living Area Kitchens (LSTC)		750,000			750,000
Total Capital Projects				-	3,436,762	-	-	3,436,762
Total OARS				25.50	102,583,399	78,167,626	1,370,409	182,121,434

Executive Budget fully funds these Optional Adjustment Requests.

Executive Budget includes \$6.2 million, with \$6.0 million from the general fund, for staff equity increases for difficult to fill positions.

Executive Budget includes \$3.4 million, with \$2.9 million from the general fund, for an oil impact energy pool. The appropriation is included in SB 2015.

Executive Budget includes \$60.9 million, with \$14.0 million from the general fund, for the completion of the Eligibility System Modernization Project.

Department of Human Services OAR Descriptions for the 2015-17 Biennium

As of January 5, 2015

Row	Cabinet Priority	Cabinet Category	Short Description (In Order by Reporting Level)	Narrative
1	01	Salary Equity	Staff Retention - 90% of Market	<p>The Department has a number of long-term staff who have significant program and policy experience. This experience is critical in an agency that is so diverse and is responsible for interpreting and following a significantly large number of federal and state statutes, laws, policies, etc. The Department also has a large portion of the workforce that is eligible for retirement over the next several years. It is critical that we retain the expertise and knowledge, or the level of service we are able to provide to our customers may diminish. Because of the positive economic conditions in North Dakota, we often need to hire new staff at a rate that equals or sometimes exceeds that of existing staff. Depending on the position(s) in question, sometimes the demand for the position is so great that we have no choice but to offer a higher salary. This has caused great compression within the Department, where we have long-term, experienced staff being paid at the same rate, or sometimes even lower, than newly-hired staff with the same amount of overall experience. <input type="checkbox"/></p> <p><input type="checkbox"/> This OAR will allow the Department to address some of its most problematic equity and compression issues.</p>
2	02	Energy Impact	Oil Patch Add-On for Staff of the Williston, Minot and Dickinson Regions	<p>The oil industry in North Dakota has affected the retention of staff in the Department of Human Services. In order to retain the existing staff, the Department implemented an oil-patch add-on for the Williston, Dickinson, and Minot staff of \$500 each month. This OAR requests funds to continue the oil-patch add-on for DHS staff in these 3 regions.</p>
3	03	Capacity	Increase Child Care Provider Rates	<p>Child Care federal regulations suggest payments should be at least at the 75th percentile of the market. Child Care provider rates have not been increased since October 2012. The last market rate survey in May 2013, revealed North Dakota was slightly above the 50th percentile for centers and slightly below the 50th percentile for licensed group/family providers. The Department is requesting to increase provider rates for centers and groups to the 75th percentile of the May 2013 market rate survey. <input type="checkbox"/></p> <p><input type="checkbox"/> The shortage of child care providers was discussed during the last Legislative session and by an interim committee over the past year. Increasing provider rates provides a higher reimbursement rate for services provided and an incentive for providers to take advantage of the Child Care Assistance Program. Increasing the provider rates is an option that would assist with the child care capacity and bring the program up to the recommended federal percentile.</p>
4	03	Capacity	Ambulance Rate Increase	<p>Due to the increased operational costs, including erosion of volunteer labor, increased wages and increased health care coverage expenses, the Department is requesting to rebase the Medicaid ambulance services to 80% of the 2014 Workforce Safety and Insurance rates to ensure the ambulance services remain viable across the state; and to ensure services remain available for the ND Medicaid enrollees. Future year rate increases would be consistent with provider inflation authorized by the Legislature.</p>

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Department of Human Services OAR Descriptions for the 2015-17 Biennium

As of January 5, 2015

Row	Cabinet Priority	Cabinet Category	Short Description (In Order by Reporting Level)	Narrative
5	03	Capacity	Physical Therapy/Occupational Therapy/Speech Therapy Rate Increase	The Department is proposing an increase to Occupational Therapy, Physical Therapy, and Speech Therapy service codes to 75% of the North Dakota Medicaid Medicare Resource-Based Relative Value Scale (RBRVS) calculation. The Department will use the RBRVS methodology as a benchmark for establishing the increase in order to maintain consistency with our standard North Dakota Medicaid-specific pricing methodology for most professional services. \$1,410,832 of the \$2,775,371 General Fund requested will need to be appropriated to the Department of Public Instruction for their portion of special education utilization of these therapies.
6	03	Capacity	Spousal Impoverishment (January 2016 Effective Date)	SSI Spousal Impoverishment Standards for 2014 set forth a maximum monthly maintenance needs allowance of \$2,931, while North Dakota's maximum monthly maintenance needs allowance has remained at \$2,267 since 2003. The United States congress enacted provisions to prevent what has come to be called "spousal impoverishment," leaving the spouse who is still living at home in the community with little or no income or resources. By raising North Dakota's maximum monthly maintenance needs allowance, North Dakota community spouses will be able to meet their needs in an environment where cost of living is increasing in a robust economy. Accordingly DHS seeks to rebase the monthly maintenance needs allowance to the SSI spousal impoverishment standard for 2016 (estimated at \$2,992) beginning January 1, 2016 with annual increases based on the current CPI-U every year thereafter.
7	03	Capacity	ND State Council on Developmental Disabilities FTE	The last two federal reviews recommended the North Dakota State Council on Developmental Disabilities hire additional staff and focus on in-house Council activities. Additional funding authority is requested to convert the existing temporary position to an FTE.
8	03	Capacity	Vulnerable Adult Protective Services	The implementation of mandatory reporting requires additional resources to provide needed vulnerable adult protective services throughout the state. Three additional contracted staff are needed to provide services across the state with an estimated cost of \$615,179. <input type="checkbox"/> Cass County has provided vulnerable adult protective services in the southeast region of the state for a number of years and has contributed approximately 51% of the cost. Based upon information received from the Cass County Board of Commissioners, \$663,087 is needed to fully fund vulnerable adult protective services in the southeast region of North Dakota. This OAR includes funds in the amount of \$464,894 which, when combined with the base budget of \$198,193, would support 100% of the costs in the southeast region of North Dakota for the 2015-2017 biennium.
9	03	Capacity	Guardianship Establishment (Vulnerable Adults)(52 Slots)	During the first year of the 2013-2015 biennium, guardianship petitioning funds supported 77 requests. It is anticipated that requests will total 154 for the biennium. At a ceiling reimbursement rate of \$2,500, the current appropriation of \$255,000 will support 102 requests. There is no reason to believe estimated requests will decrease; therefore, the OAR requests the funds are needed to support an additional 52 requests for guardianship establishment. When combined with the base budget, the funding would support 154 guardianship establishments in 2015-2017. (52 x \$2,500 = \$130,000)

Department of Human Services OAR Descriptions for the 2015-17 Biennium

As of January 5, 2015

Row	Cabinet Priority	Cabinet Category	Short Description (In Order by Reporting Level)	Narrative
10	03	Capacity	Chafee Independent Living	The Chafee Independent Living program provides individual and group services to current and former foster youth. Services and support improve individual outcomes to enable a successful transition to adulthood. Youth receive assistance to meet the needs of their education, apply for employment, maintain home management skills, and develop an understanding of personal safety, positive decision making, and fiscal responsibility. Seven Chafee IL Coordinators served 252 current foster youth and 178 foster care alumni from May 2013 to April 2014; only 48% of eligible youth in foster care were served during the twelve month period. At this time, there is a waiting list for these services averaging 10 youth per region. The Department is requesting \$173,561 in additional funding to provide more eligible youth the opportunity to receive these services. Youth are no longer eligible for federal flex funds when they reach the age of 21, however often times they need help with the cost to purchase a new car battery, shoes for work, or transportation and housing expenses. This OAR also includes \$4,800, for up to \$200/month of flex funding for youth ages 21 to 23 who receive the Education and Training Voucher for college.
11	03	Capacity	Change in Federal Child Care Laws FTE	The passage of the new federal law and rules is expected, which will significantly expand the number of fingerprint background checks required for early childhood providers. U.S. Senate Bill 1086, which was passed by the Senate in March, 2014, was recently passed with amendments by the House. The amended bill is scheduled for a vote on November 13, 2014. The Senate is expected to pass the bill without objection. This change in law will require all early childhood staff to be fingerprinted, instead of only staff that have lived outside of North Dakota in the last 10 years. It is anticipated that we will need to complete 4,315 initial background checks upon passage of the bill, and an increase of 1,500 background checks to be completed annually. We anticipate needing \$206,822 for 1.5 FTEs to complete the additional background checks on a timely basis, and \$84,318 to pay the Attorney General's office a fee of \$14.50 for each background check.
12	03	Capacity	Extended Services - Seriously Mentally Ill (50 Slots)	Currently there are 164 slots for Serious Mental Illness (SMI) Extended Services. Extended Services provides job coaching that helps consumers maintain integrated, competitive, community-based employment, which is an important part of their recovery, rehabilitation, and habilitation process. The Department is requesting to add 50 slots to allow more individuals diagnosed with a serious mental illness to access employment support services through Extended Services. Total cost for the additional slots will be \$454,800. Also additional funding of \$100,189 is being requested for the contractor for the administrative costs related to the additional slots and maintenance of the Extended Services data system.
13	03	Capacity	Supported Employment for Integrated Dual Disorder Treatment (IDDT) (46-52 Slots)	The Department is requesting to expand the evidence-based model of supported employment in the North Central, Lake Region, Northeast, South Central and West Central Human Service Center Integrated Dual Disorder Treatment (IDDT) programs to serve approximately 46-52 additional individuals. The evidence based model of supported employment is proven to be the most effective model of supported employment for individuals with serious mental illness and chronic substance abuse disorders. This program puts people who have never considered employment to work or increases their interest to consider work.

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Department of Human Services OAR Descriptions for the 2015-17 Biennium

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Row	Cabinet Priority	Cabinet Category	Short Description (In Order by Reporting Level)	Narrative
14	03	Capacity	Prevocational Skills - TBI (26 Slots)	The current provider of prevocational services is not able to spend adequate time with the individuals they serve. The individuals receive only an average of 2 hours per month with the current funding available. On average, an individual needs 8 hours of service per month to be adequately prepared to work with the Vocational Rehabilitation Program or to be able to return to work on their own. This additional funding would bring the total number of individuals that would be served to 50, for 8 hours per month, vs the current 24 individuals for 2 hours per month. A waiting list currently exists in the Fargo region for this service.
15	03	Capacity	Extended Services - Other (24 Slots)	Currently, forty-six individuals with the most significant disabilities maintain employment due to the support they receive from the extended services program. The average hourly and monthly earning for these 46 individuals are \$8.76 and \$882. On average, individuals receiving extended employment are earning \$2.00 for every \$1.00 spent by the state for the extended services they receive. <input type="checkbox"/> There is a need for 24 additional slots for the Other Extended Services program. <input type="checkbox"/> The OAR anticipates 3 individuals will enter the program each quarter of the 2015-2017 Biennium.
16	03	Capacity	Extended Services - TBI (35 Slots)	Currently, five individuals that experience the functional limitations associated with a Traumatic Brain Injury maintain employment due to the support they receive through the extended services program. The sixth slot has been designated for an individual in the process of securing employment. The average hourly and monthly earnings for these five individuals are \$7.94 and \$335.91. <input type="checkbox"/> Currently there are 6 slots for Traumatic Brain Injury (TBI) Extended Services. The program is at capacity and a waiting list exists. Extended Services provides job coaching that helps consumers maintain integrated, competitive, community-based employment, which is an important part of their recovery, rehabilitation and habilitation process. Additional slots would allow 35 more individuals diagnosed with a traumatic brain injury to access employment services through Extended Services. <input type="checkbox"/> The OAR anticipates 4 or 5 individuals will enter the program each quarter of the 2015-2017 biennium.
17	03	Capacity	Developmental Disabilities Nurse FTE	It has been identified that the division lacks appropriate services/supports for consumers with complex medical needs. This FTE would provide the expertise needed to work with the nurses at the provider agencies, review care plans as necessary and review general event reports that are medical in nature. This position would be able to collaborate with other entities (i.e. Board of Nursing, Dept. of Health, etc.) to ensure services continue to evolve to support the consumers in the Developmental Disabilities Division.
18	03	Capacity	Increase in Wards for DD Guardianship (20 Slots)	Catholic Charities is requesting an increase in the number of wards they serve. The Department anticipates reaching current capacity of 449 within six months of the new biennium. Because of this the Departments is requesting an additional 20 slots for the 2015-2017 biennium.

Department of Human Services OAR Descriptions for the 2015-17 Biennium

As of January 5, 2015

Row	Cabinet Priority	Cabinet Category	Short Description (In Order by Reporting Level)	Narrative
19	03	Capacity	Autism Administrative Staff Officer FTE	Autism Services is currently a division of one person. The unit develops, manages, reports, and monitors the autism waiver, autism voucher, and autism training. In addition, the position is the 'go-to' person in the state on autism. This service unit is separate from the DD Division as these youth do not qualify for traditional DD services. Due to this, methodology to capture data, Medicaid authorizations, and reporting functions have been developed. As these autism services mature, the data will need to be compiled, analyzed, and reported. There is a need for administrative support so the autism coordinator can attend to programmatic and leadership functions.
20	03	Capacity	Increase in Current Autism Waiver Slots (December 2015 Effective Date) (30 Slots)	Effective December 1, 2015, increase autism waiver slots by 30 for a total of 77 slots. The autism waiver began in 2010 with 30 slots. 17 additional slots were approved in the 2013 Legislative Session. The autism waiver amended in the fall of 2013, and now has a total of 47 slots. This amended waiver was approved by the Center for Medicaid and Medicare on June 1, 2014. Currently, based on the applications and transitions from the previous waiver, 53 slots could be utilized. This estimate is based on activity within two months of the waiver being approved. The Autism Coordinator receives 5 to 10 calls a day requesting information about the waiver and voucher program. The operating expenses include the cost of software licenses for additional slots.
21	03	Capacity	Additional Autism Voucher Slots (20 Slots)	As of 9/15/2014, the autism voucher program had 19 parents or guardians of individuals with autism between the ages of three years up to 18 years of age apply in the 10 weeks since it was made available. The Department currently has 43 slots and is requesting to expand the voucher by 20 slots to serve a total 63 individuals at a rate of \$1,041.67 per month.
22	03	Capacity	Child Welfare Regional Supervisor FTEs (NC, SE, WC)	Regional Human Service Centers are seeing an increased need for child welfare county supervision work. Trends and data indicate an increase in foster care cases, child protective service investigations and institutional child protective service investigations. Specifically, the three regions with the largest increase are NC, SE, and WC in respect to data submitted from 2011 through 2014.
23	03	Capacity	10 Bed Crisis Residential/Transitional Living (NCHSC) (January 2016 Effective Date)	During calendar year 2013, NCHSC completed 106 State Hospital (SH) screenings. The Center does not have a Crisis Residential Unit (CRU), and therefore these clients were admitted to the SH. The Extended Care Director estimated between one-half and two-thirds of these clients could have been served by a CRU. There is also a need for a Transitional Living facility (TL) in the Minot region to assist those being discharged from the SH to transition back into the community with assistance and those needing longer term assistance with their daily living. This facility would assist in stabilizing consumers long term which will reduce inpatient and SH stays. In order to meet the needs in the Minot & Williston regions, the Department is requesting funding to contract for a combination facility that consists of a 5 bed CRU and a 5 bed TL. The Department anticipates a January 1, 2016 start date.
24	03	Capacity	DD Case Manager FTEs (NC, LR, NE)	NCHSC is above its allowable DD case manager to client ratio. North Dakota Administrative Code 75-05-05-01 requires the average case management unit be no more than 60 consumers per case manager. Currently NCHSC is at 62.5, LRHSC is at 62.83 and NE is at 61. With the increasing population in the regions, additional case managers will be required in the upcoming biennium.

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Department of Human Services OAR Descriptions for the 2015-17 Biennium

As of January 5, 2015

Row	Cabinet Priority	Cabinet Category	Short Description (In Order by Reporting Level)	Narrative
25	03	Capacity	4 Bed Alternative Care Services (WCHSC) (January 2016 Effective Date)	WCHSC currently contracts for 10 Detoxification Management (Social Detox) and crisis residential beds for those in a behavioral health crisis (mental health or addiction) and are in need of short term residential care for stabilization. The client may meet the criteria for a stay of as little as three days and for as long as up to five weeks. Admission into the ACS beds would assist the Bismarck Region in decreasing the need to make admissions to the local hospitals and inpatient psychiatric units, as well as decrease admissions to the ND State Hospital. Those admitted into ACS are allowed to remain closer to their natural supports while providing them a safe place to address their need for stabilization from their behavioral health crisis. All 10 beds are often filled, clients are then placed on a waiting list and are not receiving the level of care needed. The OAR anticipates a start date of January 1, 2016.
26	03	Capacity	IDDT Programming (WCHSC)	Requesting 1 FTE for an Advanced Clinical Specialist, 1 FTE for a Registered Nurse II, and 1 FTE for a Human Service Aide II to be able to expand our Integrated Dual Diagnosis Treatment (IDDT) program. With WCHSC's current staffing pattern the IDDT program is at the maximum capacity. IDDT is an evidenced based treatment program which uses a co-occurring mental health and substance abuse treatment model and a team approach with a high amount of consumer input. The IDDT program has specific guidelines regarding caseload per FTE. WCHSC currently has 30 clients on a waiting list due to the lack of adequate staffing to meet the requirements of this model.
27	03	Capacity	10 Bed Residential Addiction (BLHSC) (July 2016 Effective Date)	BLHSC is requesting a 10 bed short term residential facility to provide crisis residential and social detoxification services for addiction clients in the Dickinson Region. Currently the only option for intoxication management is a single crisis residential unit at the Residential Care Center (RCC) operated by BLHSC. When this bed is full, clients are sent to the county jail or the State Hospital. This facility would reduce those admissions and allow the client to receive stabilization and detoxification in their community where a supportive environment exists. The Department anticipates a July 1, 2016 start date for this OAR.
28	03	Capacity	15 Bed Expansion for Tompkins Rehabilitation and Correction Center Program (SH FTE)	Both DHS and DOCR recognize the value of the Tompkins Rehabilitation Center in treating addiction and preventing addicted individuals from re-offending and returning to the corrections system. The number of inmates who could benefit from the service continues to rise, but the current Tompkins program is consistently full. Therefore, there is a need to add an additional 15 bed unit on the grounds of the State Hospital which would be operated by 11 full time FTEs, consisting of 2 Addiction Counselors, 2 Direct Care Supervisors and 7 Direct Care Staff.
29-35	04	Inflation - 4% / 4%	Provider Inflation 4% / 4%	Provides an inflationary increase of 4% to service providers for both of the years of the biennium.
36	05	Information Technology	Eligibility System Modernization Project	The Eligibility Modernization Project is the rewrite of the TECS and Vision systems (which are used for the Medicaid, Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) programs) with the addition of the Childcare and Low Income Home Energy Assistance Program (LIHEAP) programs into one all-inclusive system. This project will streamline the work of county eligibility workers by combining four individual systems (TECS, Vision, LIHEAP and Child Care) into one all-inclusive system.

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Row	Cabinet Priority	Cabinet Category	Short Description (In Order by Reporting Level)	Narrative
37	06	Enhancement of Services	Assisted Living FTE (January 2016 Effective Date)	Currently, there are 73 licensed assisted living facilities in North Dakota. Licensure consists of an annual fee and application and a license for the food and lodging portion from the Health Department. This request is due to an increased number of complaints coming to DHS concerning assisted living facilities. One license was revoked in 2014 and approximately 16 complaints were received in the past calendar year. Current Medical Services staff are unable to do thorough on-site reviews and follow up of the concerns in a timely manner. <input type="checkbox"/> This OAR has an anticipated start date of January 1, 2016.
38	06	Enhancement of Services	LTC Consultant for Pay for Performance	This OAR is for a consultant to help develop a Pay for Performance plan for Nursing Homes. The actual financial estimates of a Pay for Performance plan would be needed to build the 17-19 budget. The anticipated cost for the consultant would be \$50,000.
39	06	Enhancement of Services	Personal Care with Supervision	Personal Care with Supervision was approved by the 2013 Legislative assembly. Up to 24 hours of supervision may be provided to individuals who need monitoring to assure their continued health and safety. This OAR will add funds to provide for an increased rate to assure providers (Qualified Service Providers - QSP's) are available and willing to provide the service and also includes funding for growth of the program over the biennium from 13 individuals to 20 with an anticipated start date of July 1, 2015.
40	06	Enhancement of Services	Companionship Services (January 2016 Effective Date)	Statewide Stakeholder Meetings and interested parties have testified to the need for companionship in the Home and Community Based Services to address the issues of loneliness and isolation. The companionship service would serve individuals that meet nursing facility level of care who are currently receiving personal care services in Levels B and C or those individuals being served in the HCBS waiver. These individuals are generally at the greatest risk for institutionalization. The companionship service would allow up to 2 hours per week of companionship if they are living alone. Family members would not be paid for this service. The Department anticipates a January 1, 2016 start date for these services.
41	06	Enhancement of Services	Post Adoption Services (January 2016 Effective Date)	The Department is requesting to provide services for families to maintain adoptive placements and permanency. These services will assist in avoiding adoption disruptions and subsequent re-placement of children in foster care. Services would include, but not limited to; crisis intervention, primarily through phone contact with families and referral for on-going case management services, therapeutic services, mental health services (in-home and residential care) and respite care. The Department anticipates a January 1, 2016 start date for these services.
42	06	Enhancement of Services	Family Team Decision Making	Family Team Decision Making (FTDM) is an evidenced based intervention strategy that provides immediate support for children and families when critical decisions must be made to ensure child safety. FTDM is a facilitated team process including parents, guardians, extended family members, youth, service providers, child welfare staff and other caregivers who come together to make decisions regarding the safety and placement of the child. <input type="checkbox"/> FTDM has proven to be an out of home placement diversion strategy in many states resulting in significant reductions in the number of children placed in foster care. The Department currently provides FTDM services in Burleigh/Morton, Grand Forks and Cass Counties and is requesting to expand this service to six counties at a cost of \$25,000 per year, per site for the 15-17 biennium.

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Department of Human Services OAR Descriptions for the 2015-17 Biennium

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Row	Cabinet Priority	Cabinet Category	Short Description (In Order by Reporting Level)	Narrative
43	06	Enhancement of Services	Parents LEAD (Listen, Educate, Ask, Discuss)	<p>Parents LEAD is an evidence-based underage drinking prevention program. <input type="checkbox"/></p> <p><input type="checkbox"/> The Parents LEAD program began with the primary focus as underage drinking; however, recently work has shifted towards risk and protective factors that apply to both mental health and substance abuse. <input type="checkbox"/></p> <p><input type="checkbox"/> In order to appropriately enhance Parents LEAD to cover the prevention of both mental illness and substance use issues, additional funding is necessary to develop content, adapt the website, and evaluate and promote the expansion.</p>
44	06	Enhancement of Services	Trauma-Informed System of Care	<p>During the 2014 DHS stakeholder meetings 50-60% of locations visited indicated more complex client issues and were concerned with the number of youth placed out-of-state for treatment. These children are traumatized and multiple placements make the situation worse. <input type="checkbox"/></p> <p><input type="checkbox"/> By focusing on and implementing evidenced-based trauma awareness and treatment, children will have better opportunities to do better in their lives. <input type="checkbox"/></p> <p><input type="checkbox"/> The funding will support ongoing statewide implementation of a trauma-informed system of care. This work includes training and consultation with the child welfare system, HSC's, medical providers, other system partners, and the RCCF and PRTF's.</p>
45	06	Enhancement of Services	ND Cares	<p>ND Cares is a coalition dedicated to strengthening an accessible, seamless network of support for Service Members, Veterans, Families, and Survivors in North Dakota, initiated in 2013 through a Substance Abuse and Mental Health Services Administration (SAMHSA) initiative. <input type="checkbox"/></p> <p><input type="checkbox"/> ND Department of Human Services has the infrastructure and capacity in place to support the ND Cares statewide efforts and initiatives. <input type="checkbox"/></p> <p><input type="checkbox"/> Funding for the this effort would support the following: <input type="checkbox"/></p> <ul style="list-style-type: none"> -Facilitation of ND Cares Data Committee [\$80,000]: Contract for data support services and development of data products. <input type="checkbox"/> -Professional Development Trainings [\$20,000]: Provides funding to enhance the Fall and Spring Behavioral Health Conferences by integrating military specific trainings, presenters, and stipends to enhance the capacity of key stakeholders. <input type="checkbox"/> -Website/Communication efforts [\$30,000]: Acquiring relevant URL, development and design of ND Cares website and related communication efforts.
46	06	Enhancement of Services	Increase Age Limit of Autism Waiver through 9 years (December 2015 Effective Date) (12 Slots)	<p>Effective December 1, 2015, increase age of children served in the autism waiver to cover children birth through age 9. From July 1, 2015 until June 30, 2017 there are approximately 12 children that would age out of the current autism waiver. These children, unless they qualify for the DD Traditional waiver, will not have similar services available to them. If the age is extended by two years, there should be no children that age out of the Autism Services Waiver prior to June 30, 2017. The operating expenses include the cost of software licenses for additional children.</p>

Department of Human Services OAR Descriptions for the 2015-17 Biennium

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Row	Cabinet Priority	Cabinet Category	Short Description (In Order by Reporting Level)	Narrative
47	06	Enhancement of Services	Mobile On-Call Crisis Services (Statewide HSC) (Staggered Implementation Dates)	<p>The Mobile On-Call Service in the Southeast Region has successfully helped clients remain in the community and diverted them from inpatient hospitalizations. The program links clients to services to prevent future crises and to help sustain their recovery so they can remain living in their homes and communities. The amount requested is to expand Mobile On-Call Services to the remaining human service center regions. <input type="checkbox"/></p> <p><input type="checkbox"/> Implementation by Region is projected to occur on or before these dates; January 1, 2016 - Lake Region, Northeast and South Central; July 1, 2016 - Northwest and Badlands; October 1, 2016 - North Central and West Central.</p>
48	06	Enhancement of Services	Peer Support Specialists (Statewide HSC)	<p>The Peer Support program is a key part of the recovery effort and an integral part of the tiered case management system. It is important that peers of consumers deliver peer support services throughout the eight regions of the state. Peer support has been implemented in all 8 regions as an evidence-based practice and is a promising approach to assist people in recovery. <input type="checkbox"/></p> <p><input type="checkbox"/> With this expansion, the Department will issue contracts to peer support specialists in each of the eight regions of the state. The larger centers will contract for 2 peer support specialists per region (NC, NE, SE, and WC) and the smaller centers for 1 peer support specialist per region (NW, LR, SC and BL).</p>
49	06	Enhancement of Services	DD Crisis Beds (Statewide HSC)	<p>In December 2012, a subcommittee of the transition task force submitted a crisis infrastructure plan for DD crisis units for the HSC's. This OAR would provide funding for a rental unit in Minot, Grand Forks, Fargo, and in Dickinson to be used by people receiving DD services however, they are in need of a temporary placement away from their current living situation. When the unit is occupied, the client will pay the rent if they do not have to maintain a separate residence. Providers will staff the unit with existing staff from their previous setting for the individual needing the service. Total funds is calculated using information received from regions on rental costs in their area.</p>
50	06	Enhancement of Services	Medically Fragile ICF in Grafton ND (LSTC) (January 2016 Effective Date)	<p>Individuals who currently reside at the Health Services Center at the Life Skills and Transition Center are medically complex and require 24-hour ongoing nursing assessment and multidisciplinary management to maintain their best possible health. The department is looking for a private partner to be the landlord of two adjoining homes that would serve eight people. Each home will have separate and distinct areas for meal preparation and kitchen facilities. The home's design may incorporate common multipurpose space for programming and leisure supports. The Department would provide the staff and would expect the homes to be a reasonable distance from the LSTC as it is anticipated that staff may need to travel between the homes and the LSTC. The OAR would cover the property costs associated with the two homes.</p>
51	07	Capital Projects	Heating Plant Repairs & Upgrades (SH)	<p>The North Dakota State Hospital (NDSH) and James River Correctional Center (JRCC) share a campus in Jamestown. By agreement, NDSH pays the cost of operating the centralized heating plant, including salaries, operating expenses, equipment and extraordinary repairs. 60% of the cost of coal, natural gas, heating fuel, electricity, and water are paid by NDSH and 40% by JRCC. In order to operate the centralized heating plant for the foreseeable future, equipment repairs and upgrades are needed totaling \$1,509,156.</p>

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Department of Human Services OAR Descriptions for the 2015-17 Biennium

As of January 5, 2015

Row	Cabinet Priority	Cabinet Category	Short Description (In Order by Reporting Level)	Narrative
52	07	Capital Projects	Surveillance Cameras (SH)	The installation of surveillance cameras throughout the State Hospital campus will provide a level of security needed to alert security staff to the presence of potentially dangerous individuals, so staff can take appropriate action. Over 200 cameras would be installed either replacing outdated cameras, or installing cameras in new locations. Cameras mounted on the exterior of buildings would provide coverage for all outside areas of the State Hospital campus.
53	07	Capital Projects	Central Air for Tompkins Building (SH)	The building used for the men's units of the Tompkins Rehabilitation Center was built in 1956 as a dormitory for nursing students and does not have air conditioning. In 2009, the State Hospital installed air conditioning for the treatment rooms and meal serving areas, but the building's electrical service was not adequate to install air conditioning throughout the rest of the building. The State Hospital has tried utilizing portable air conditioners, but they are not effective for cooling the bedrooms, and window air conditioners are not an option because the windows have security screens on them. The State Hospital has a project in the 2013-15 biennium that will upgrade the electrical service to the building. This would enable the installation of central air conditioning throughout the building. Engineer's estimates are that the installation of central air conditioning would cost \$557,606.
54	07	Capital Projects	Heating Plant Repairs & Upgrades (LSTC)	In June 2014, a study of the heating and cooling systems in the LSTC buildings was performed. The purpose of the study was to determine if the current system of using steam for heating & cooling the campus was the most economical. The conclusion of the study was that other methods would be costly to install and wouldn't be as efficient as operating the current plant. However, the heating plant needs \$230,000 in repairs and improvements to keep the boilers functional to provide the campus with utilities.
55	07	Capital Projects	6 Living Area Kitchens (LSTC)	A step in accommodating person-centered care is to engage direct care staff & residents in choices at mealtime by having decentralized kitchens. LSTC is requesting to remodel 6 living area kitchens at an estimated cost of \$125,000 per kitchen. The kitchens would be remodeled to accommodate the residents needs, and therefore would be wheelchair accessible with varied counter heights, include safe induction cooktops, adequate cupboards for storage of groceries and cooking utensils to allow residents access to a fully functional kitchen. The request also includes the trenching of cement floors to allow the wiring of an island and the replacement of patio doors.

Attach#5

SB 2272

02/02/15

JH 22951

From: Kelsey Lund [<mailto:kelseylund@beyondboundaries.us>]
Sent: Monday, January 26, 2015 9:52 AM
To: Lee, Judy E.
Subject: Senate Bill 2272

Dear Senator Lee:

As an **occupational therapist** currently working in an outpatient therapy practice, I want to take the opportunity to comment regarding **Senate Bill 2272**. The practice of occupational therapy is science-driven, evidence-based, and enables people of all ages to live life to its fullest by promoting health and minimizing the functional effects of illness, injury, and disability. This means for children who receive direct therapy services at a young age, they are able to learn the skills necessary to effectively participate in home and community environments, often times resulting in less cost for service over the long term.

At Beyond Boundaries Therapy, we have over 20 therapists providing outpatient therapy services, with approximately 240 patients on caseload. Over 50% of our current caseload is serving children who have ND Medicaid. If this bill doesn't pass, outpatient therapy practices will be required to change guidelines, resulting in a significant decrease in the number of individuals we will be able to serve with ND Medicaid. This means hundreds of children each year could be affected. We absolutely don't want this to happen. We want to be able to continue to provide these necessary and effective therapy interventions to all patients.

The decision made on Senate Bill 2272 will have a critical impact on individuals utilizing ND Medicaid that are requiring outpatient occupational therapy, physical therapy, speech-language therapy services, as well as the future employment opportunities for therapists serving the children. Therefore, I urge you to vote "YES" to Senate Bill 2272. The passing of this bill will allow the hundreds of children that we serve per year to continue to be seen for outpatient therapy services. It is my hope that you strongly consider **voting "YES"** to Senate Bill 2272. It is critical for the children we serve who currently utilize professional outpatient therapy practices for their medically based services.

I have been able to see first hand the benefit of outpatient occupational therapy services at a young age. I have served a 4 year old girl with autism spectrum disorder who didn't know how to dress herself, use silverware, play with friends, sit still during a story, or wait in a line. Through intensive 3 sessions a week, this little girl was able to function in a general daycare setting with adaptations and decrease OT services to 1 time a week by the time she entered kindergarten. She is now gaining skills at an exponentially more rapid rate because of the foundation that was placed in the beginning. I have no doubt that she will be able to be an active and contributing member of society by the time she reaches adulthood, all with the occasional support of outpatient therapies.

Thank you for considering my concerns regarding Senate Bill 2272 and the impact that your decision will have regarding children with ND Medicaid.

Respectfully submitted,

Kelsey Lund, MA, OTR/L
Occupational Therapist

Beyond Boundaries Therapy Services
3001 11th St S Fargo, ND 58103
Phone: (701) 356-0062
Fax: (701) 356-5412
www.beyondboundaries.us

SB 2272 DRAFT AMENDMENT

SB 2272
02/03/2018
Attach #1
23053

A BILL for an Act to ~~create and enact a new section to chapter 50-24.1 of the North Dakota Century Code, relating to medical assistance coverage for certain services provided by pediatric therapists; and to provide an appropriation to increase~~ medicaid reimbursement for physical therapy services, occupational therapy services, and speech therapy services.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to ~~chapter 50-24.1 of the North Dakota Century Code is created and enacted as follows:~~

Physical therapy services, occupational therapy services, and speech therapy services - Licensed pediatric therapists.

~~The department of human services shall adopt rules entitling licensed pediatric therapists to payment for physical therapy services, occupational therapy services, and speech therapy services provided to recipients of medical assistance.~~

SECTION 2. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES-

DEPARTMENT OF PUBLIC INSTRUCTION - PEDIATRIC THERAPISTS

SERVICES.

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of ~~\$2,750,000~~ \$1,364,539, or so much of the sum as may be necessary, and from special funds derived from federal funds, the sum of ~~\$2,750,000~~ \$2,775,371, or so much of the sum as may be necessary, to the department of human services, and there is appropriated out of any moneys in the

general fund in the state treasury, not otherwise appropriated, the sum of
\$1,410,832 to the department of public instruction, for the purpose of providing
increasing the payment levels for physical therapy services, occupational therapy
services, and speech therapy services to recipients of medical assistance, for the
biennium beginning July 1, 2015, and ending June 30, 2017

Testimony in Favor of SB 2272

Senate Appropriations Committee

Monday, February 9, 2015

10:00 a.m.

SB 2272

2-9-15

#1

J# 23461

Dear Chairman Holmberg and Members of the Senate Appropriations Committee,

Good morning! My name is Tammy Sayler and I am the owner of Little Miracles Pediatric Therapy and Child Care Center in Grand Forks. I am here to represent the ND Pediatric Therapy Service Provider Work Group in providing testimony to support appropriation of funding for SB 2272.

Our group is made up of four private outpatient therapy practices from across the state of ND. Collectively we serve approximately 75% of the children receiving outpatient pediatric therapy services in the state of ND. Each week we serve 100's of children and each year, thousands. Demographics compiled over the past year indicate that at least 30% of the children served in our facilities utilize ND Medicaid as their primary medical insurance, while another 20% utilize ND Medicaid as a secondary medical insurance. Therefore, 50% of the children receiving services in our outpatient clinics have ND Medicaid. This is compared to 9% of patients served in institutions or hospitals across the state.

This bill being funded is critical to ensuring that children in North Dakota with unique needs can continue to get the services they require. The practice of providing skilled physical therapy, occupational therapy, and speech-language therapy is *science-driven, evidence-based*, and enables people of all ages to live life to its fullest by promoting health and minimizing the functional effects of illness, injury, and disability. Children who receive direct therapy services at a young age are able to learn the skills necessary to effectively participate in home and community environments. The principle of "neuroplasticity" reinforces how much the brain of a child, particularly from birth to age 5, can recover, adapt and change to allow for optimal functional outcome when given the right kind of stimulation, input and retraining. Research shows that effective provision of these services in young childhood results in decreased need for and cost of service over the life span. *Early investment leads to greater long term savings.*

I opened Little Miracles Pediatric Therapy and Child Care Center in 2006 because I saw a need in our community that wasn't being met. I own and operate a child care center as well as an outpatient pediatric therapy clinic. In addition to employing caregivers to provide great care to a tapestry of young children, with a special mission to serve children with unique medical and developmental needs, I employ occupational therapists, physical therapists and speech-language

1.1

pathologists, who provide professional outpatient therapy services to children with special needs. Over 65% of our current therapy clients rely upon ND Medicaid for health coverage, and that number continues to grow. The current reimbursement we receive from ND Medicaid does not cover the cost of care for our clients. If this bill isn't funded, outpatient therapy practices will be required to change service guidelines, resulting in a significant decrease in the number of individuals we will be able to serve with ND Medicaid. This means hundreds, possibly thousands, of children each year could be affected. We absolutely don't want this to happen. We want to be able to continue to provide these necessary and effective therapy interventions to all clients far into the future. We need your help to do that.

Educationally, speech pathologists and occupational therapists are required to hold a Master's degree in order to be licensed in the state of ND, while physical therapy programs now require a doctorate degree. The current reimbursement level from ND Medicaid for these services is far from enough to cover the cost of utilizing these essential providers to continue providing these services. Senate **Bill 2272** requests an increase of reimbursement up to 75% of the RVU rate or approximately 82% of the average private insurance reimbursement rate, which would eliminate the significant discrepancy between these professionally-based treatment codes and **all other** professionally based outpatient services, including but not limited to audiology, chiropractic care, and dietetics, which per the current ND Medicaid professional fee schedule are reimbursed at an average of 75% of the RVU rate or an average of 82% of the average private insurance rate. Please note that the unit "RVU" is made of a formula ND Medicaid uses to determine most professional fee reimbursement levels. By report of NDMA it is made up of a combination of private insurance reimbursement and Medicare reimbursement levels for each type of provider. We have sought out an answer for why this inequity has occurred amongst professional medical service providers but there has been no answer for it from ND Medicaid or the DHS. There is currently no system for "re-basing" reimbursement rates for existing professional outpatient services. The DHS has acknowledged that their existing RVU methodology is set up to set reimbursement rates for NEW treatment codes, but there is no process for then evaluating the equity in reimbursement rates for existing codes.

What this means in dollars and cents is an increase in the DHS budget related to Medicaid reimbursement of professional outpatient services of \$2.75 million/ year or \$5.5 million/biennium.

The state of North Dakota is growing; The Department of Human Services has indicated that the number of people on Medicaid is increasing exponentially. There is a waiting list for the Autism Waiver, and a need for continued support of the Developmental Disabilities waiver.

The decision made on Senate Bill 2272 will not only have a critical impact on clients utilizing ND Medicaid for occupational therapy, physical therapy, and speech-language therapy services. It will also have a great impact on the future employment opportunities for therapists serving these children. Therefore, I urge you to vote "YES" to appropriating funds for Senate Bill 2272. This bill will allow the hundreds of children that we serve per year to continue to be seen for outpatient therapy services, which they require to learn the skills they need to be successful in their home and community settings.

Thank you for the opportunity to share my input regarding Senate Bill 2272 and the impact that your decision will have on children with ND Medicaid, their families and service providers.

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

Respectfully,

Tammy L. Sayler, PT, MPT
Owner
Little Miracles, Inc.

1.3

Pediatric Therapy Service Provider Work Group 2-9-15

Q&A

SB 2272

#2
J#23461

1. **What is the difference between institutional versus professional billing for outpatient therapy services?** Institutional billing is reimbursed on a cost to service basis. Hospitals are considered "institutions" and are reimbursed on a cost to service basis. Professional billing is reimbursed based on a professional fee schedule. Professional billing pertains to private clinics.
2. **What is the percentage of clients served by institutions versus professional outpatient settings (occupational therapy, physical therapy, speech-language therapy) whom utilize ND Medicaid for their insurance?** Institutions (ie: Hospitals) = 9%, Professional outpatient settings = 50%
3. **Do professional outpatient services have limits on what they are reimbursed for services?**
Yes, professional outpatient services are reimbursed based on the set NDMA fee schedule. Unlike institutional settings, our reimbursement is not based on what it costs to provide the service. We can't raise our billing rates based on what it costs to provide services.
Example: Practice A bills \$200.00 for 4 units (1 hour) of skilled OT intervention. Each unit is reimbursed \$15.93 per unit, totaling \$63.72 for the visit. Patient has no recipient liability. Remaining difference is written off by Practice A.
4. **What is the current RVU for like providers?** 75%
5. **What is the current RVU for professional outpatient services?** 20-25%
6. **Why are the above RVU percentages so different?** Per DHS, they have been unable to answer this question.
7. **What population of patients do we serve?** Professional outpatient services provide intervention to hundreds of children with diagnoses including, but not limited to: Autism, Downs Syndrome, Cerebral Palsy, Developmental Delay.
8. **How will the decision on Bill 2272 impact the clients utilizing ND Medicaid?** If this bill doesn't pass, outpatient therapy practices will be required to change guidelines, resulting in a significant decrease in the number of individual we will be able to serve with ND Medicaid. This will directly impact children served on the Autism and Developmental Disabilities waiver as many of these children are served by outpatient therapy practices.
9. **What level of professionals do outpatient therapy practices employ to provide these services?**
All therapists require masters or doctorate level education as well as additional training in the area of pediatrics.

February 18, 2015

#1
2-18-15

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2272

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to direct the department of human services to adjust medical assistance payment rates for selected services."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. DEPARTMENT OF HUMAN SERVICES - MEDICAL ASSISTANCE PAYMENT RATE ADJUSTMENTS. The department of human services shall adjust its medical assistance payment rates for physical therapy services, occupational therapy services, and speech therapy services to seventy-five percent of the department's professional fee schedule established using the relative value units for the rate year beginning July 1, 2015."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes appropriations to the Department of Human Services and Department of Public Instruction and directs the Department of Human Services to adjust medical assistance payment rates for physical therapy, occupational therapy, and speech therapy services to 75 percent of the department's professional fee schedule beginning July 2015.

SB 2272

#1

Pediatric Therapy Service Provider Work Group

3-16-15

Dear Representative:

Hello, my name is Stephen Olson. I am one of the owners of Pediatric Therapy Partners, one of the largest pediatric outpatient therapy practice in North Dakota, serving children for occupational therapy, physical therapy, and speech language pathology. We serve over 600 children at any one time and an average of 1500 children each year. These children have many different medical diagnoses including but not limited to Autism, Cerebral Palsy, Down Syndrome, developmental delay, neurological deficit, chromosomal abnormalities and many others. I have been working with children for almost 20 years and during that time have had the opportunity to work in many areas including schools, early intervention, acute hospital, specialty clinics, serve as the reviewer for Blue Cross Blue Shield and currently serve as a governor appointed medical provider on the Interagency Coordinating Committee (ICC) for the state of ND.

I am here representing the Pediatric Therapy Service Provider Work Group. This group is made up of four private outpatient therapy practices from across the state of ND. Collectively we serve approximately 75% of the children receiving outpatient services in the state of ND. Each week we serve 100's of children and each year 1000's. Clinic demographics indicate that 30% of the children serviced in our facilities utilize ND Medicaid as their primary medical insurance, while another 20% utilize ND Medicaid as a secondary medical insurance. Therefore, 50% of the children receiving services in our outpatient clinics have ND Medicaid. This is compared to 9% of patient served in institutions or hospitals across the state.

At this time I want to take the opportunity to comment regarding Senate **Bill 2272**. The practice of occupational therapy, physical therapy, and speech-language therapy is science-driven, evidence-based, and enables people of all ages to live life to its fullest by promoting health and minimizing the functional effects of illness, injury, and disability therefore maximizing their functional potential. This means for children who receive direct therapy services at a young age, they are able to learn the skills necessary to effectively participate in home and community environments, often times resulting in less cost for service over the long term.

Educationally, speech pathologists and occupational therapists are required to hold a Master's degree in order to be licensed in the state of ND, while physical therapy programs now require a doctorate degree. The current reimbursement level from ND Medicaid for these services is far from enough to cover the cost of utilizing these essential providers to continue providing these services. At this time ND Medicaid reimburses OT, PT, and ST at 20-25% of the RVU rate. Senate **Bill 2272** requests an increase of reimbursement up to 75% of the RVU rate or approximately 82% of the average private insurance reimbursement rate, which would eliminate the significant discrepancy between these professionally-based treatment codes and **all other** professionally based outpatient services, including but not limited to audiology, chiropractic's, and dietetics, which per the current ND Medicaid professional fee schedule are reimbursed at an average of 75% of the RVU rate or an average of 82% of

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Pediatric Therapy Service Provider Work Group

the average private insurance rate. Please note that the unit "RVU" made of a formula ND Medicaid uses to determine most professional fee reimbursement levels. By report of NDMA it is made up of a combination of private insurance reimbursement and Medicare reimbursement levels for each type of provider. We have sought out an answer for why this inequity has occurred amongst professional medical service providers but there has been no answer for it from ND Medicaid or the DHS.

The state of North Dakota is growing; The Department of Human Services has indicated that the number of people on Medicaid is increasing exponentially. There is a waiting list for the Autism Waiver, and a need for continued support of the Developmental Disabilities waiver. The decision made on Senate **Bill 2272** will have a critical impact on children utilizing ND Medicaid that require and benefit from speech, occupational, and physical therapy.

We love what we do; the services we provide have a direct impact on children. When you have a direct impact on children, you have a direct impact on families. If this bill does not pass, professional outpatient therapy practices will be required to drastically modify our guidelines, resulting in a significant decrease in the number of individuals we will be able to serve with ND Medicaid, based solely on the discrepant reimbursement indicated on the professional fee scale. We absolutely do not want this to happen. We recognize that it is counter-productive to decreasing available services for children, while the number of families utilizing Medicaid increases as do the wait lists for available waiver services.

I encourage you to **vote YES on Senate Bill 2272**. The passing of this bill will allow us to continue providing these essential outpatient speech, occupational, and physical therapy services to hundreds of children throughout the state.

Thank you for considering my concerns and the impact that your decision will have for these children and families.

Respectfully Submitted

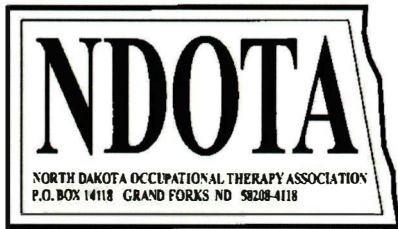
Stephen Olson

If there are further questions regarding this matter please do not hesitate to contact me at solson@pediatrictherapypartners.com.



#2

SB 2272



March 16, 2015

Chairman Weisz & Members of the House Human Services Committee,

My name is Kelly Deweese and I stand in support of Senate Bill 2272 on behalf of the North Dakota Occupational Therapy Association. The North Dakota Occupational Therapy Association supports this bill as a first step in helping to fix low Medicaid reimbursement rates experienced by occupational therapists, physical therapists, and speech language therapists in the state of North Dakota.

As the committee is aware, pediatric providers across the state have identified that up to 60% of their clientele are served by North Dakota Medicaid. Low Medicaid reimbursement rates have historically been offset by individuals with private insurance allowing providers to continue to serve all clients. However, this trend continues to change secondary to the Affordable Care Act making it difficult to provide services and stay afloat financially. In addition, fee schedule rates of reimbursement across health care services have not been equitable.

Reimbursement for many medical services providers was re-based in 2007 to reflect actual/modern costs of delivery services. This 2007 rebase did NOT include OT, PT, or SLP. Accordingly, the Senate Appropriations Committee and the Senate increased reimbursements to seventy five percent of the department of human service's fee schedule. It was suggested by the Department that all three professions engage the DHS to rebase their reimbursement rates over the next interim and this bill puts that process on track.

It is important that reimbursement rates be at a level that allows occupational therapists, physical therapists, and speech language therapists to continue to serve our pediatric clients across the state of North Dakota. Our state has a longstanding history of providing excellent care for our children with disabilities and this bill is one example of that commitment. Thank you for your time.

The North Dakota Occupational Therapy Association respectfully requests your favorable consideration. I would stand for any questions you might have.

Kelly Deweese, OTR/L
North Dakota Occupational Therapy Association

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North Dakota Department of Human Services

Occupational, Physical, and Speech Therapy Impacts

Medicaid Claim Count and Unit Count using Claims Incurred 01/01/2014 - 06/30/2014

Medicaid - DHS Total Fund Impacts

Claims Count	Units	Additional funds needed to pay at 75% of Medicaid RVU	Additional funds needed to pay at 50% of Medicaid RVU OR Medicaid Fee (whichever is >)	Additional funds needed to pay at 40% of Medicaid RVU OR Medicaid Fee (whichever is >)
13,464	29,202	\$682,269.38	\$213,640.18	\$65,736.77

2 Year Utilization Impact:	\$2,729,077.53	\$854,560.74	\$262,947.10
General Funds:	\$1,364,538.76	\$427,280.37	\$131,473.55
Federal Funds:	\$1,364,538.77	\$427,280.37	\$131,473.55

Medicaid / DPI Special Education Unit Total Fund Impacts

Claims Count	Units	Additional funds needed to pay at Straight 75% of Medicaid RVU	Additional funds needed to pay at 50% of Medicaid RVU OR Medicaid Fee (whichever is >)	Additional funds needed to pay at 40% of Medicaid RVU OR Medicaid Fee (whichever is >)
6,406	34,030	\$705,415.96	\$161,805.51	\$31,881.59

2 Year Utilization Impact:	\$2,821,663.86	\$647,222.04	\$127,526.36
General Funds:	\$1,410,831.93	\$323,611.02	\$63,763.18
Federal Funds:	\$1,410,831.93	\$323,611.02	\$63,763.18

TOTAL IMPACTS

Claims Count	Units	Additional funds needed to pay at Straight 75% of Medicaid RVU	Additional funds needed to pay at 50% of Medicaid RVU OR Medicaid Fee (whichever is >)	Additional funds needed to pay at 40% of Medicaid RVU OR Medicaid Fee (whichever is >)
19,870	63,232	\$1,387,685.35	\$375,445.69	\$97,618.36

2 Year Utilization Impact:	\$5,550,741.39	\$1,501,782.78	\$390,473.46
General Funds:	\$2,775,370.69	\$750,891.39	\$195,236.73
* Federal Funds:	\$2,775,370.70	\$750,891.39	\$195,236.73

* The entire amount of federal funds needs to be appropriated to the Department of Human Services

March 30, 2015

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2272

Page 1, line 7, replace "seventy-five" with "fifty"

Page 1, after line 8, insert:

**"SECTION 2. DEPARTMENT OF HUMAN SERVICES - MEDICAID
AMBULANCE SERVICES.** The department of human services is to rebase the
Medicaid ambulance services to eighty percent of the 2014 Workforce Safety and
Insurance rates to ensure the ambulance services remain viable across the state; and
to ensure services remain available for the North Dakota Medicaid enrollees. Further
year rate increases would be consistent with provider inflation authorized by the
Legislature."

Renumber accordingly