

2019 HOUSE HUMAN SERVICES COMMITTEE

HB 1355

2019 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Union Room, State Capitol

HB 1355
1/28/2019
31687

- Subcommittee
 Conference Committee

Committee Clerk Signature Nicole Klaman

Explanation or reason for introduction of bill/resolution:

Related to the moratorium on basic care and nursing facility bed capacity

Minutes:

2

Chairman Weisz: opened hearing

Shelly Peterson, President of the North Dakota Long Term Care Association: Support testimony provided, see **attachment 1.**

This bill would extend the basic care and nursing moratorium through 7-31-2021.

Also continue the exception process for securing free basic care beds, for entities if they can prove an unmet need.

It would also change the nursing facility bed layaway program, created 2011, allowing a bed to remain in the lay away program from the current 24 months to 48 months.

Also requesting 72 months, rather than 48, to put a bed in service after it is sold/transferred.
(0:13:35)

Representative Todd Porter: Per your testimony and regarding the number of months a bed can be put into storage. You state they will incur 3.1 million dollars in unreimbursed cost because they are under the 90%. Is that going away? Is it zeroed out? Is it going to cost the state more because they move into a higher reimbursement factor? Why doesn't this have a fiscal note?

Shelly Peterson: Good question. Based June 30th cost report, that's \$3 million in unreimbursed cost for those 20 facilities. Moving forward, Yes. If those facilities go over the 90% occupancy, they wouldn't be penalized. So potentially speaking, they wouldn't have money taken away from them and their cost would be recognized, but I think this is a question for the Department of Health.

(0:15:32)

Representative Gary Kreidt: District 33; Introduction of the bill, no written testimony provided. Most of you are familiar with the bed moratorium, as this discussion goes on every session. I do not have much to add to Shelly's testimony, she's the expert.

(0:18:13)

Chairman Weisz: Questions from committee? Seeing none, thank you. Support?

Pete Antonson, CEO of Northwood Deaconess Health Center: Support testimony provided, see **attachment 2**. The bed moratorium and bed layaway program has been beneficial to his facility.

(0:22:53)

Chairman Weisz: Questions? Further Support? Seeing none, Opposition?

Opposition:

None

Chairman Weisz: Why do we not have a potential fiscal note?

Leanne Thiele, Department Human Services: Our Appropriations are built on the moratorium continuing, some are under limits and losing money. Historically facilities do not meet 90% occupancy.

Representative Todd Porter: I'm more concerned about the other effect, keeping beds in storage for 2 years to avoid being penalized where you will have to pay them more than what you are budgeting to pay them for. So if they are in the penalty, they put more beds in storage without disposition of them, then the 3 million goes away as they aren't in penalty.

Leanne Thiele: Typically what we see is they must have occupancy up to 90% when we do the rate setting in the fall. They probably put the beds away June 30th or sometime around there. Those that don't meet 90% occupancy, doesn't change, it's always the same ones.

Rep. Porter: Why would anybody be in the penalty box if they can preplan?

Leanne Thiele: I can't answer that as it's up to the administrators in the facility.

Rep. Porter: List of facilities in penalty box and how many beds compared to 90%?

Leanne Thiele: Yes, I can get to you for the last 2 years.

Chairman Weisz: closes hearing on HB 1355

2019 HOUSE STANDING COMMITTEE MINUTES

Human Service Committee
Fort Union Room, State Capitol

HB 1355
2/6/2019
32294

- Subcommittee
- Conference Committee

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|---|
| Committee Clerk Signature Nicole Klaman |
|---|

Explanation or reason for introduction of bill/resolution:

Relating to the moratorium on basic care and nursing facility bed capacity.

Minutes:

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Chairman Weisz: opened meeting

Representative Todd Porter: I want to reiterate why I don't like this. This was put in place as a means to stop unprecedented growth and empty facilities inside the state. At the time it was put in we had 60% occupancies and other things that weren't working and those facilities kept coming back unable to make business decisions or cash flow because they just wanted a facility in their community. The state stepped in and capped, to stop growth. Facilities then started to get penalized if they were below 90% occupancy. The mission then changed. Basic care came along, assisted living and communities realized they were not going to be able to have skilled nursing and they decided they would convert. Federal money came to the scene and there was a bed buy back, then things stalled out. Suddenly there became much urban growth. That is when this bill created false value to the property, it's a state controlled value. The facilities can hold 10% of their beds and wait for the highest bidder, knowing they aren't going the beds. they move them into larger communities at a cost to them. When they pay for something that really has no value, because it's created by the state, it drives the cost up. We are willing to say there is a demand for those beds in other areas, then pay for nothing and allow the Medicaid system to reimburse them over time. It's created a vicious circle. To sum it up, we are setting a false value on something they don't own because we were afraid of growth and we are letting them eventually sell something the state puts the value on causing us to pay more when they sell it as they group them together and they come online the Medicaid reimbursement is higher. The false market is not helping anyone.

(0:05:40)

Chairman Weisz: I find it interesting those that are supporting the moratorium but then of course if you read the bill, they are wanting to extend the lay away from 48 to 72 months because they find they are having problems working within the moratorium to protect their beds that they aren't using. That's the problem when you artificially fix the market.

Representative Greg Westlind: My little community has brought this up as we were once a 72 bed institution and now down to 30. By being able to layaway beds and sell beds has

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2/6/19
Page 2

kept our little place in business. Without selling them or layaway we would be under the 90% rule, reducing our Medicaid and State payments. I support this bill.
I move a Do Pass

Representative Bill Devlin: Second

Roll Call Vote: Yes 11 No 2 Absent 1
Motion carries, Do Pass

Rep. Westlind: carrier

Chairman Weisz: Closed meeting on HB 1355

2019 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Union Room, State Capitol

HB 1355
2/12/2019
32547

- Subcommittee
 Conference Committee

Committee Clerk: Nicole Klamann

Explanation or reason for introduction of bill/resolution:

Relating to the moratorium on basic care and nursing facility bed capacity

Minutes:

Chairman Weisz: Opened meeting with request for reconsider on HB 1355 due to Long term Care finding what they consider errors on the bill.

Representative Chuck Damschen : I move to reconsider

Representative Matthew Ruby: Second

Voice Vote: Motion carries to reconsider HB 1355

Chairman Weisz: Look at the amendments.

Page 3 line 4: change months from forty-eight to seventy-two

Page 3 line 26; twenty-four months to forty-eight months

Page 4, after line 16, insert

“9 Notwithstanding any other provision of this section, a nursing facility bed in the layaway program before July 1, 2019, may remain in the program for forty-eight months from the time the bed was first laid away.

Vice Chair Rohr: I move to adopt the amendment

Representative Matthew Ruby: Second

Voice Vote: Motion carries to adopt amendment

Representative Gretchen Dobervich: Move a Do Pass as amended

Representative Greg Westlind: Second

Roll Call Vote Yes 11 No 2 Absent 1

Motion carries, Do Pass As Amended

Representative Greg Westlind: carrier

House Human Services Committee

HB 1355

2/12/19

Page 2

Chairman Weisz: closes meeting

19.8157.01001
Title.02000

Adopted by the Human Services Committee

DP 2/11/19

February 11, 2019

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1355

Page 3, line 4, overstrike "forty-eight-month" and insert immediately thereafter "seventy-two-month"

Page 3, line 26, overstrike "twenty-four-month" and insert immediately thereafter "forty-eight-month"

Page 4, after line 16, insert:

"9. Notwithstanding any other provision of this section, a nursing facility bed in the layaway program before July 1, 2019, may remain in the program for forty-eight months from the time the bed was first laid away."

Renumber accordingly

Date: 2-6-2019
 Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1355**

House Human Services 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 Rep Westlind Seconded By Rep. Devlin

| Representatives | Yes | No | Representatives | Yes | No |
|-------------------------------|-----|----|--------------------|-----|----|
| Robin Weisz - Chairman | | X | Gretchen Dobervich | X | |
| Karen M. Rohr - Vice Chairman | X | | Mary Schneider | X | |
| Dick Anderson | X | | | | |
| Chuck Damschen | X | | | | |
| Bill Devlin | X | | | | |
| Clayton Fegley | X | | | | |
| Dwight Kiefert | A | | | | |
| Todd Porter | | | | | |
| Matthew Ruby | X | | | | |
| Bill Tveit | X | | | | |
| Greg Westlind | X | | | | |
| Kathy Skroch | X | | | | |
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Total (Yes) 11 No 2

Absent 1

Floor Assignment Rep Westlind

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

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1355**

House Human Services 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 Rep. Damschen Seconded By Rep. MRuby

| Representatives | Yes | No | Representatives | Yes | No |
|---------------------------|-------|-------|--------------------|-----|----|
| Robin Weisz, Chairman | | | Gretchen Dobervich | | |
| Karen M. Rohr, Vice Chair | | | Mary Schneider | | |
| Dick Anderson | | | | | |
| Chuck Damschen | | | | | |
| Bill Devlin | | | | | |
| Clayton Fegley | | | | | |
| Dwight Kiefert | ----- | ----- | | | |
| Todd Porter | | | | | |
| Matthew Ruby | | | | | |
| Bill Tveit | | | | | |
| Greg Westlind | | | | | |
| Kathy Skroch | | | | | |
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Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
Voice Vote Motion carries, Reconsider

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1355**

House Human Services Committee

Subcommittee

Amendment LC# or Description: 19.8157.01001

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 Rohr Seconded By Rep. M Ruby

| Representatives | Yes | No | Representatives | Yes | No |
|---------------------------|-----|----|--------------------|-----|----|
| Robin Weisz, Chairman | | | Gretchen Dobervich | | |
| Karen M. Rohr, Vice Chair | | | Mary Schneider | | |
| Dick Anderson | | | | | |
| Chuck Damschen | | | | | |
| Bill Devlin | | | | | |
| Clayton Fegley | | | | | |
| Dwight Kiefert | | | | | |
| Todd Porter | | | | | |
| Matthew Ruby | | | | | |
| Bill Tveit | | | | | |
| Greg Westlind | | | | | |
| Kathy Skroch | | | | | |
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Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote, Motion carries to adopt amendment

Date: 2-11-19
Roll Call Vote #: 3

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1355

House Human Services Committee

Subcommittee

Amendment LC# or Description: 19.8157.01001

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. Dobervich Seconded By Rep. Westlind

| Representatives | Yes | No | Representatives | Yes | No |
|-------------------------------|-----|----|--------------------|-----|----|
| Robin Weisz - Chairman | | X | Gretchen Dobervich | X | |
| Karen M. Rohr - Vice Chairman | X | | Mary Schneider | X | |
| Dick Anderson | X | | | | |
| Chuck Damschen | X | | | | |
| Bill Devlin | X | | | | |
| Clayton Fegley | X | | | | |
| Dwight Kiefert | X | | | | |
| Todd Porter | | X | | | |
| Matthew Ruby | X | | | | |
| Bill Tveit | X | | | | |
| Greg Westlind | X | | | | |
| Kathy Skroch | X | | | | |
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Total (Yes) 11 No 2

Absent 1

Floor Assignment Rep. Westlind

If the vote is on an amendment, briefly indicate intent:
Motion carries, Do Pass as amended

REPORT OF STANDING COMMITTEE

HB 1355: Human Services Committee (Rep. Weisz, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1355 was placed on the Sixth order on the calendar.

Page 3, line 4, overstrike "forty-eight-month" and insert immediately thereafter "seventy-two-month"

Page 3, line 26, overstrike "twenty-four-month" and insert immediately thereafter "forty-eight-month"

Page 4, after line 16, insert:

"9. Notwithstanding any other provision of this section, a nursing facility bed in the layaway program before July 1, 2019, may remain in the program for forty-eight months from the time the bed was first laid away."

Renumber accordingly

2019 SENATE HUMAN SERVICES

HB 1355

2019 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

HB 1355
3/11/2019
Job # 33479

- Subcommittee
 Conference Committee

Committee Clerk: Justin Velez / Pam Dever

Explanation or reason for introduction of bill/resolution:

Relating to the moratorium on basic care and nursing facility bed capacity.

Minutes:

Att #1 – Shelly Peterson : Att # 2- Pete Antonson

Madam Chair Lee opens the hearing on HB 1355.

(01:09-05:34) Representative Kreit, Dist. 33 introduces HB 1355. I think I have introduced this bill for a number of sessions. What this bill does is it continues the moratorium on skilled beds in the state which we have been doing for a number of sessions now. There is a census problem right now with basic care and some occupancy problems in skilled care, too, so we wanted to give it one more chance and see what happens after this session. We are also extending some of the timelines on bed lay-away with the tribes. We have always had a 48 months' timeline to bring these facilities online. We feel that time is not adequate. (4.17) The experts will testify here after me.

Sen. Anderson: Can you explain to me why you said that you think this might come to an end soon? What are you thinking?

Rep. Kreidt: We have been able to continue the moratorium for many years, and I don't know if there is really that much of a threat to individuals putting up new nursing home. Basic care right now, I feel is a level of care that having difficult times. Their occupancy is averaging about 70%. I don't see any big jumps in that. I just have a feeling that someday the moratorium is going to go off. The market will take care of it.

Madam Chair Lee: We have those aging boomers coming along who might use a couple of those beds, so we can't get rid of them now. (6.57)

Rep. Kreidt: It might be another 7-10 years, but we will see an uptick in resident populations. I will be adding an amendment to the human services budget to lower the 90% occupancy to 85%. That will give us two years in order for us to see how things look at that time. I will be around one more session and this is my baby. (7.53)

Sen. Anderson: We are the only state with basic care beds, and I think our moratorium as long as we have that there was an incentive to get people qualified for skilled care and build

more nursing homes, because we were paying for them. The cap came in, but we still have the highest number of skilled care beds per capita in the country.

Rep Kreidt: The ball game in town is Assisted living. That is where it's at right now that is will continue.

Madam Chair Lee: That is a private pay deal so the people who are in basic care are the people who can't afford assisted living.

Rep. Kreidt: There is only one assisted living in the state that does accept the close to Medicaid rates which is located in New Salem. That was a little situation that we had with the state, and I think it is good for three years yet.

Madam Chair Lee: any further questions? If not, thank you.

(10:48-19:38) Shelly Peterson, President of the North Dakota Long Term Care Association. Testifying in support of HB 1355. Please see Attachment #1 for written testimony. She explained all the handouts with graphs. We greatly value the moratorium. We want to make sure we have options in rural N.D. Any questions?

Madam Chair Lee: I think part of that natural migration is because (1) adult children are in the population centers and (2) because of medical facilities. I know folks who have moved to closer to the better facilities in the Fargo/Moorhead area. Additional challenges for the rural areas with doctoring, as they call it.

Shelly: We anticipate that we will have some closures just because of low demands. Will not be feasible in the future. (20.22)

Madam Chair Lee: It is not the only thing that is under threat in smaller communities.

Sen. Larsen: How many facilities are hooked to a hospital? Stanley comes to mind.

Shelly: I thought it was 24 are connected to a critical access hospital.

Madam Chair Lee: They are under threat also. Out of the 36 critical access hospitals only 4 are capable of remaining fiscally sound. The other 32 have an average daily census of four or fewer. Can't keep a hospital open if no one is in it. That affects all of this.

(22:20-26:02) Pete Antonson, CEO of the Northwood Deaconess Health Center. Testifying in support of HB 1355. Please see Attachment #2 for written testimony. Any questions?

Madam Chair Lee: I think there would be an advantage with the time expansions in planning recognizing the demographics curves that we are anticipating, too. (26.15)

Pete: Absolutely.

Madam Chair Lee: I use to come to Northwood regularly and visit relatives.

Pete: I have been there all my life.

Madam Chair Lee: Any more testimony? Any opposition? Any agencies? We will close the hearing on HB 1355. (27.45)

Sen. Larsen: I move a DO PASS.

Sen. Hogan: I second.

Madam Chair Lee: Any discussion. Please call the roll; **YES -- 5 NO -- 0 -1-absent PASSED. Sen. Larsen will carry the bill.** We will leave this open for Sen. Clemens to vote.

Madam Chair Lee closes the hearing on HB 1355.

(Job # 33522) Senator Clemens votes yes on HB 1355

Final vote on HB 1355, 6 YES, 0 NO, 0 ABSENT

Date: 3/11/19
 Roll Call Vote #: 1

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1355**

Senate Human Services 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 Sen. O. Larsen Seconded By Sen. Hogan

| Senators | Yes | No | Senators | Yes | No |
|-------------------------|-----|----|------------------|-----|----|
| Sen. Judy Lee | X | | Sen. Kathy Hogan | X | |
| Sen. Oley Larsen | X | | | | |
| Sen. Howard C. Anderson | X | | | | |
| Sen. David Clemens | X | | | | |
| Sen. Kristin Roers | X | | | | |
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Total (Yes) 6 No 0

Absent 0

Floor Assignment Sen. O. Larsen.

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

REPORT OF STANDING COMMITTEE

HB 1355, as engrossed: Human Services Committee (Sen. J. Lee, Chairman)
recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1355 was placed on the Fourteenth order on the calendar.

2019 TESTIMONY

HB 1355

#1
HB 1355
1/28/19
Pg. 1

Testimony on HB 1355
House Human Services Committee
January 28, 2019

Good morning Chairman Weisz and members of the House Human Services Committee. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. We represent 214 basic care, assisted living and nursing facilities across North Dakota. I am here to testify in support of HB 1355.

What we are striving to accomplish in HB 1355 is to extend the basic care and nursing facility moratorium through July 31, 2021, and continue the same exception to the basic care moratorium, (for entities to get free beds if they can prove an unmet need). Further HB1355 changes the nursing facility bed layaway program the legislature created in 2011, allowing a bed to remain in the lay away program from the current 24 months to 48 months. We are also requesting 72 months rather than 48 to put a bed in service after it is sold/transferred.

This request is coming to you because of changing demographics and community planning to better meet the long term care needs of our future seniors.

Section 1:

- Continues the basic care moratorium through July 31, 2021.
- Continues the exception process for securing “free” basic care beds based upon need. This is done by applying to the Department of Health and Department of Human Services for approval. Criteria they consider: are basic care beds within the requested area at least 90% occupied, will

the applicant care for individuals needing Medicaid for their care, and what is the total capacity within the region based on beds per 1000 elderly?

- Allows basic care facilities 72 months rather than 48 months to put a bed in service after its acquisition.

Section 2:

- Continues the nursing facility moratorium through July 31, 2021.
- Allows nursing facilities 72 months rather than 48 months to put a bed in service after its acquisition.
- At the top of page 3, we will need an amendment to change line four to read 72 months, we missed this change in the drafting process. The intent of this is to say you have 72 months to put a bed in service, from the original date of the first transfer/sale.
- Allows Indian Tribes 72 months rather than the current 48 months to put a nursing facility bed in service after its acquisition.
- Allows nursing facilities to have 48 months rather than 24 months to store a bed away and not use it. This year we still have 20 nursing facilities that have an average occupancy of less than 90%. Together they will incur \$3,108,969 in unreimbursed costs because they operate under 90% occupancy. Having a bed layaway program helps them, temporarily downsize and have time to consider, should I permanently get rid of beds?
- On the bottom of page 3, Line 26, we missed changing this 24 months to 48 months. The intent of this sentence is to say you have a maximum of 48 months in the bed layaway program. After that period you must put it back in service or sell it.
- Under subsection 7, it changes again the 24 months to 48 months the bed hold period for nursing facilities. This subsection details what happens after the 48 month bed hold period: After the 48 month bed

hold period, you can sell the bed to another entity and the new entity has 72 months rather than 48 months to put the bed in service. This section also specifies, that if the bed is sold again during this 72 months period, you don't get another 72 months to put it in service, the life of the bed starts at the first transfer/sale.

- Subsection 8 addresses the issue of all beds transferred before July 1, 2019. They will have 72 months of life from the original time of their transfers.

We've had a good re-distribution of nursing facility beds from low demand areas to high demand areas. See the attached chart that displays the changes in our 4 population centers from 2009 to 2019. We are anticipating some continued growth in the Bismarck/Mandan area and in the Fargo/West Fargo area. For the first time since the moratorium, we've had beds up for sale and no bids submitted. That may help explain why we have 20 of 80 nursing facilities below 90% occupancy.

Demographics nationwide and in North Dakota show we are in a low demand period right now. During the depression and war, there were fewer children born in the 1920's and into the 1930's. But those individuals born in this period had more children. As a result in the nation and in North Dakota, we will see a significant demand hit us in 2029. In North Dakota between 2015 and 2029 we are projected to have a 49% increase in our 65 plus population. This represents over 52,000 more individuals in this age category. With research, technology and more options for staying at home, we may be able to care for more of this generation at home. But lifestyle, drug addiction and a growing dementia population, nursing facilities will continue to serve a need. This legislation will help facilities transition to expanded care models and continue the re-distribution of beds.

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Pg. 4

Going from 4 years (48 months) to 6 years (72 months) will help anyone buying a bed and putting it in service. Generally you are buying beds from multiple providers and each bed may expire at a different time, this makes completing a project within 4 years very challenging. We also have delays in seeking construction plan approvals from the Health Department and project delays because of weather and labor availability.

I've attached an amendment that corrects the dates we missed. Both the Department of Human Services, who initially reached out to us to see if we needed changes in the bed layaway or transferring of beds, and the Department of Health are supportive of the changes in HB 1355.

Thank you for your consideration of HB 1355 and I would be happy to answer any questions you may have.

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

#1
HB 1355
1/28/19
Pg. 5

Summary on Current Law and Impact of HB 1355
Nursing Facility Bed Hold and Basic Care/Nursing Facility/Tribe Sales

| <u>Type of Transaction</u> | <u>Currently</u> | <u>HB 1355</u> |
|-----------------------------------|------------------|----------------|
| 1) Nursing Facility Bed Hold | 24 months | 48 months |
| 2) Nursing Facility Sale/Transfer | 48 months | 72 months |
| 3) Basic Care Sale/Transfer | 48 months | 72 months |
| 4) Indian Tribe Sale/Transfer | 48 months | 72 months |

#1
HB 1355
1/28/19
Pg. 6

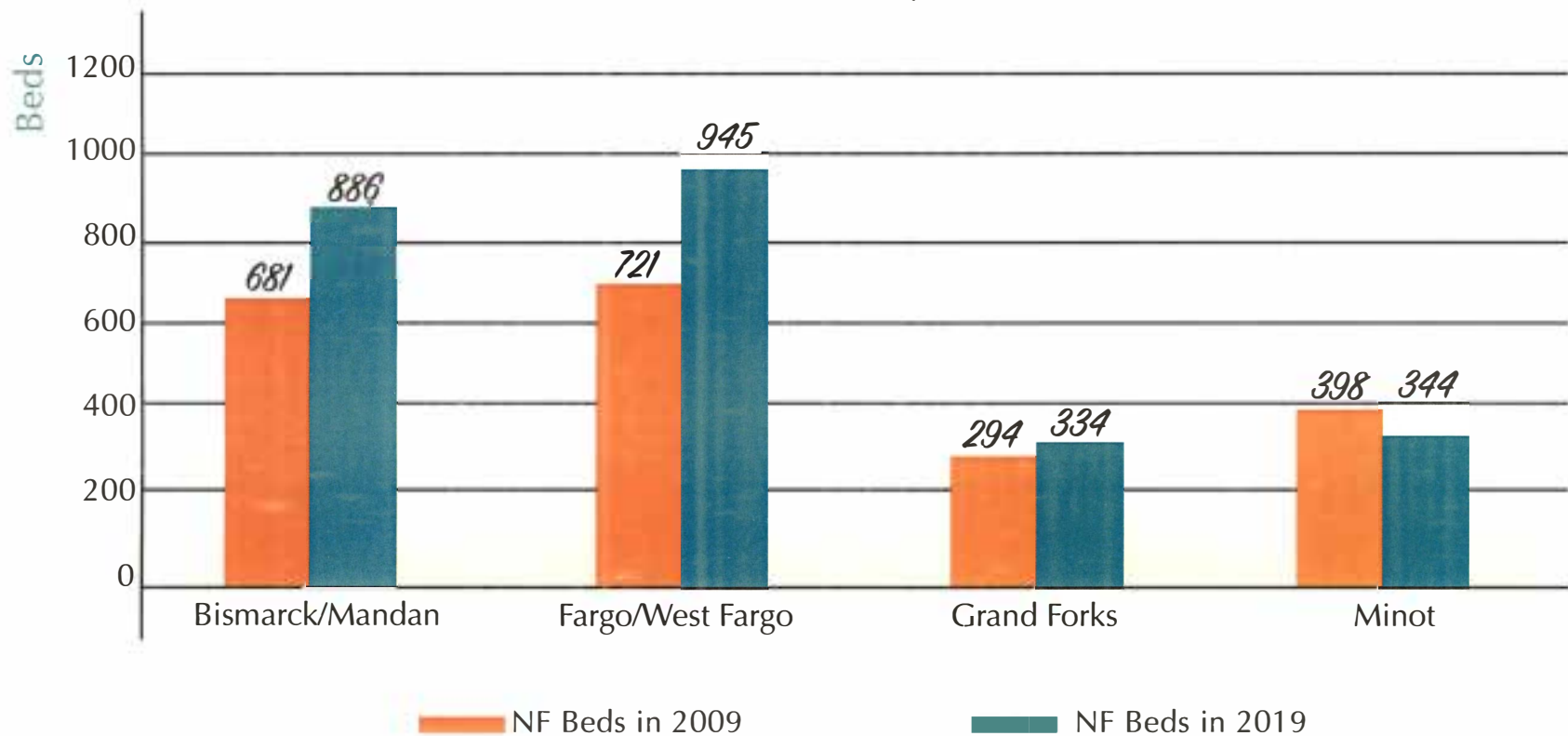
Proposed Amendments to HB 1355

Page 3, Line 4, replace "forty-eight" with "seventy-two"

Page 3, Line 6, replace "twenty-four" with "forty-eight"

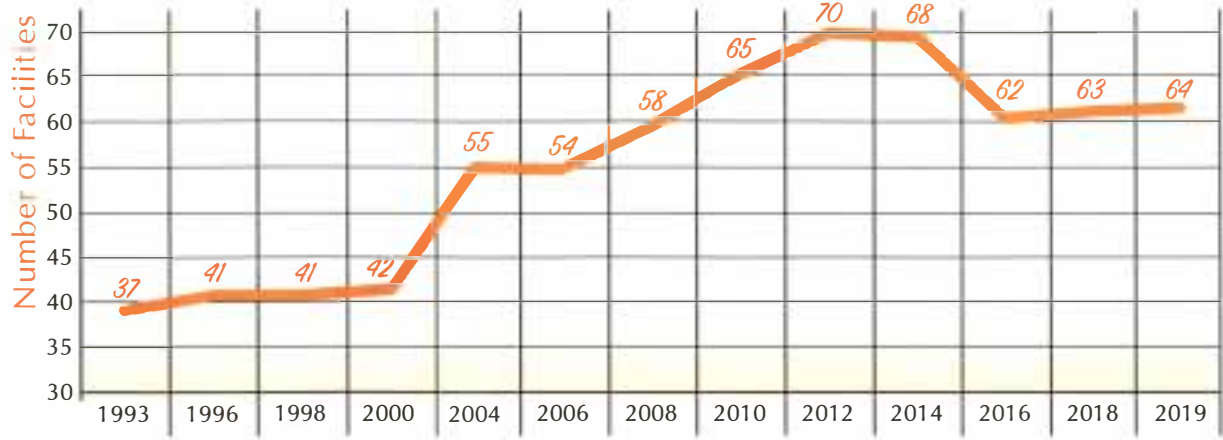
Licensed Nursing Facility Beds for the 4 Major Cities

2009 & 2019 Comparative

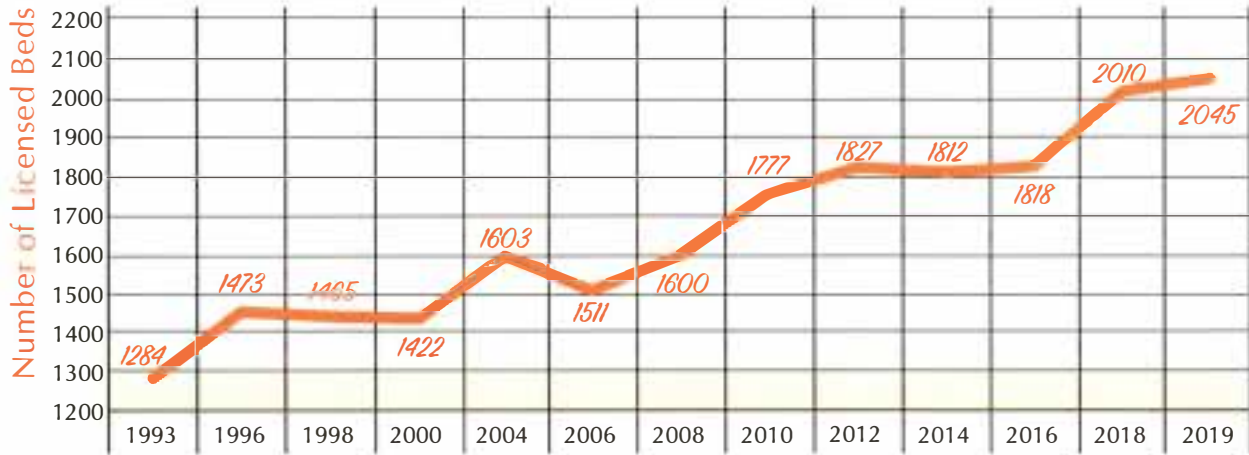


Basic Care

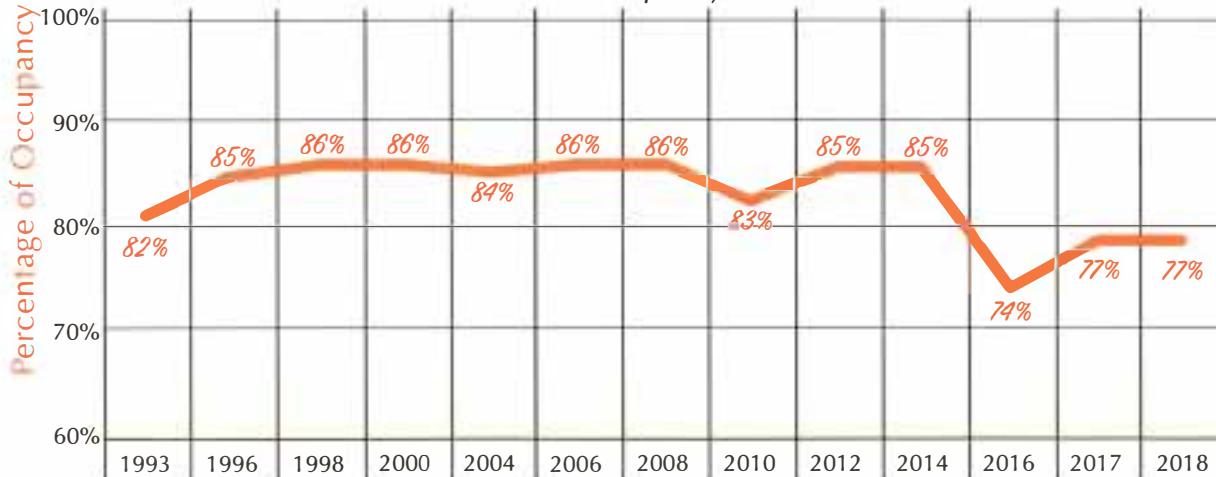
Number of Facilities



Licensed Beds



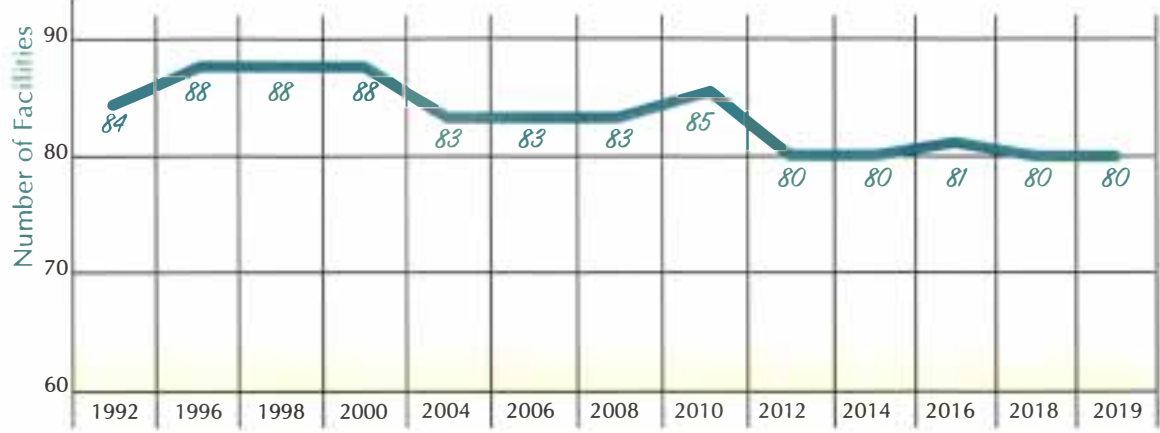
Occupancy



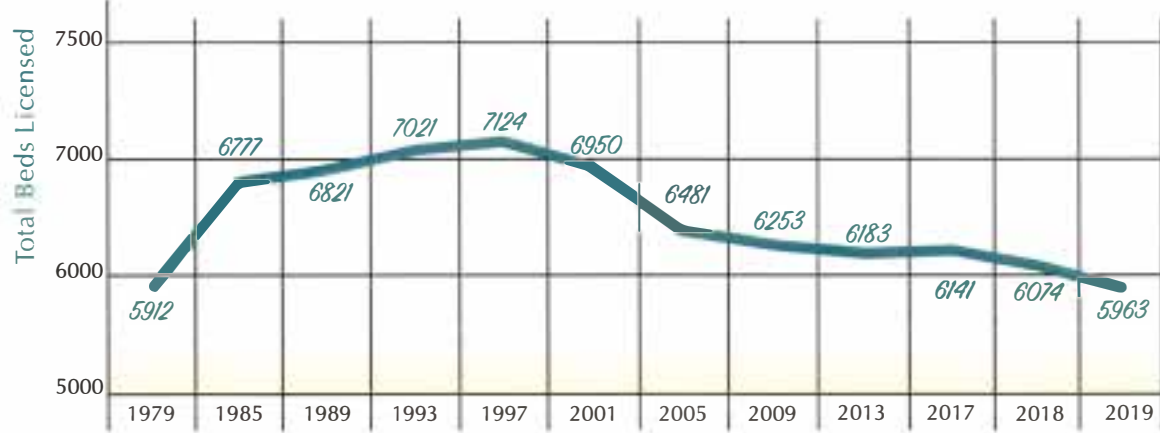
#1
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 1/28/19
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Nursing Facilities

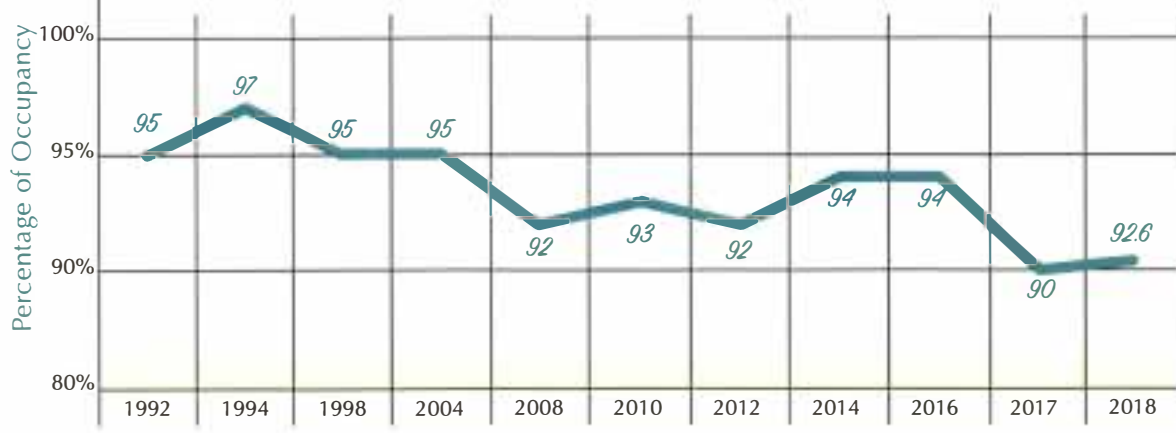
Number of Facilities



Licensed Beds



Occupancy

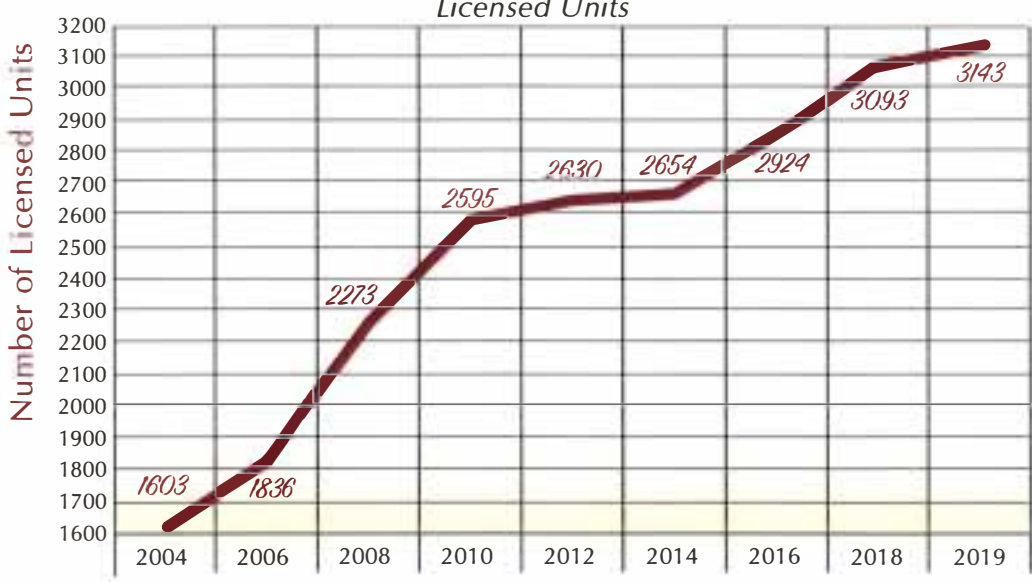


Assisted Living

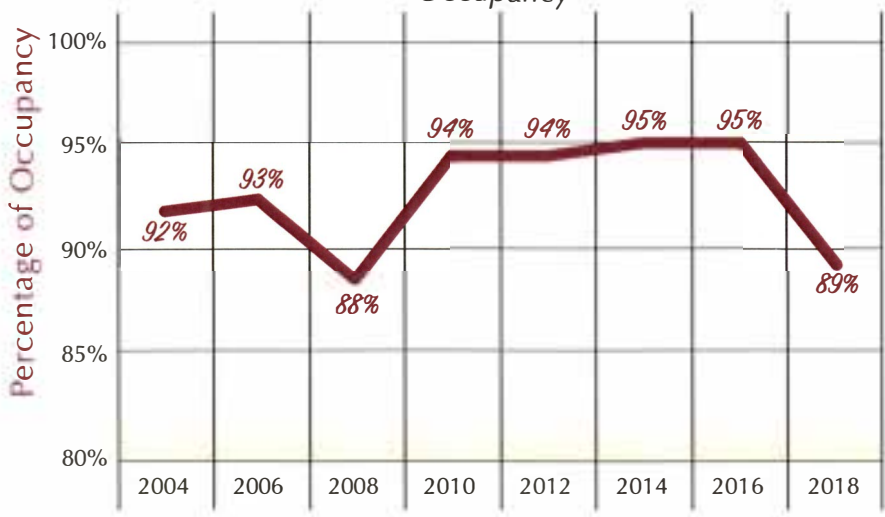
Number of Facilities



Licensed Units



Occupancy



#1
HB 1355
2019



North Dakota Long Term Care **FACTS & FIGURES**



**North Dakota
Long Term Care**
ASSOCIATION

1900 North 11th Street, Bismarck, ND 58501
(701) 222-0660 • www.NDLTCA.org

About NDLTCA

About the North Dakota Long Term Care Association

The North Dakota Long Term Care Association (NDLTCA) is a non profit trade association representing long term care facilities in North Dakota. Membership includes nursing facilities, basic care facilities, and assisted living facilities. NDLTCA began operating in 1977 and currently represents 214 nursing, basic care, and assisted living facilities. NDLTCA works closely with State and Federal government agencies along with other professional associations in its efforts to advocate on behalf of long term care and promote sound legislative and regulatory policies. NDLTCA is an affiliate of the American Health Care Association (AHCA) and the National Centers for Assisted Living (NCAL). AHCA and NCAL, located in Washington, D.C., are the largest organizations of long term care facilities in the nation. NDLTCA is governed by a 14 member Board elected by the membership. Overall policy of the NDLTCA is the responsibility of the Board. NDLTCA is dedicated to serving our members who strive to maintain the highest quality of care for the elderly and disabled.

Mission Statement

The North Dakota long Term Care Association is a professional association of long term care and community service providers who enhance the lives of people we serve through collaboration, education and advocacy.

Vision Statement

The North Dakota Long Term Care Association is recognized as an innovative leader and pioneer in the continuum of care, which has a positive impact on the quality of life of those we serve.

Core Values

- Competence
- Honesty
- Integrity
- Responsiveness
- Trust

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RESOURCES Most of the information provided in this publication was gathered from a comprehensive survey of assisted living, basic care and nursing facility members, completed in the Fall of 2018. Additional information was gathered from the US Census Bureau - July 2015, NDSU Extension Service, Spring 2017, ND State Department Business Data, Nursing Facility cost reports and Pinnacle Quality Insight.

Introduction



Greetings to All

The North Dakota Long Term Care Association (NDLTCA) is pleased to bring to you the 2019 Facts & Figures booklet. This publication provides information about the long term care profession, the challenge of caring for aging North Dakotans, and issues facing long term care. This publication is designed to give legislators, association members, and the public an overview of long term care in North Dakota. The biggest challenge continues to be staffing, with finances the second area of concern.

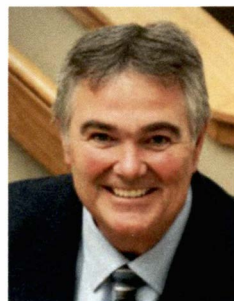
According to World Population Review, North Dakota is considered the most rural U.S. state. North Dakota today estimates 30,000 open positions, and recruiting to long term care continues to be a significant challenge. 81% of North Dakota's 53 counties are designated as health professional shortage areas. Over 80% of nursing facilities don't have sufficient staff and rely upon contract agency staff to help deliver daily residents care.

We hope you find the publication helpful. North Dakota is a great place to grow old. Over 16,000 individuals each year receive care in a basic care, assisted living or skilled nursing facility. We are proud of the outstanding care provided by long term care facilities in our state.

Sincerely yours,



*Shelly Peterson
President*



*Craig Christianson
Chair*

Long Term Care Facts

Aging In America

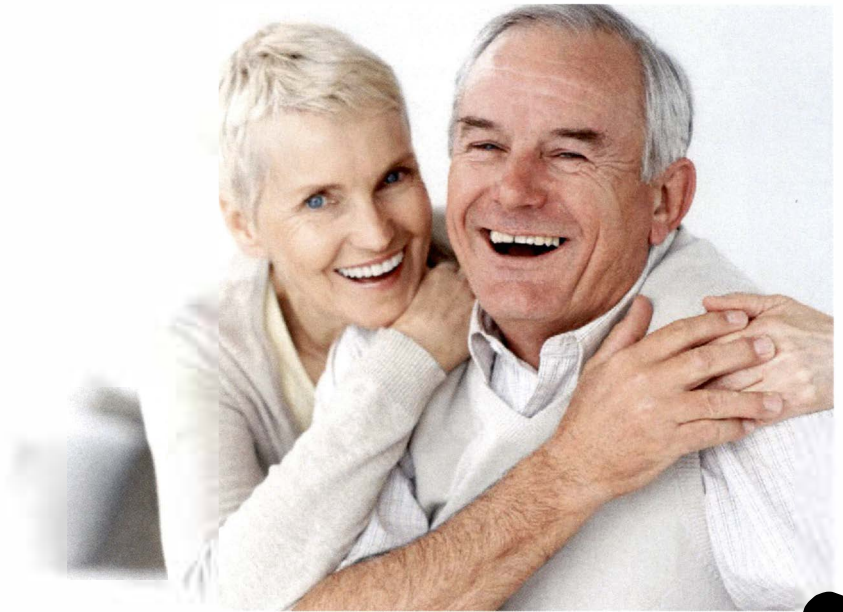
The aging of America, together with extended life expectancy, will result in unprecedented demand for long term care.

Long term care services are provided in a variety of settings, including nursing facilities, basic care, assisted living, swing beds, and home and community based settings.

The nation as a whole grew as the oldest Baby Boomers became seniors.

In 2015, the nation's 65+ populations surged to 47.8 million, up to 3.2%.

1 out of 2 North Dakotans will need long term care sometime during their lives



49% projected growth in North Dakota's population of individuals age 65+ by 2029

107,281
2015

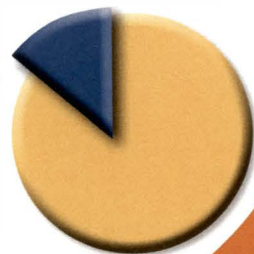
159,969
2029

North Dakota ranks **7th** in the nation in highest proportion of individuals age 85+



Risk of requiring long term care at sometime in life is 50%. If you have a spouse, overall risk that one of you would need long term care is 65%

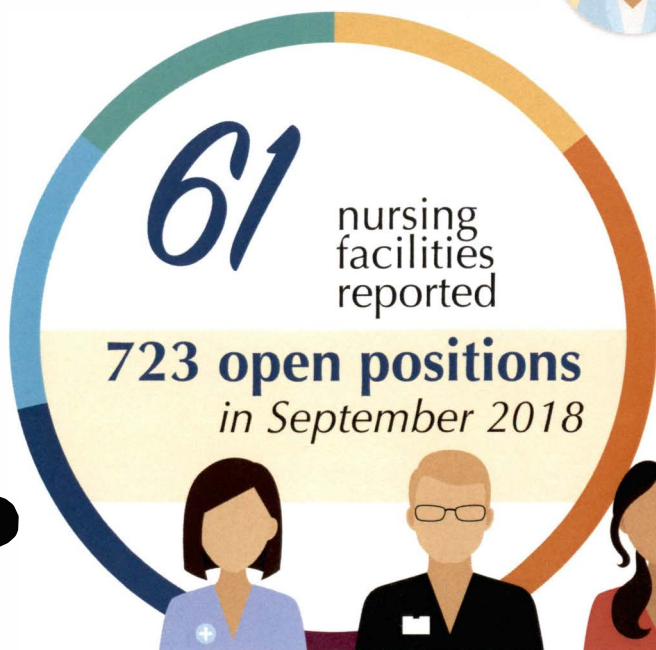
14% of North Dakota's population is made up of individuals 65+



Long Term Care Facts

Caregivers of North Dakota

- Staffing is the number one concern facing long term care facilities.
- **CNA turnover** in nursing facilities is **60%**.
- The oldest employee in long term care is **92 years old**.
- Over **four out of five** nursing facilities (82%) rely upon contract nursing staff to provide daily resident care.
- \$18.9 million was spent on contract nursing in 2018, compared to \$4.7 million in 2010.
- One-third of caregivers in long term care are age 50 or older.
- 14% of the long term care workforce is at or over the age of 60.



Who Needs Care?

Long term care facilities provide care for over 16,000 North Dakotans annually.

The need for personal assistance with everyday activities increases with age.

The three top factors impacting the need for nursing home care are being a woman, being 80 or older, and living alone.

The most common reasons given for nursing home placement are the need for assistance with daily care, complex medical needs, complications due to dementia, falls and the need for constant supervision.

North Dakota has the oldest nursing home residents with 46% age 85-95 years (highest in the nation) and 8.7% over age 95 (second highest in nation).

Assisted Living Facts

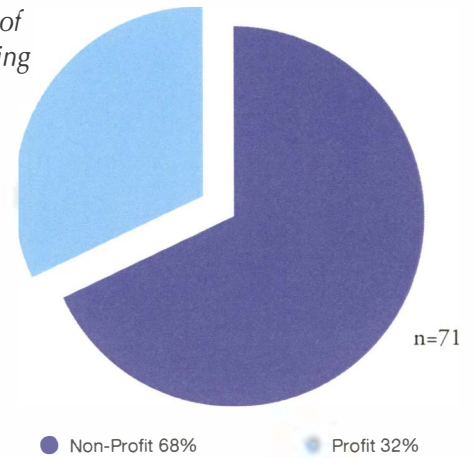
ASSISTED LIVING AT A GLANCE

78 licensed assisted living facilities

3,143 licensed units

2018 average occupancy was **89%**
n=33

Ownership of Assisted Living Facilities



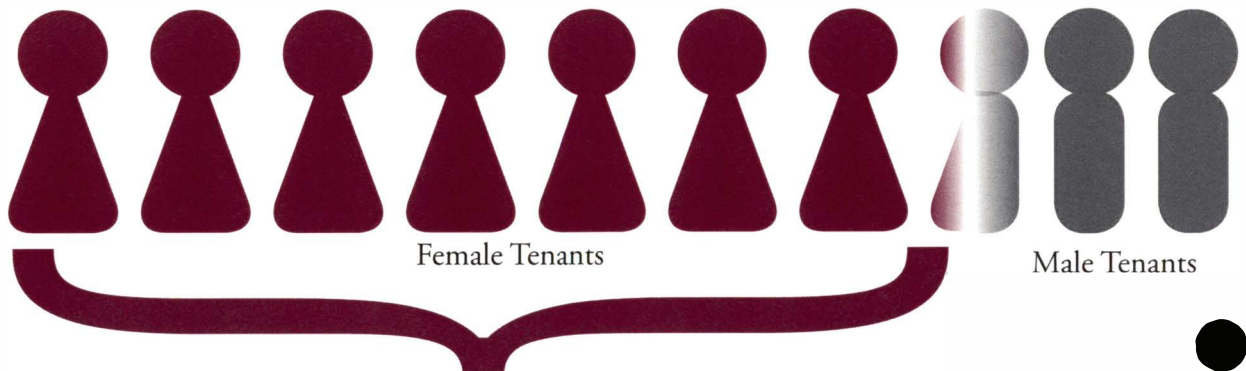
Assisted Living Facts

- An assisted living facility is a congregate residential setting with private apartments and contracted services.
- A la carte services are contracted based upon an agreed upon service plan.
- A typical rental package includes meals, housekeeping, activities, transportation, and laundry.
- Facilities provide a full range of services from bathing to medication management to hospice care.
- Assistance with daily care, isolation and falls are the top issues precipitating the desire to move into an assisted living facility.
- Current tenants range in age from 57 to 106 with the average age being 87.



Gender of Assisted Living Residents

n=981



72% of tenants in North Dakota ASSISTED LIVING are female

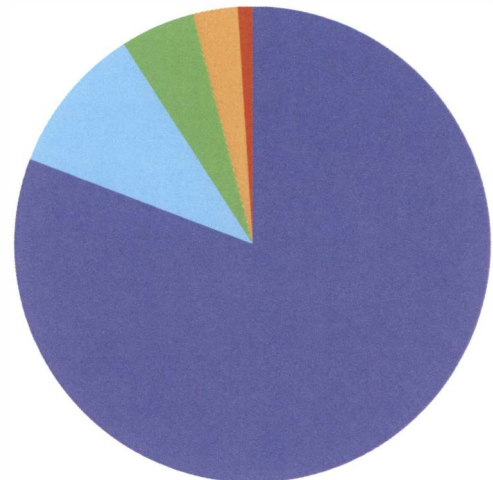
Tenants - Moving In and Out

When individuals move into an assisted living facility, *where do they come from?*

Most individuals were living in their own home prior to moving into an assisted living facility. The top three reasons for assisted living move-in:

- 1) Assistance with daily care
- 2) Social Isolation/Depression
- 3) Falls

Moving In

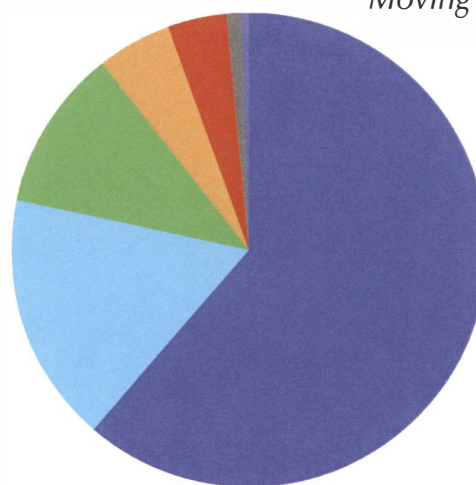


- Home 80%
- Nursing Facility 10%
- Other Assisted Living Facility 5%
- Hospital/Swing Bed 3%
- Basic Care Facility 1%

When individuals move out of an assisted living facility, *where do they go?*

Over 60% of tenants moving out of assisted living facilities are admitted to a skilled nursing facility. Advancing medical needs and growing cognition issues necessitate the move to a higher level of care.

Moving On



- Nursing Facility 61%
- Death 17%
- Other Assisted Living Facility 11%
- Home 5%
- Basic Care Facility 4%
- Hospital/Swing Bed 1%
- Family <1%

Assisted Living Facts

Care needs of assisted living tenants

39% of tenants have impaired mental status ranging from mild confusing or forgetfulness to a mental health diagnosis.

41% of tenants need full assistance with medication administration. These tenants on average take 11.7 over-the-counter and prescription medications daily.

99% of tenants are fully independent in eating, 97% independent with transferring, 94% with toileting, and 76% with dressing.

66% of tenants periodically use the assistance of a walker or cane.

79% of tenants are ambulatory (may use aids but not human assistance).

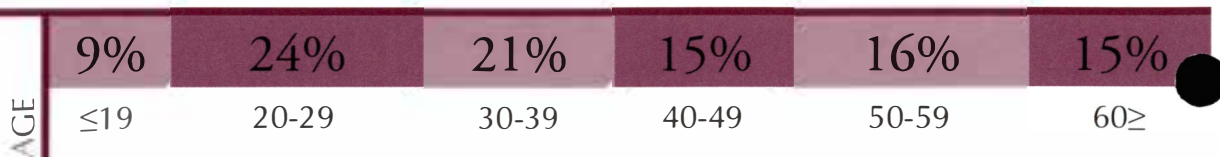
Assisted Living WORKFORCE



- Top issues impacting assisted living facilities are staffing and occupancy.
- 809 individuals are employed in 33 assisted living facilities.
- As of September 1, 2018, of the 33 assisted living facilities reporting nursing hours the average was 8.3 hours per day.
- Only three of 33 assisted living facilities used contract nursing staff in 2018.
- Approximately one-third (31%) of the workforce is age 50 and older, the oldest employee is 83, an dining aide.



Age of Assisted Living Workforce



n=1127

Assisted Living Facts

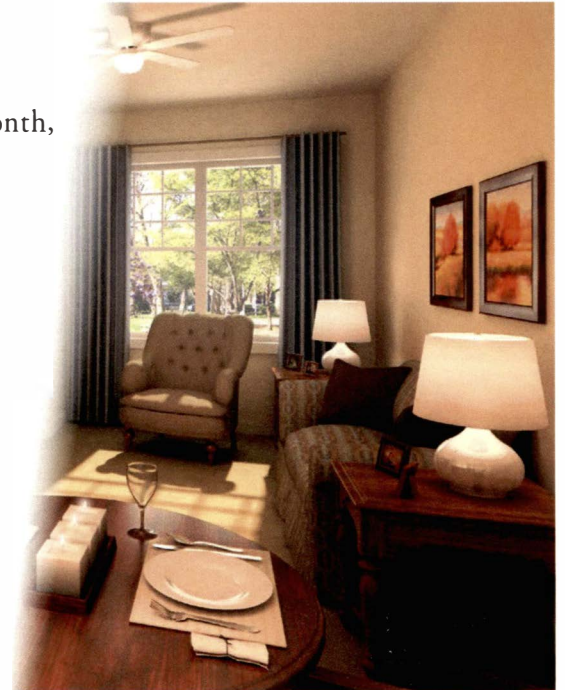
Assisted Living COST

In 2018 the average rent in an assisted living facility was \$2,534 per month, with a range of \$625 to \$5,370 per month.

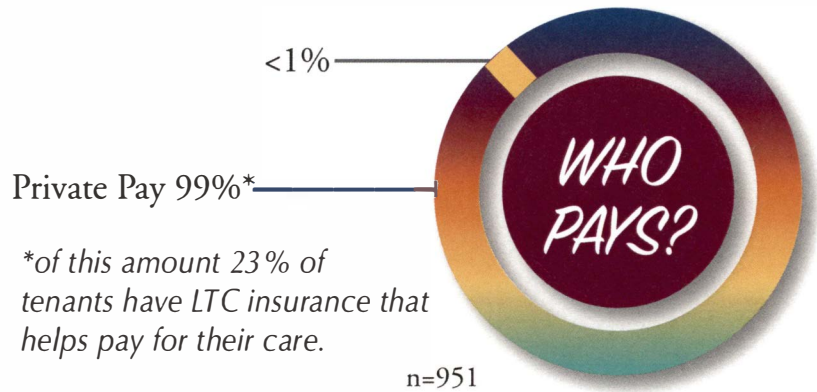
The cost for services in an assisted living facility varies dramatically, with a range of \$121 to \$4,800 per month.

The cost of assisted living is highly dependent on the size of the living space, the location in North Dakota, and the amenities in the rental package.

Most tenants pay for services from their own private funds, with long term care insurance assisting in 23% of the cases.



Who Pays the Bill in Assisted Living Facilities?



Assisted Living Satisfaction Survey Results

| Satisfaction | No Experience | 1-Poor | 2-Average | 3-Good | 4-Very Good | 5-Excellent |
|-------------------------------|---------------|--------|-----------|--------|-------------|-------------|
| Overall Satisfaction (n=1051) | <1% | <1% | 5% | 14% | 37% | 41% |
| Quality of Staff (n=1051) | <1% | <1% | 3% | 11% | 34% | 51% |
| Quality of Care (n=1051) | 5% | <1% | 4% | 10% | 36% | 45% |
| Quality of Food (n=1051) | 5% | 6% | 18% | 26% | 30% | 15% |

44 Assisted Living Facilities representing 1051 tenants participated in the survey October 2018

NDLTCA Members Assisted Living

City Facility Name

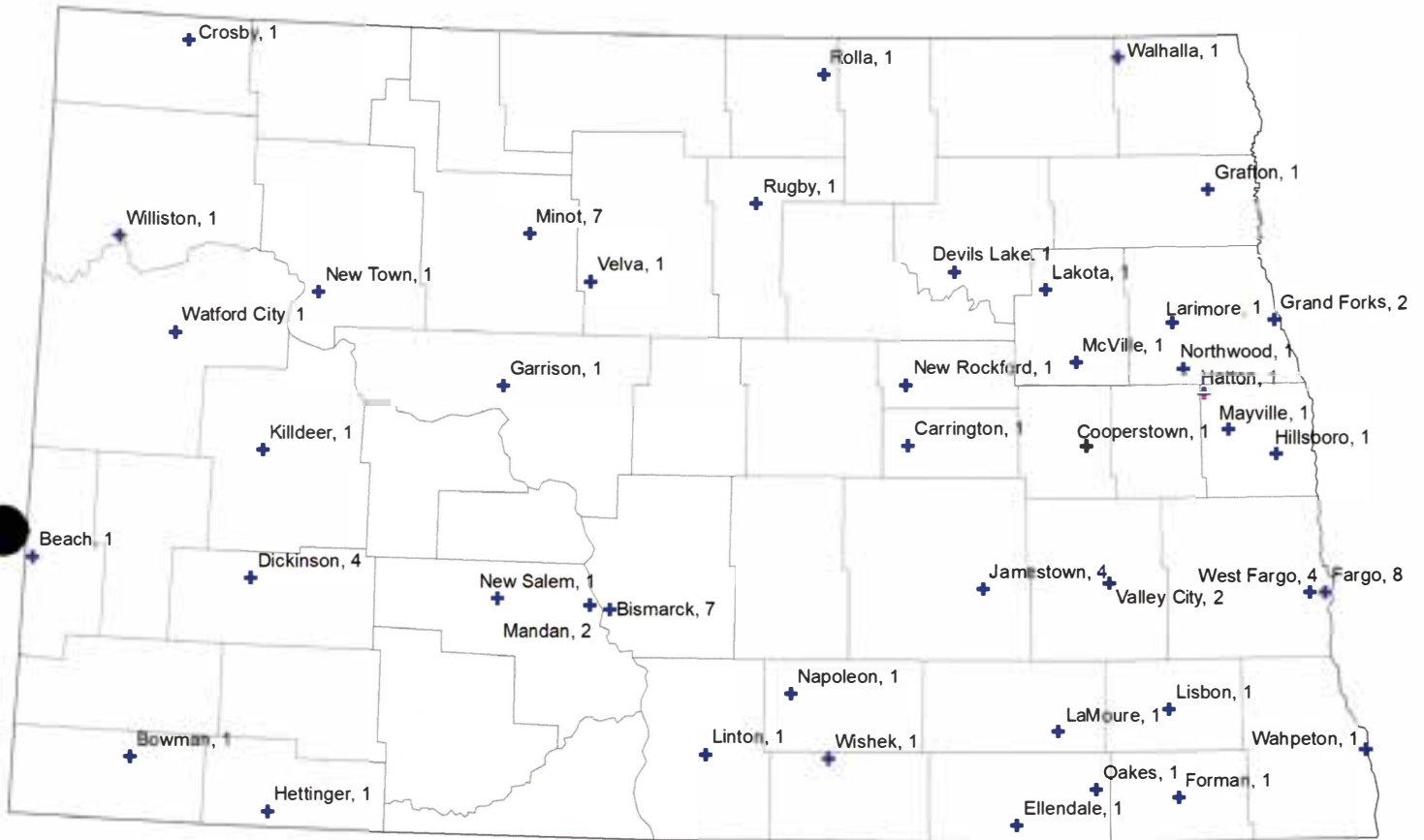
| | |
|-------------|---|
| Bismarck | Augusta Place – a Prospera Community |
| Bismarck | Edgewood Dominion |
| Bismarck | Edgewood Village |
| Bismarck | Prairie Pointe |
| Bismarck | Primrose Retirement Community |
| Bismarck | St. Gabriel's Community |
| Bismarck | Touchmark on West Century |
| Bismarck | Valley View Heights |
| Bowman | Sunrise Village |
| Carrington | Golden Acres Estate |
| Cooperstown | Park Place |
| Crosby | Northern Lights Villa |
| Devils Lake | Eventide Heartland Courts |
| Dickinson | Benedict Court |
| Dickinson | Edgewood Hawks Point |
| Dickinson | Evergreen |
| Dickinson | Park Avenue Villa |
| Ellendale | Evergreen Place and Assisted Living |
| Fargo | Bethany Gables |
| Fargo | Bethany Towers |
| Fargo | Edgewood Senior Living Fargo |
| Fargo | Eventide Fargo |
| Fargo | Good Samaritan Society - Fargo |
| Fargo | Pioneer House Assisted Living for Seniors |
| Fargo | CHI Riverview |
| Fargo | Touchmark at Harwood Groves |
| Forman | Four Seasons Healthcare Center |
| Garrison | The Meadows |
| Grafton | Leisure Estates |
| Grand Forks | Edgewood Parkwood Place, LLC |
| Grand Forks | Wheatland Terrace |
| Hatton | Hatton Prairie Village |
| Hettinger | Western Horizons Assisted Living |
| Hillsboro | Sanford Health Comstock Corner |

City Facility Name

| | |
|--------------|--|
| Jamestown | Edgewood Senior Living Jamestown |
| Jamestown | Eventide Jamestown |
| Jamestown | Heritage Centre of Jamestown, Inc. |
| Killdeer | Legacy Lodge |
| Lakota | Good Samaritan Society - Prairie Rose |
| LaMoure | Rosewood Court Assisted Living |
| Larimore | Good Samaritan Society - Larimore |
| Lisbon | Beverly Anne Assisted Living Center |
| Mandan | Edgewood Mandan |
| Mandan | Lakewood Landing |
| Mayville | Sun Center |
| McVie | Nelson County Health System Assisted Living |
| Minot | Edgewood Minot Senior Living Care |
| Minot | Elmcraft of Minot |
| Minot | ProHealth Home Care |
| Minot | The View on Elk Drive |
| Minot | The Wellington |
| Napoleon | Napoleon Congregate/Assisted Living Apartments |
| New Rockford | Heritage House |
| New Salem | Elm Crest Assisted Living |
| New Town | Lakeside Community Living Center |
| Northwood | Northwood Deaconess Health Center |
| Oakes | Good Samaritan Society - Royal Oakes |
| Rugby | Haaland Estates - Assisted Living |
| Valley City | The Legacy Place |
| Velva | Valley View Manor |
| Wahpeton | Siena Court |
| Walhalla | North Border Estates |
| Watford City | Horizon Assisted Living |
| West Fargo | Eventide at Sheyenne Crossings |
| West Fargo | Kind-er Care |
| West Fargo | New Perspective |
| Williston | Arbor House |
| Wishek | Prairie Hills Assisted Living |

Assisted Living Map

North Dakota Assisted Living Facilities



+ City (Number of Assisted Living Facilities)

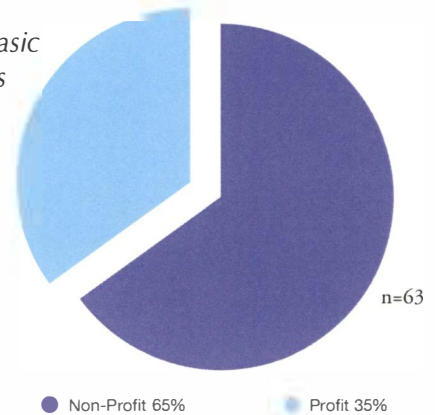
Source: ESRI, North Dakota Long Term Care Association
Created by the North Dakota Healthcare Workforce Group
on 3/28/2018

Basic Care Facts

BASIC CARE AT A GLANCE

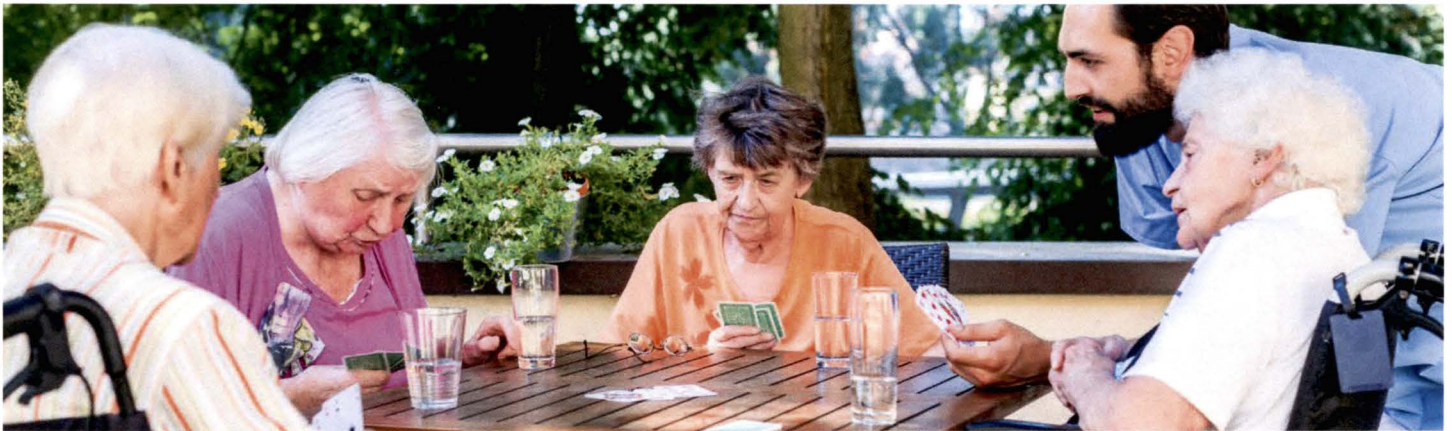
64 licensed basic care facilities
 2,045 licensed units
 2018 average occupancy was 77%

Ownership of Basic Care Facilities

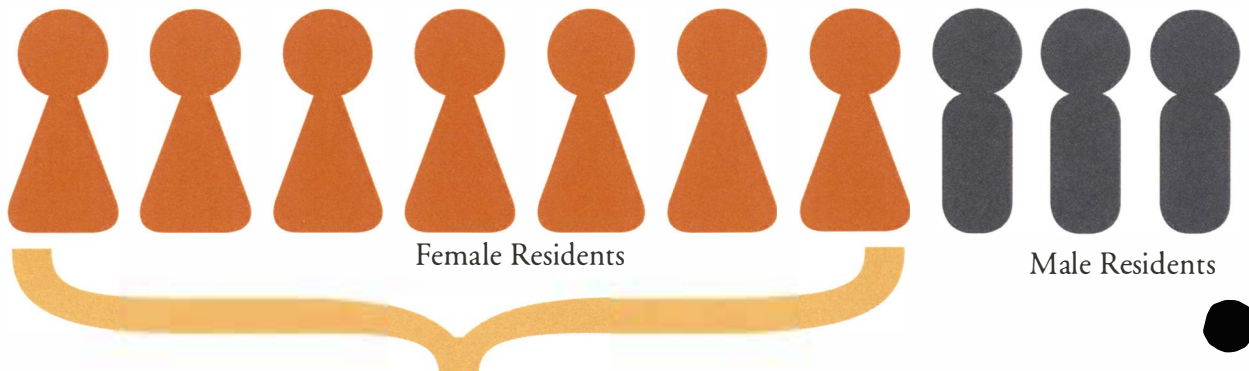


Basic Care Facts

- A basic care facility is a congregate residential setting with private and semi-private rooms, providing 24-hour staffing.
- Basic Care provides an all-inclusive rate providing room, meals, personal care services, supervision, activities, transportation, medication administration, nursing assessment, and care planning.
- Current residents range in age from 39 to 105 years old, with the average age being 83.



Gender of Basic Care Residents
 n=788



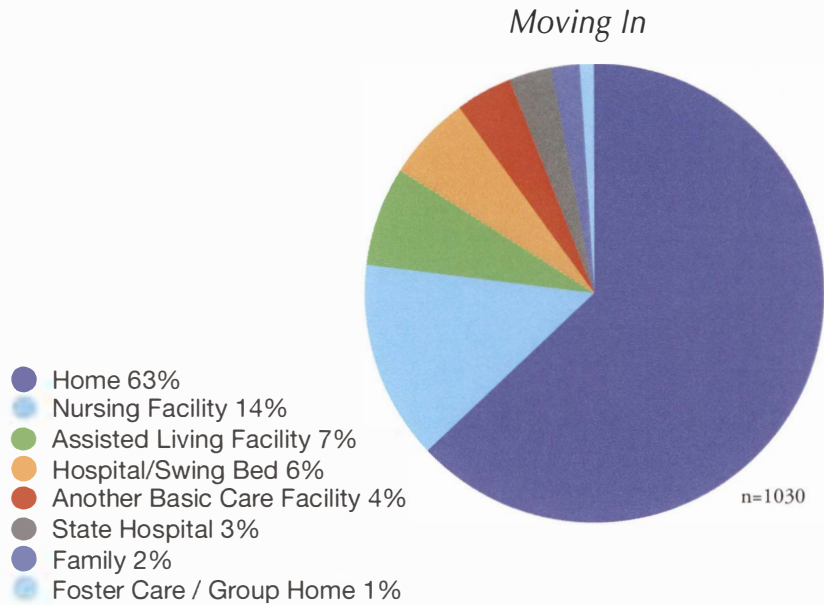
70% of tenants in North Dakota BASIC CARE are female

Basic Care Facts

When individuals move into a basic care facility, *where do they come from?*

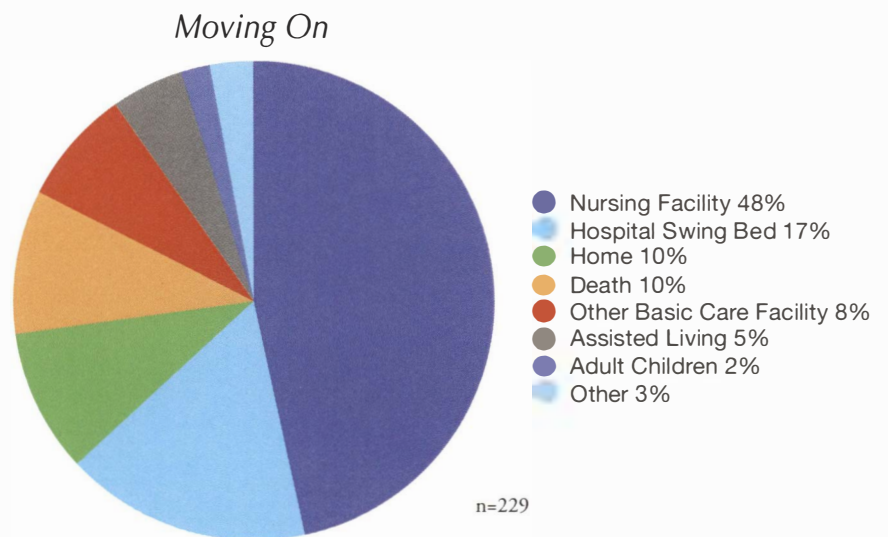
Top three reasons for basic care admission:

- 1) Needs assistance
- 2) Needs supervision
- 3) Confusion



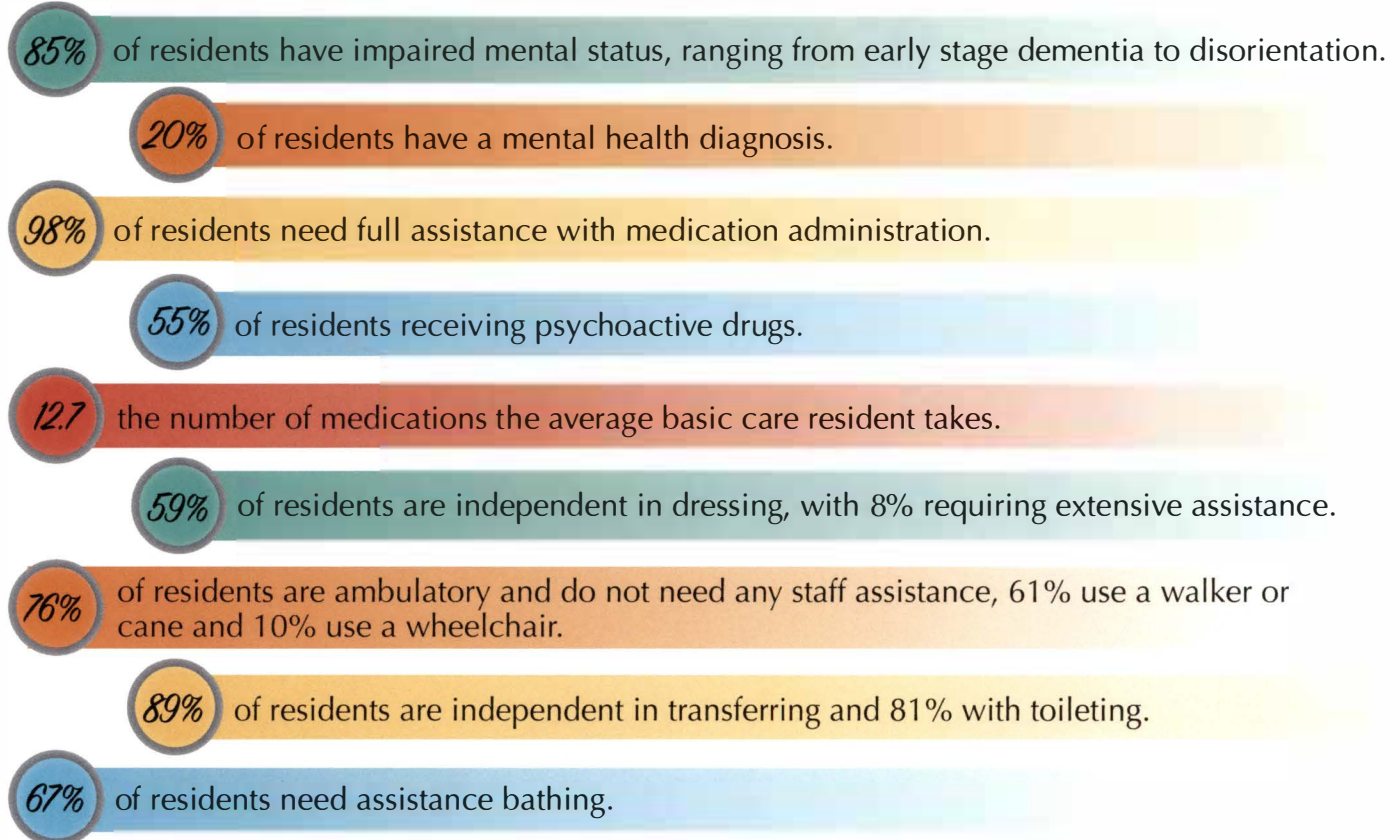
When individuals move out of a basic care facility, *where do they go?*

Almost half of residents discharged from a basic care facility are admitted to a skilled nursing facility. Medical needs, physical limitations, and growing cognitive issues necessitate the admission to a higher level of care.



Basic Care Facts

Care needs of basic care tenants



Basic Care WORKFORCE

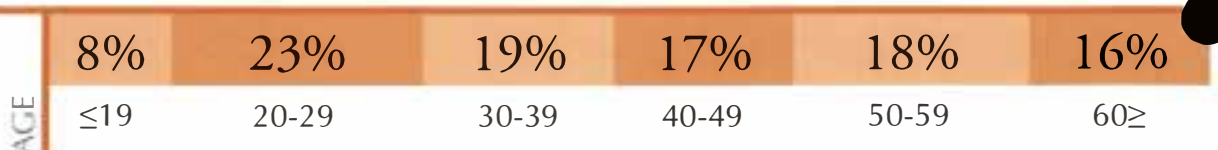


- The top issue facing basic care facilities is staffing and occupancy.
- 1,000 individuals are employed in 25 basic care facilities.
- In 2018 the average wage increase provided was 2.6%, while most tried to maintain health insurance with premiums increasing 5%.
- Three of the reporting 25 basic care facilities used contract nursing staff in their facilities in 2018, reporting they spent \$234,600 on contract staffing.
- The youngest employee is 15 years old and the oldest is 84 years old.



Age of Basic Care Workforce

n=1000



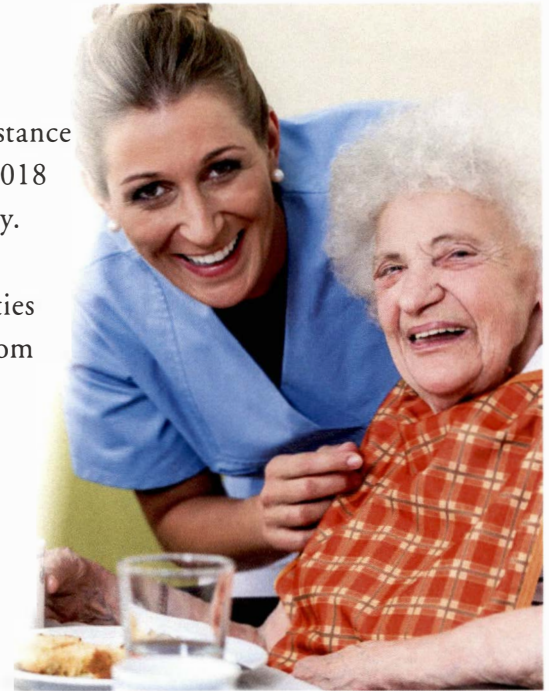
Basic Care Facts

Basic Care COST

Almost two-thirds (62%) of the residents living in basic care need assistance to pay for their care. The average basic care assistance rate on July 1, 2018 was \$123.80 per day. The rates ranged from \$79.26 to \$198.98 per day.

Cost of a Private Room: One-third of reporting basic care facilities charge extra for a private room. The average daily cost for a private room is \$10.73 per day, with a range of \$3.29 to \$21.70 per day.

Rate Equalization in Basic Care: It is allowable to charge private pay residents more than basic care assistance rates. Only a little over half (57%) of the reporting Basic Care Facilities charge the private pay more.



Basic Care Assistance 62%

Other 3%

Private Pay 35%*



Who Pays the Bill in Basic Care Facilities?

*13% of residents have LTC insurance that helps pay for their care

n=718

Basic Care Satisfaction Survey Results

| Satisfaction | 0-No Experience | 1-Poor | 2-Average | 3-Good | 4-Very Good | 5-Excellent |
|------------------------------|-----------------|--------|-----------|--------|-------------|-------------|
| Overall Satisfaction (n=645) | 2% | <1% | 6% | 16% | 31% | 45% |
| Quality of Staff (n=645) | <1% | <1% | 4% | 14% | 35% | 47% |
| Quality of Care (n=645) | 2% | 0% | 3% | 16% | 39% | 40% |
| Quality of Food (n=645) | 2% | 4% | 13% | 22% | 32% | 28% |

29 Basic Care Facilities representing 645 residents participated in the survey October 2018

NDLTCA Members Basic Care Facilities

City Facility Name

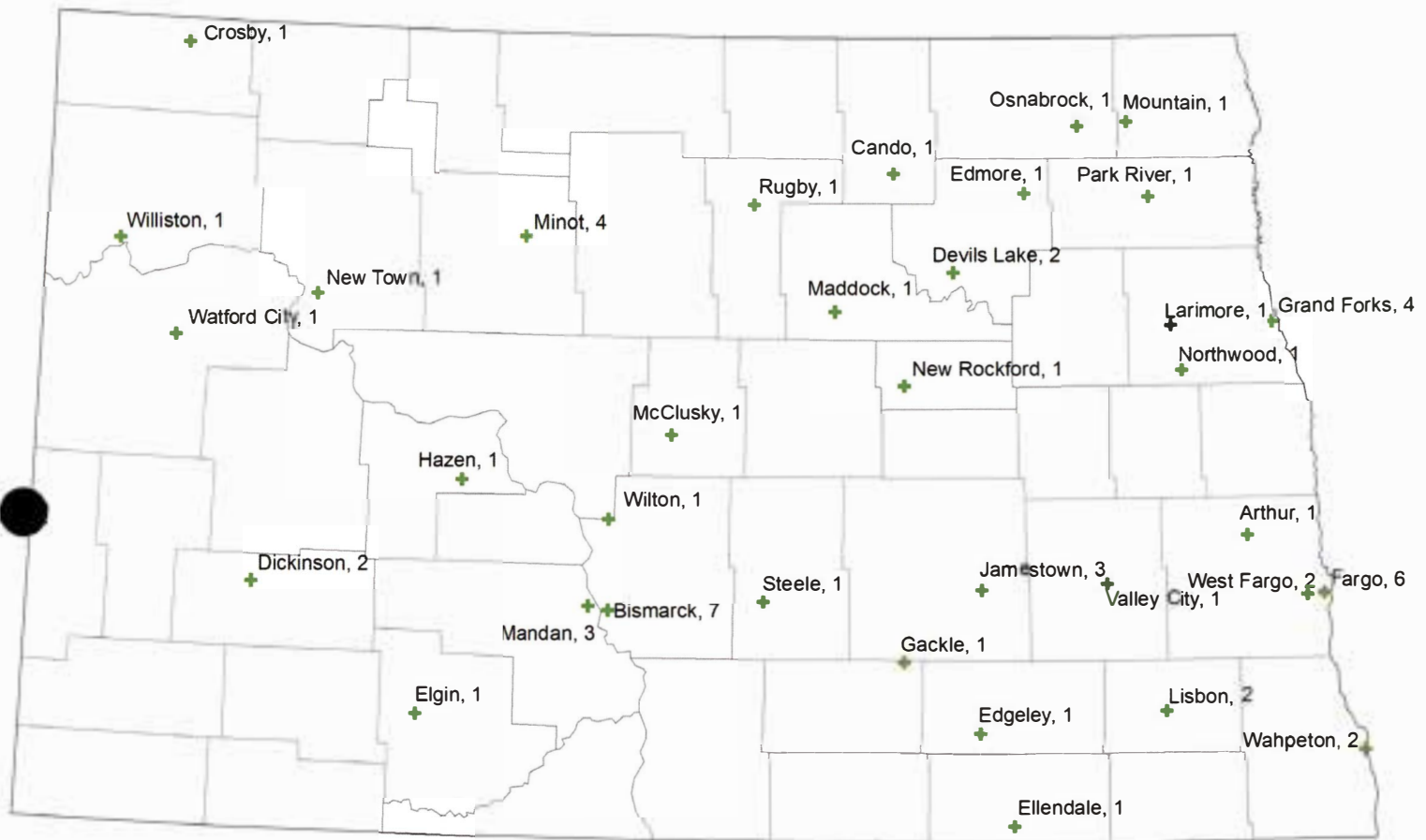
| | |
|-------------|---|
| Arthur | Good Samaritan Society - Arthur |
| Bismarck | Augusta Place – a Prospera Community |
| Bismarck | Edgewood Dominion |
| Bismarck | Edgewood Village |
| Bismarck | Maple View |
| Bismarck | St. Gabriel's Community |
| Bismarck | The Terrace |
| Bismarck | Touchmark on West Century |
| Cando | St. Francis Residence |
| Crosby | St. Luke's Sunrise Center |
| Devils Lake | Good Samaritan Society - Lake Country Manor |
| Devils Lake | Odd Fellows Home |
| Dickinson | Dickinson Country House LLC |
| Dickinson | Evergreen |
| Edgeley | Manor St. Joseph |
| Edmore | Edmore Memorial Rest Home |
| Elgin | Dakota Hill Housing |
| Ellendale | Evergreen Place |
| Fargo | Bethany Towers |
| Fargo | Ecumen Evergreens of Fargo |
| Fargo | Edgewood Senior Living Fargo |
| Fargo | Good Samaritan Society - Fargo |
| Fargo | Maple View Memory Care |
| Fargo | Touchmark at Harwood Groves |
| Gackle | Gackle Care Center |
| Grand Forks | Maple View Memory Care |
| Grand Forks | Edgewood Parkwood Place, LLC |
| Grand Forks | St. Anne's Guest Home |
| Grand Forks | Tufte Manor |
| Hazen | Senior Suites at Sakakawea |
| Jamestown | Edgewood Senior Living Jamestown |

City Facility Name

| | |
|--------------|---|
| Jamestown | Rock of Ages |
| Jamestown | Rosedale |
| Lakota | Good Samaritan Society - Lakota |
| Larimore | Good Samaritan Society - Larimore |
| Lisbon | North Dakota Veterans Home |
| Lisbon | Parkside Lutheran Home |
| Maddock | Maddock Memorial Home |
| Mandan | Dakota Pointe |
| Mandan | Edgewood Mandan |
| Mandan | Lakewood Landing |
| McClusky | Sheridan Memorial Home |
| Minot | Edgewood Minot Senior Living Care |
| Minot | Edgewood Memory Care |
| Minot | Edgewood Memory Care II |
| Minot | Maple View Memory Care - Minot |
| Mountain | Borg Pioneer Memorial Home |
| Napoleon | Napoleon Care Center |
| New Rockford | Lutheran Home of the Good Shepherd |
| New Town | Lakeside Community Living Center |
| Osnabrock | Osnabrock Community Living Center |
| Park River | Good Samaritan Society - Park River |
| Rugby | Haaland Estates - Basic Care |
| Steele | Golden Manor Inc. |
| Valley City | Hi Soaring Eagle Ranch |
| Wahpeton | Siena Court |
| Wahpeton | The Leach Home |
| Watford City | McKenzie County Healthcare Systems |
| West Fargo | Eventide at Sheyenne Crossings |
| West Fargo | New Perspective |
| Williston | Bethel Lutheran Nursing & Rehabilitation Center |
| Wilton | Redwood Village |

Basic Care Map

North Dakota Basic Care Facilities



+ City (Number of Basic Care Facilities)

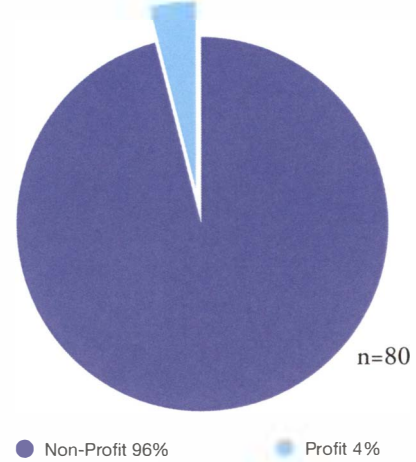
Source: ESRI, North Dakota Long Term Care Association
Created by the North Dakota Healthcare Workforce Group
on 3/28/2018

Nursing Facility Facts

Nursing Facilities AT A GLANCE

80 licensed nursing facilities
 5,963 licensed beds
 2018 average daily rate is \$271.71
 2018 average occupancy was 92.6%

Ownership of Nursing Facility



Nursing Facility Facts

- Resident needs are complex and they are in need of 24-hour nursing care.
- Almost two-thirds of residents are admitted after a hospital stay (62%).
- The most significant issue necessitating admission to a nursing facility is the need for care throughout the day. Residents are unable to meet their own needs for dressing, toileting, eating, and remaining safe. Most often their medical needs are complex, requiring continuous attention.
- Current residents range in age from 13 months to 114 years old, with the average age being 86.5.
- Seventy of the eighty reporting facilities discharge 6318 residents in the 12-months period ending June 30, 2018.
- According to CMS data, in 2018 ND nursing facilities had the second highest percentage of residents age 95 and older, 8.74% of all residents compared to the US average of 5.15%. ND nursing facilities hold the highest record for the 85-94 age group at 45.8%, compared to the US average of 31.3%.

Gender of Nursing Facility Residents

n=4617



66% of residents in North Dakota NURSING FACILITIES are female

Nursing Facility Facts

Why do individuals move into a nursing facility?

The top four reasons for nursing facility admission:

- 1) Assistance with daily care
- 2) Complex Medical needs
- 3) Falls
- 4) Needs continuous supervision



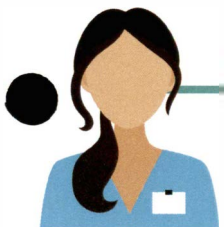
When residents are discharged from a skilled nursing facility, where do they go?

48% of ND nursing home residents are **discharged back home** or to a lower level of care.

Nursing Facility WORKFORCE

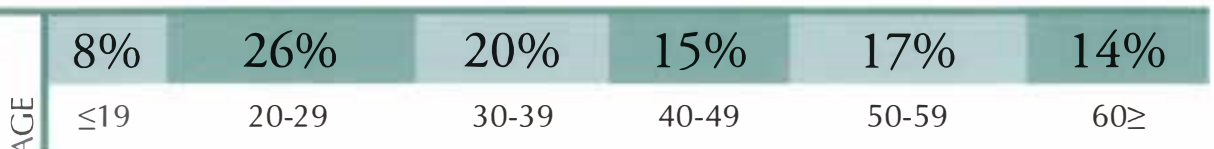


- The top issue facing nursing facilities is staffing; as of September 1, 2018, 61 nursing facilities reported 723 vacant positions.
- 9,241 individuals are employed in 61 nursing facilities.
- 9% (n=61) of reporting nursing facilities stopped admissions in 2018 because of lack of staff.
- 82% of nursing facilities used contract agency staff in 2018.
- In 2018, over one-quarter of nursing facilities could not provide a salary increase. Health insurance cost has been unpredictable, ranging from zero to a 20% increase.
- Turnover and workforce age will create an unprecedented demand for employees in the near future.
- Thirty-one percent of the workforce is age 50 or older, with the oldest employee being 92.
- 81% of North Dakota's 53 counties are designated as health professional shortage areas.



Age of Nursing Facility Workforce

n8,956



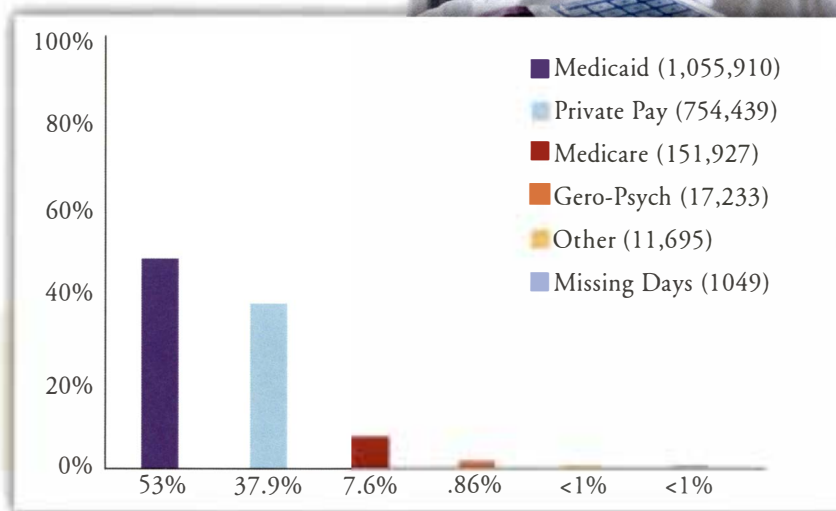
Nursing Facility Facts

Nursing Facility COST

In 2018,
the average cost for
ONE DAY of
nursing facility care is
\$270.71

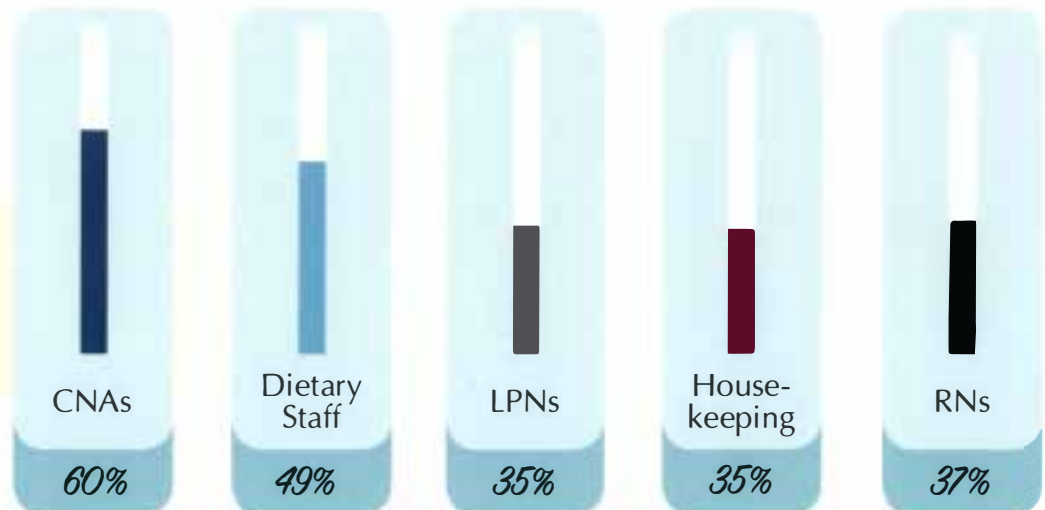


Of the approximate **38%** of residents that are private pay, on September 1, 2018, **19%** had a long term care insurance policy paying for a portion of their care.



North Dakota Nursing Facility Days Payor Sources

2018 Nursing Facility Staff Turnover



Nursing Facilities

North Dakota is ranking high Resident Satisfaction

| Item | Rating Value | North Dakota | United States |
|----------------------|--------------|--------------|---------------|
| Overall Satisfaction | 4 & 5 | 90% | 78% |
| Nursing Care | 4 & 5 | 93% | 84% |
| Cleanliness | 4 & 5 | 95% | 86% |
| Dignity & Respect | 4 & 5 | 96% | 92% |
| Recommend to Others | 4 & 5 | 93% | 83% |
| Safety & Security | 4 & 5 | 97% | 90% |

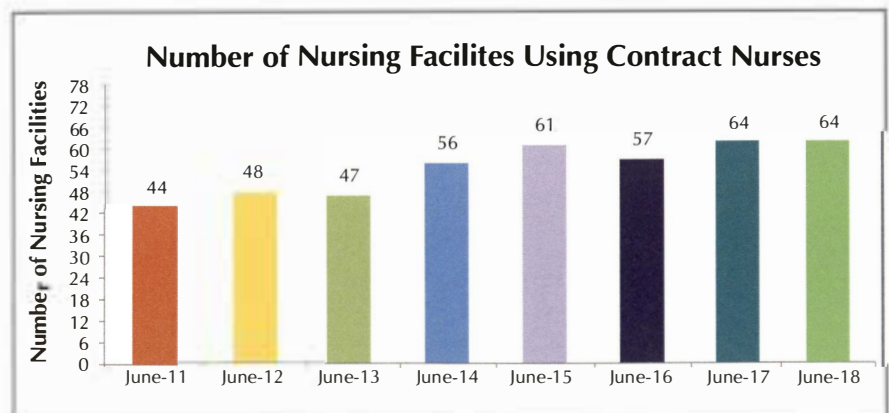
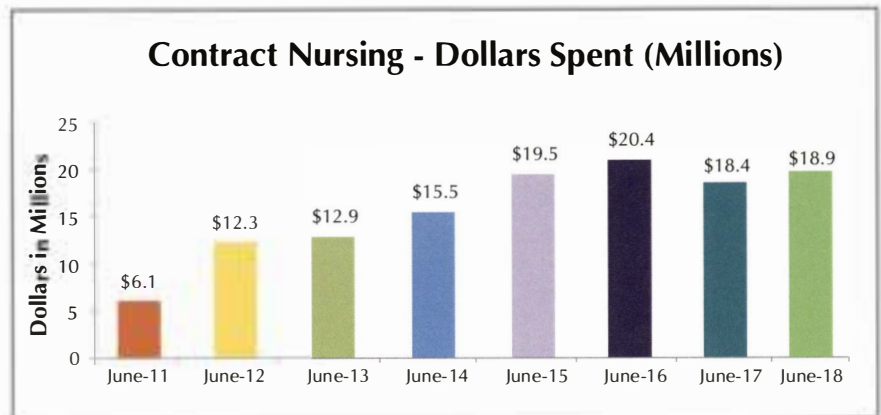
Nursing Facilities Salaries as of September 2018

CNA Entry Wage *\$14.81 Avg*
Cook Entry Wage *\$13.68 Avg*

House Keeping Entry Wage *\$12.27 Avg*
Dietary Aide Entry Wage *\$12.14 Avg*

Contract Nursing IN NURSING FACILITIES

When facilities face staffing shortages, one option is to use contract staff to provide daily resident care. In 2018, 64 of 78 nursing facilities or 82% used contract nursing agencies.



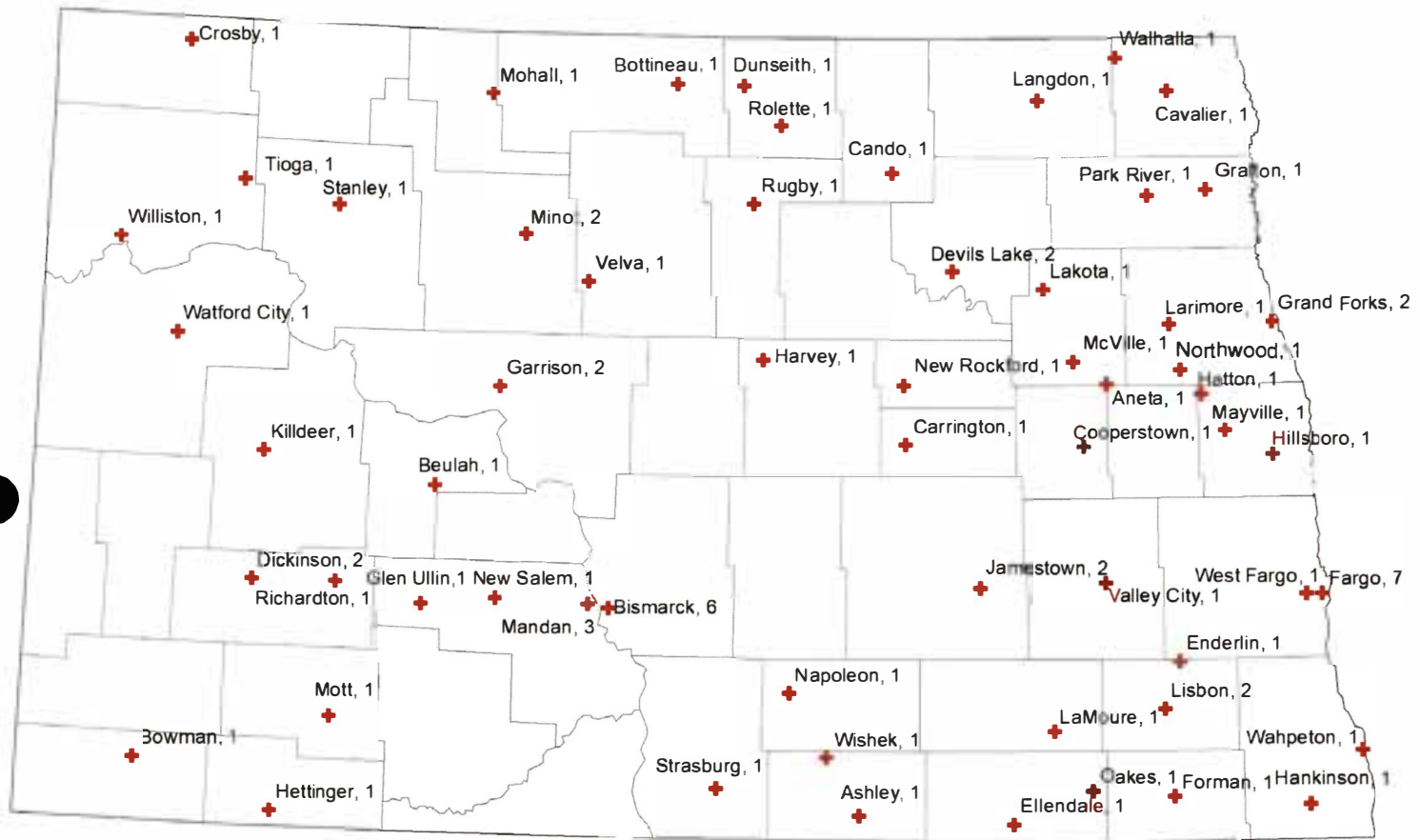
NDLTCA Members Nursing Facilities

| <u>City</u> | <u>Facility Name</u> |
|-------------|--|
| Aneta | Aneta Parkview Health Center |
| Ashley | Ashley Medical Center and Nursing Home |
| Beulah | Knife River Care Center |
| Bismarck | Augusta Place – a Prospera Community |
| Bismarck | Baptist Healthcare Center |
| Bismarck | Missouri Slope Lutheran Care |
| Bismarck | St. Vincent’s – a Prospera Community |
| Bismarck | CHI St. Alexius Medical Center - TCU |
| Bismarck | St. Gabriel’s Community |
| Bottineau | Good Samaritan Society - Bottineau |
| Bowman | Southwest Healthcare Services |
| Cando | Towner County Living Center |
| Carrington | Golden Acres Manor |
| Cavalier | Wedgewood Manor |
| Cooperstown | Griggs County Care Center |
| Crosby | St. Luke’s Sunrise Care Center |
| Devils Lake | Good Samaritan Society - Devils Lake |
| Devils Lake | Eventide Heartland Care Center |
| Dickinson | St. Benedict’s Health Center |
| Dickinson | St. Luke’s Home |
| Dunseith | Dunseith Community Nursing Home |
| Ellendale | Prince of Peace Care Center |
| Enderlin | Maryhill Manor |
| Fargo | Bethany on 42nd Skilled Care |
| Fargo | Bethany on University Skilled Care |
| Fargo | Elim Care - A Caring Community |
| Fargo | Eventide Fargo |
| Fargo | The Meadows on University |
| Fargo | Rosewood on Broadway |
| Fargo | Villa Maria |
| Forman | Four Seasons Healthcare Center, Inc |
| Garrison | Benedictine Living Center of Garrison |
| Garrison | CHI St. Alexius - Garrison |
| Glen Ullin | Marian Manor Healthcare Center |
| Grafton | Lutheran Sunset Home |
| Grand Forks | Valley Eldercare Center |
| Grand Forks | Woodside Village |
| Hankinson | St. Gerard’s Community of Care |
| Harvey | St. Aloisius Medical Center |
| Hatton | Hatton Prairie Village |

| <u>City</u> | <u>Facility Name</u> |
|--------------|--|
| Hettinger | Western Horizons Care Center |
| Hillsboro | Sanford Health Hillsboro Care Center |
| Jamestown | Ave Maria Village |
| Jamestown | Eventide |
| Killdeer | Hill Top Home of Comfort |
| Lakota | Good Samaritan Society - Lakota |
| LaMoure | St. Rose Care Center |
| Langdon | Maple Manor Care Center |
| Larimore | Good Samaritan Society - Larimore |
| Lisbon | North Dakota Veterans Home |
| Lisbon | Parkside Lutheran Home |
| Mandan | Dakota Alpha |
| Mandan | Miller Pointe – a Prospera Community |
| Mandan | Sunset Drive – a Prospera Community |
| Maville | Luther Memorial Home |
| McVilly | Nelson County Health Systems Care Center |
| Minot | Minot Health and Rehab |
| Minot | Trinity Homes |
| Mohall | Good Samaritan Society - Mohall |
| Mott | Good Samaritan Society - Mott |
| Napoleon | Napoleon Care Center |
| New Rockford | Lutheran Home of the Good Shepherd |
| New Salem | Elm Crest Manor |
| Northwood | Northwood Deaconess Health Center |
| Oakes | Good Samaritan Society - Oakes |
| Park River | Good Samaritan Society - Park River |
| Richardton | Richardton Health Center |
| Rolette | Rolette Community Care Center |
| Rugby | Heart of America Medical Center |
| Stanley | Mountrail Bethel Home |
| Strasburg | Strasburg Care Center |
| Tioga | Tioga Medical Center Long Term Care |
| Valley City | Sheyenne Care Center |
| Velva | Souris Valley Care Center |
| Wahpeton | Benedictine Living Community – St Catherines Living Center |
| Walhalla | Pembilier Nursing Center |
| Watford City | McKenzie County Healthcare Systems |
| West Fargo | Eventide Sheyenne Crossings Care Center/TCU |
| Williston | Bethel Lutheran Nursing & Rehabilitation Center |
| Wishek | Wishek Living Center |

Nursing Facility Map

North Dakota Nursing Facilities



➤ City (Number of Nursing Facilities)

Source: ESRI, North Dakota Long Term Care Association Created by the North Dakota Healthcare Workforce Group on 3/28/2018

NDLTCA Board Members

Craig Christianson, Chair
Sheyenne Care Center, Valley City | (701) 845-8222

Greg Salwei, Past Chair
Wishek Living Center, Wishek | (701) 452-2333

Cynthia Tredwell, Vice Chair
Hatton Prairie Village, Hatton | (701) 543-3102

Janessa Vogel, Secretary/Treasurer
Elm Crest Manor, New Salem | (701) 843-7526

Kari Dick, Assisted Living Director-At-Large
Touchmark at Harwood Groves, Fargo | (701) 476-1200

Joyce Linnerud Fowler, Basic Care Director-At-Large
Bethany Gables | (701) 478-8900

Tony Keelin, Nursing Facility Director-At-Large
Rosewood on Broadway, Fargo | (701) 277-7999

Tod Graeber, Hospital Attached Director-At-Large
CHI St Alexius Health, Garrison | (701) 463-2275

Daniel Kelly, Region I Director
Mckenzie County Health Care System, Watford City | (701) 842-3000

Pete Antonson, Region II Director
Northwood Deaconess Health Center, Northwood | (701) 587-6060

Amy Kreidt, Region III Director
St. Lukes Home, Dickinson | (701) 483-5000

Tony Elsperger, Region IV Director
Sunset Drive - a Prospera Community, Mandan | (701) 323-1411

Richard Regner, Region V Director
Napoleon Care Center, Napoleon | (701) 754-2381

Tim Kennedy, Region VI Director
Parkside Lutheran Home, Lisbon | (701) 683-5239

NDLTCA Staff



*Shelly Peterson
President*



*Peggy Krikava
Education Director*



*Carol Ternes
Executive Assistant*



*Susan Bahmiller
Education Assistant*



*Vanessa Raile
Director of
Emergency Planning*



*Shawn Surface
Account Tech*



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(701) 222-0660 • www.NDLTCA.org

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4/28/19
Pg. 1

Testimony HB 1355 – Fort Union Room

2:30 Monday, January 28, 2019

Pete Antonson, CEO / 701-587-6459 / pete.antonson@ndhc.net

Northwood Deaconess Health Center (NDHC)

Chairman Weisz, members of the committee:

Good morning. My name is Pete Antonson. I am the CEO of the Northwood Deaconess Health Center. I am here to testify in support of HB1355.

I have been employed at NDHC for 35 years, the last 18 as CEO. When I started as the CEO, NDHC was a 77 bed skilled nursing facility. Additionally, we have a hospital, clinic, and assisted living under our umbrella.

I could spend much time telling you about how nursing home occupancy has changed, how alternative cares, assisted living, and home health has impacted us and others in the nursing home business. However, I will limit my testimony to how the bed moratorium and bed layaway program have been beneficial to us.

Today, NDHC is a 45 bed facility having downsized three different times in response to declining occupancies. Let me share our experience and how it benefited us.

Nursing homes live in a very rigid, structured environment. The payment system too has restrictions and requirements as well. Among those is a requirement that nursing homes maintain a 90% occupancy or pay a penalty in its rates.

This penalty is enforced in the following year after any year in which the 90% threshold is not attained. That penalty stays in place for at least a year until occupancy hits 90% in another reporting year.

As business expands or declines, organizations must evaluate whether this is a temporary blip or something more permanent. By having the option to put beds in a layaway program, it allows us time to study our business, evaluate our market, and determine whether or not we are properly sized for our market.

The occupancy penalty goes away when the beds are in layaway, thus eliminating almost a double penalty, reduced rates and lower occupancy. At the end of the layaway, we have to decide whether we want to sell the beds, put them back in service, or let the licenses expire.

With a moratorium in place, the licenses become a valued commodity for those communities that need more skilled care. There becomes a market for them in which those that have excess capacity can sell to those in needs of expansion.

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P. 2

In each case, we determined that the beds in layaway were best put up for sale. A buyer was found, and the funds used were used for other purposes. In one case, we were able to use those proceeds towards a complete reconstruction of a 16 bed skilled wing into a 6 bed assisted living unit.

It didn't completely pay for, but was a very nice down payment on this project. In our most recent sale, we are holding those funds in reserve pending a market study, and potential remodeling project of our facilities.

The cost of the transfer of licensed beds is not an allowable cost. Thus, there is no increased cost to the clients of the purchasing facility, either private pay, or medical assistance.

Our experience is that the bed lay away and moratorium allow for good sound business planning for not only the selling, but the buying organization.

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

Thank you,

Pete Antonson, CEO

Northwood Deaconess Health Center

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Testimony on HB 1355
Senate Human Services Committee
March 11, 2019

Good morning Chairman Lee and members of the Senate Human Services Committee. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. We represent 214 basic care, assisted living and nursing facilities across North Dakota. I am here to testify in support of HB 1355.

What we are striving to accomplish in HB 1355 is to extend the basic care and nursing facility moratorium through July 31, 2021, and continue the same exception to the basic care moratorium, (for entities to get free beds if they can prove an unmet need). Further HB1355 changes the nursing facility bed layaway program the legislature created in 2011, allowing a bed to remain in the lay away program from the current 24 months to 48 months. We are also requesting 72 months rather than 48 to put a bed in service after it is sold/transferred.

This request is coming to you because of changing demographics and community planning to better meet the long term care needs of our future seniors.

Section 1:

- Continues the basic care moratorium through July 31, 2021.
- Continues the exception process for securing “free” basic care beds based upon need. This is done by applying to the Department of Health and Department of Human Services for approval. Criteria they consider: are basic care beds within the requested area at least 90% occupied, will

the applicant care for individuals needing Medicaid for their care, and what is the total capacity within the region based on beds per 1000 elderly?

- Allows basic care facilities 72 months rather than 48 months to put a bed in service after its acquisition.

Section 2:

- Continues the nursing facility moratorium through July 31, 2021.
- Allows nursing facilities 72 months rather than 48 months to put a bed in service after its acquisition.
- Allows Indian Tribes 72 months rather than the current 48 months to put a nursing facility bed in service after its acquisition.
- Allows nursing facilities to have 48 months rather than 24 months to store a bed away and not use it. This year we still have 20 nursing facilities that have an average occupancy of less than 90%. Together they will incur \$3,108,969 in unreimbursed costs because they operate under 90% occupancy. Having a bed layaway program helps them, temporarily downsize and have time to consider, should I permanently get rid of beds?
- Under subsection 7, it changes again the 24 months to 48 months the bed hold period for nursing facilities. This subsection details what happens after the 48 month bed hold period: After the 48 month bed hold period, you can sell the bed to another entity and the new entity has 72 months rather than 48 months to put the bed in service. This section also specifies, that if the bed is sold again during this 72 months period, you don't get another 72 months to put it in service, the life of the bed starts at the first transfer/sale.
- Subsection 8 addresses the issue of all nursing facility beds transferred before July 1, 2019. They will have 72 months of life from the original time of their transfers.

● Subsection 9 addresses the issue of nursing facility beds laid away before July 1, 2019. They will be allowed to remain in the program for 48 months from the time the bed was first laid away.

We've had a good re-distribution of nursing facility beds from low demand areas to high demand areas. See the attached chart that displays the changes in our 4 population centers from 2009 to 2019. We are anticipating some continued growth in the Bismarck/Mandan area and in the Fargo/West Fargo area. For the first time since the moratorium, we've had beds up for sale and no bids submitted. That may help explain why we have 20 of 80 nursing facilities below 90% occupancy.

Demographics nationwide and in North Dakota show we are in a low demand period right now. During the depression and war, there were fewer children born in the 1920's and into the 1930's. But those individuals born in this period had more children. As a result in the nation and in North Dakota, we will see a significant demand hit us in 2029. In North Dakota between 2015 and 2029 we are projected to have a 49% increase in our 65 plus population. This represents over 52,000 more individuals in this age category. With research, technology and more options for staying at home, we may be able to care for more of this generation at home. But lifestyle, drug addiction and a growing dementia population, nursing facilities will continue to serve a need. This legislation will help facilities transition to expanded care models and continue the re-distribution of beds.

Going from 4 years (48 months) to 6 years (72 months) will help anyone buying a bed and putting it in service. Generally you are buying beds from multiple providers and each bed may expire at a different time, this makes completing a project within 4 years very challenging. We also have

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delays in seeking construction plan approvals from the Health Department and project delays because of weather and labor availability.

Both the Department of Human Services, who initially reached out to us to see if we needed changes in the bed layaway or transferring of beds, and the Department of Health are supportive of HB 1355.

Thank you for your consideration of HB 1355 and I would be happy to answer any questions you may have.

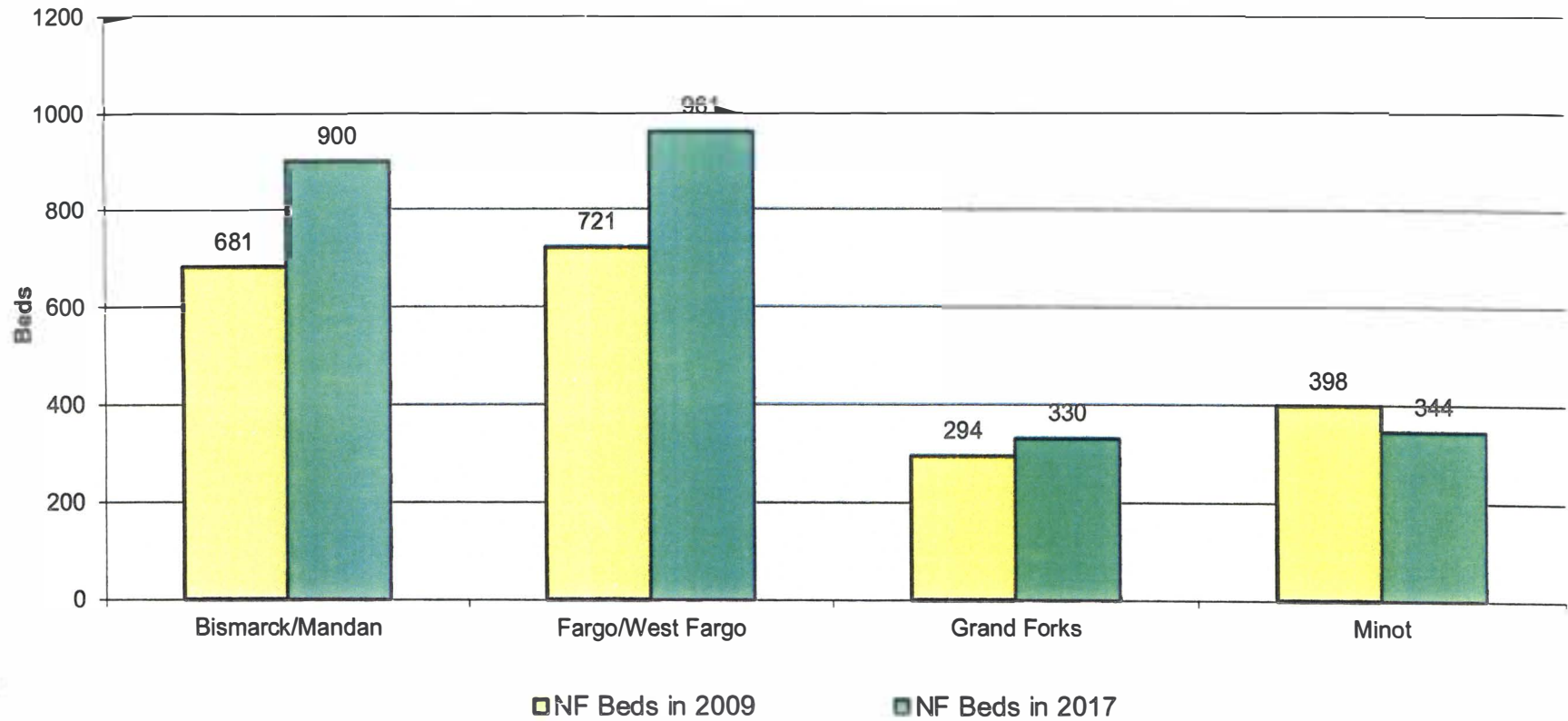
Shelly Peterson, President
North Dakota Long Term Care Association
1900 North 11th Street
Bismarck, ND 58501
(701) 222-0660

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#1 pg. 5

Summary on Current Law and Impact of HB 1355
Nursing Facility Bed Hold and Basic Care/Nursing Facility/Tribe Sales

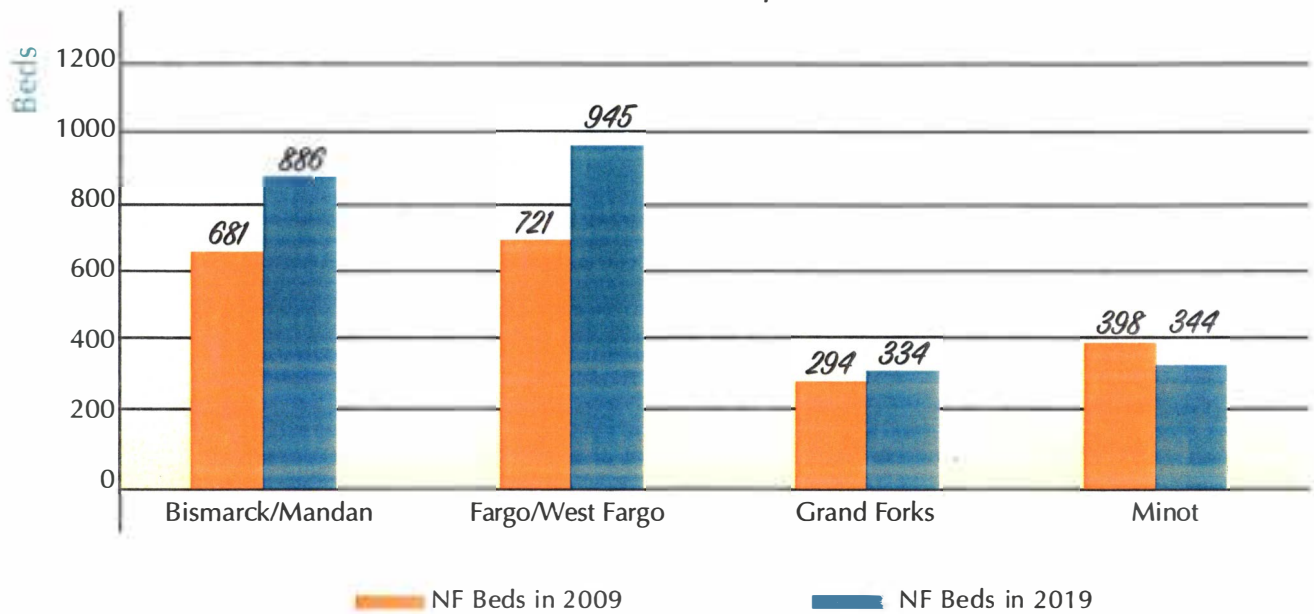
| <u>Type of Transaction</u> | <u>Currently</u> | <u>HB 1355</u> |
|-----------------------------------|------------------|----------------|
| 1) Nursing Facility Bed Hold | 24 months | 48 months |
| 2) Nursing Facility Sale/Transfer | 48 months | 72 months |
| 3) Basic Care Sale/Transfer | 48 months | 72 months |
| 4) Indian Tribe Sale/Transfer | 48 months | 72 months |

Licensed Nursing Facility Beds for the 4 Major Cities 2009 & 2017 Comparative



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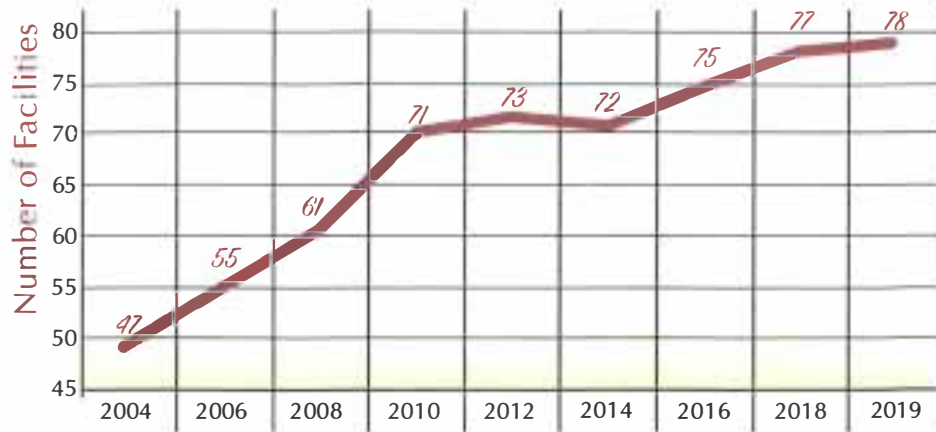
Licensed Nursing Facility Beds for the 4 Major Cities 2009 & 2019 Comparative



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Assisted Living

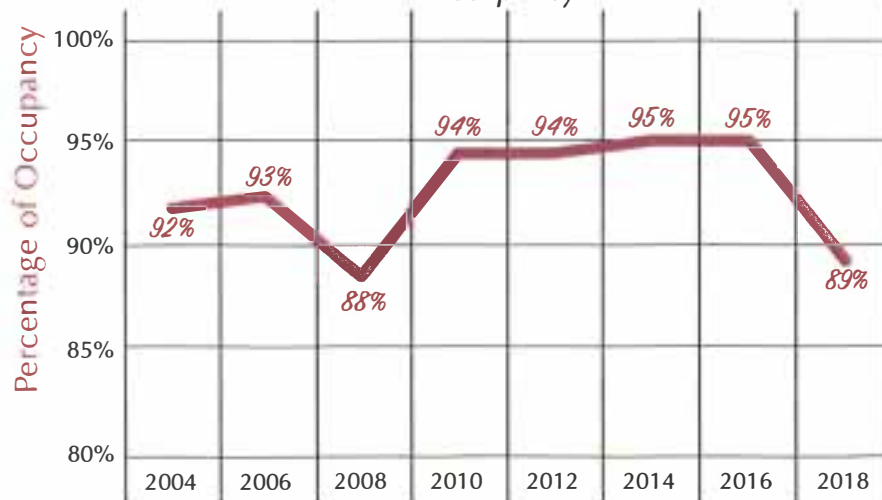
Number of Facilities



Licensed Units

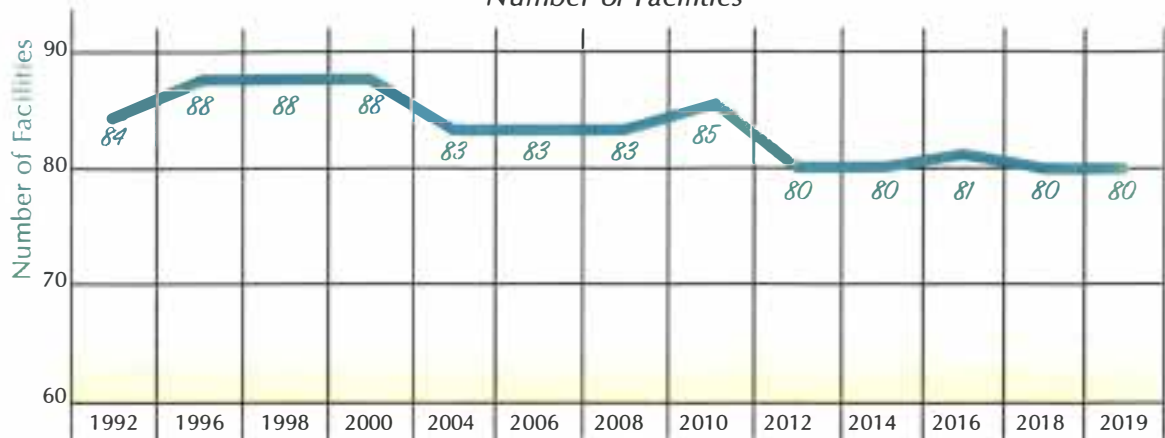


Occupancy

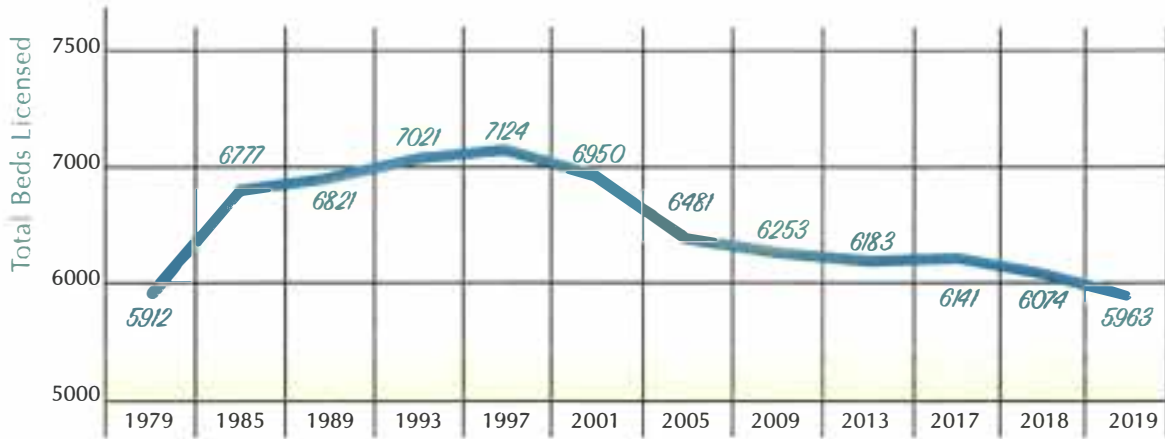


Nursing Facilities

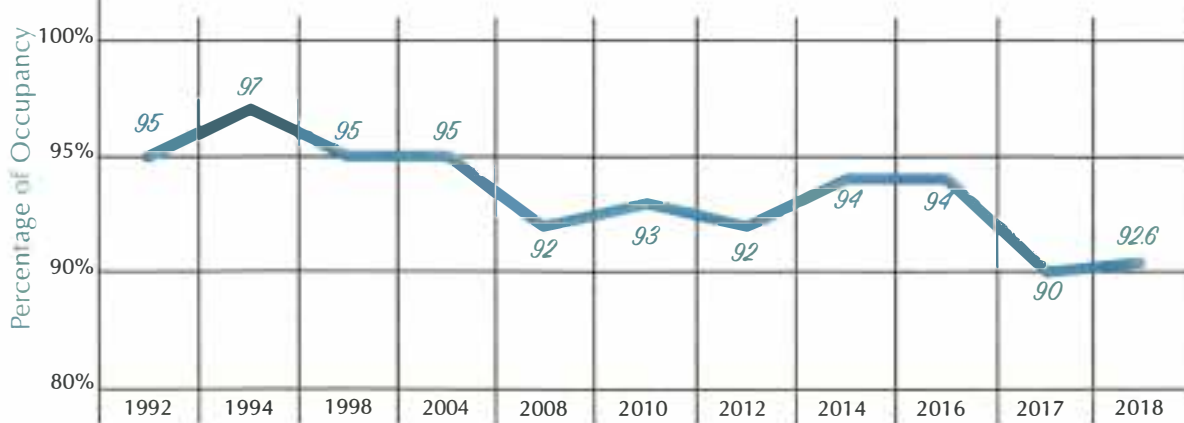
Number of Facilities



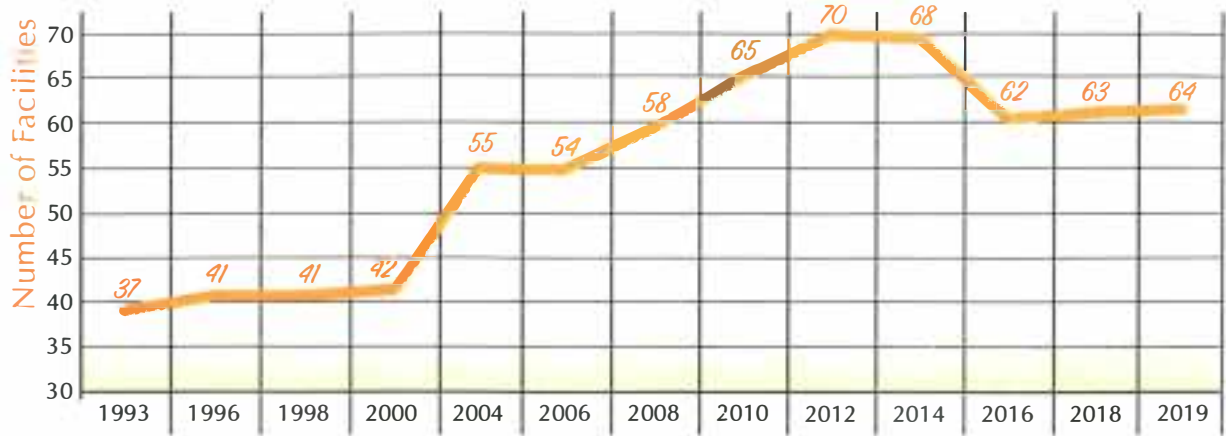
Licensed Beds



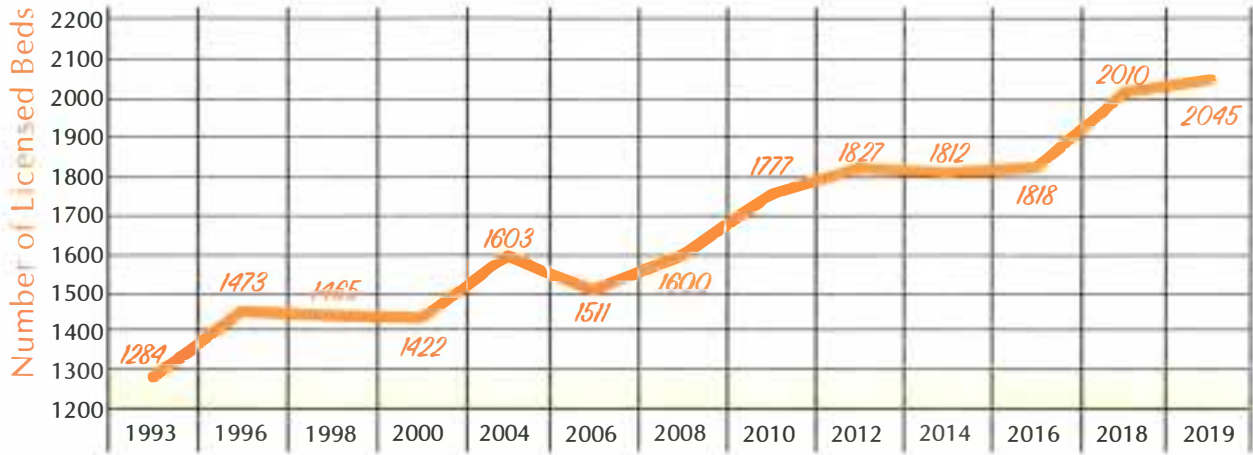
Occupancy



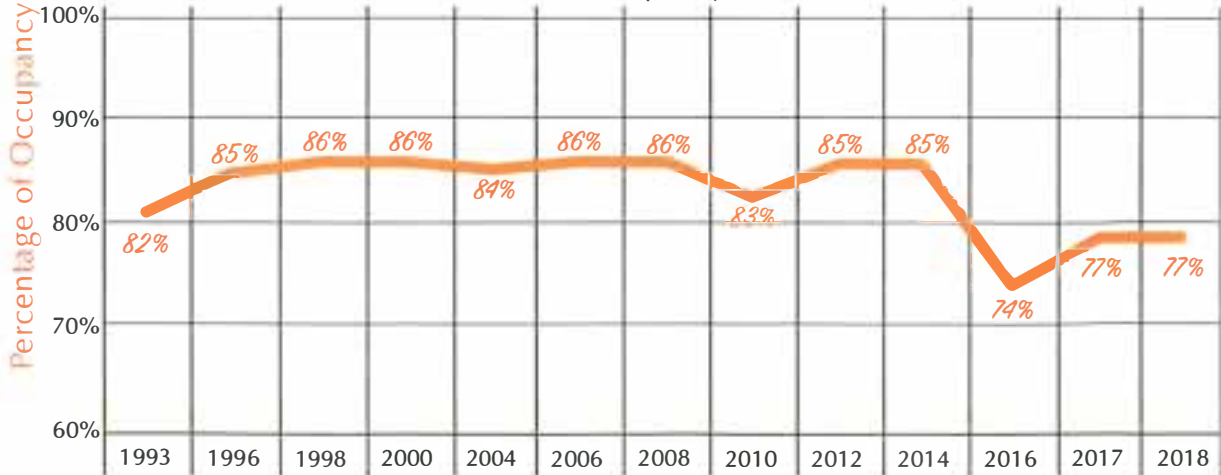
Basic Care Number of Facilities



Licensed Beds



Occupancy



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3/11/19
#2 pg. 1

Testimony HB 1355 – Red River Room

9:15 AM Monday, March 11, 2019

Pete Antonson, CEO / 701-587-6459 / pete.antonson@ndhc.net

Northwood Deaconess Health Center (NDHC)

Chairman Lee, members of the committee:

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#2 pg. 2

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Pete Antonson, CEO

Northwood Deaconess Health Center