

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1115

2001 HOUSE HUMAN SERVICES

HB 1115

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1115

House Human Services Committee

☐ Conference Committee

Hearing Date January 17, 2001

Tape Number	Side A	Side B	Meter #
Tape 2	X		1090 to 3200
Committee Clerk Signature <i>Corinne Easton</i>			

Minutes:

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

Chairman Price: Opened hearing on HB 1115.

David Zentner: Director of Medical Services for the Department of Human Services. The bill before you establishes the personal care option for individuals residing in basic care facilities, and permits the establishment of a rent subsidy program. Also offered several amendments that would clarify how the subsidy program would be operated. (See written testimony.)

Chairman Price: Mr. Zentner, did you propose the rent subsidy to the executive branch for inclusion in the budget?

David Zentner: The report that had this information in was through the Task Force on Long Term Planning. That went to the Governor for his action. So the budget included the personal

care options, but the executive budget did not include the \$3,000,000 that we would need for the subsidy.

Rep. Niemeier: What is the personal care options benefit?

David Zentner: The Medicaid program has some basic services that it has to provide. Along with that the federal government allows us to provide a lot of other services such as dental, drugs, and included in that is the personal care option.

Chairman Price: If we get the response from the feds and it's no on the basic care part of it and let's say it is a little late in this legislative process, what do you anticipate the department doing?

David Zentner: We would have to ask for the \$5.6 million dollars back. If we are going to operate the basic care as we have in the past.

Chairman Price: In this application there is no other piece except the basic care piece that's in front of us in that waiver.

David Zentner: That is correct. It is not a waiver, it is a state plan amendment.

Rep. Dosch: There are two things here, there is the personal care option and also the rent subsistence. Is that correct?

David Zentner: Yes, that is correct. There are two separate issues.

Rep. Dosch: The cost of the personal care options would be what? The actual cost to the state.

David Zentner: Currently the basic care assistance program is all general fund or retained dollars. Retained dollars are dollars that are available to us through the 1997 legislation. We keep some of the administrative dollars that used to go to the counties. The bottom line is that those are dollars that there is no federal dollars involved. In the past we have always funded the program with local or state dollars. The \$5.6 million in federal money replaces the \$5.6 million

that would have been required to be expended through the general fund or through these retained dollars.

Rep. Sandvig: On your amendments, on page 1 line 23, where you want to put "at rates determined by the department", do you have any idea what those rates would be?

David Zentner: We do have rules in place that establish how we set rates for basic care facilities. That process will not change. On the Senate side there is a bill addressing how we reimburse for certain services within the basic care process, so there is both legislation and rules relating to how we pay for those services.

Shelly Peterson: President of the North Dakota Long Term Care Association. This requires the Department of Human Services to implement a personal care option benefit limited to individuals who reside in basic care facilities. This legislation will allow the Department of Human Services to access federal funds for basic care. (See written testimony.)

Chairman Price: Any discussion of using IGT funds for rent subsidy?

Shelly Peterson: We haven't discussed that at all, only because we thought it would be in the department's budget.

Craig Christianson: Administrator of the Sheyenne Care Center in Valley City. Want to express my support for this bill. For the past six months, Sheyenne Care Center and our community have been looking at actually trying to develop an assisted living program because Barnes County has one basic care facility in the county. That facility is for traumatic head injury. At this point we do not offer a basic care assisted living service. Our financial discussions basically came back to the same thing - without the rent subsidy, just will not cash flow for this operation.

Chairman Price: What kind of numbers would you anticipate in order to make the proposed idea work as far as how many people in assisted living and how many people in basic care?

Craig Christianson: We have been looking at a 17 unit assisted living. Would probably be occupied by around 5 to 6 residents.

Chairman Price: How many people in that number do you think would qualify for the rent subsidy?

Craig Christianson: I have not looked at those numbers because we are in the process right now doing focus groups. We are asking community people to come in and visit with us and talk about the programs and the services that we would offer. I have not gotten into the income levels, so can't answer that. If I am understanding this, through the IGT funds we are required to do 30%.

Tim Wupole: Administrator in Training in Jamestown with Central Dakota Village. We are also in the preliminary stages of a building project on assistant living in the Jamestown area. We are looking at 18 unit currently. We are already on tab for a \$1,000,000 of IGT funds if we can show cash flow, and if we can show need in the community. We have already established the need. I would say ditto to what Craig said about everything. We are finding more and more people who can't afford this type of care, and eventually they will go into a nursing home. You go from \$45 a day for basic care to \$107.

Chairman Price: Close the hearing on HB 1115.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1115 b

House Human Services Committee

☐ Conference Committee

Hearing Date 1-24-01

Tape Number	Side A	Side B	Meter #
3	xx		4500--end
Committee Clerk Signature <i>Corinne Easton</i>			

Minutes: Chair Price : How do you feel about HB1115? There are two parts to this bill. First part changes the basic care option. The second part deals with rent subsidies for assisted living. How do you feel about the rent subsidy for assisted living?

Rep. Dosch : I would be against that portion. It cost too much.

Rep. Pollert : I am not in favor of the subsidy. I agree with the first part. Brings in federal dollars.

Rep. Niemeier : I'm not crazy about rent subsidy.

Rep. Cleary : I think we should remove the rent subsidy and just go with the first part of the bill.

**I move that amendment.**

Rep. Niemeier : I second.

**VOTE ON AMEND: 11 YES and 1 NO 2 absent. AMENDMENT PASSED.**

Rep. Pollert : I move a DO PASS as Amended/ ReRefer to Approp. Rep. Metcalf: I second.

**VOTE: 12 YES and 0 NO with 2 absent. PASSED. Rep. Niemeier will carry the bill.**

## FISCAL NOTE

Requested by Legislative Council

02/22/2001

Bill/Resolution No.:

Amendment to: Engrossed  
HB 1115

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

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$8,025,120		\$8,596,709
Expenditures				\$8,025,120		\$8,596,709
Appropriations						

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

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

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

This bill would allow the Department to implement the personal care option benefit program for individuals residing in a basic care facility.

**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 \$8,025,120 of revenue for the 01 - 03 biennium consists of \$5,609,666 in Federal funds, and \$2,415,454 of retained funds generated from the SWAP legislation passed in the 1997 Legislative Session. The revenue amounts were included in the Executive Budget.

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

The personal care option program would require \$8,025,120 in expenditures paid from the Economic Assistance grants line item, of which \$5,609,666 would be Federal funds and \$2,415,454 would be retained funds.

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the*



*executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The \$8,025,120 of other funds has been appropriated in the Executive Budget for the Basic Care Assistance Program, and includes the fiscal impact of implementing the Personal Care Option created by this bill. **If the Personal Care Option is not passed, \$5,609,666 of general funds would need to be added to the budget to maintain the current level of Basic Care Assistance services.**

<b>Name:</b>	Brenda M. Weisz	<b>Agency:</b>	Department of Human Services
<b>Phone Number:</b>	328-2397	<b>Date Prepared:</b>	02/27/2001

# FISCAL NOTE

Requested by Legislative Council  
01/31/2001

Bill/Resolution No.:

Amendment to: HB 1115

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

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$8,025,120		\$8,596,700
Expenditures				\$8,025,120		\$8,596,700
Appropriations						

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

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

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

The amended bill would require the Department to implement the personal care option benefit program for individuals residing in a basic care facility.

**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 \$8,025,120 of revenue for the 01 - 03 biennium consists of \$5,609,666 in federal funds, and \$2,415,454 of retained funds generated from the SWAP legislation passed in the 1997 Legislative Session. The revenue amounts were included in the Executive Budget.

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

The personal care option program would require \$8,025,120 in expenditures paid from the Economic Assistance grants line item, of which \$5,609,666 would be federal funds and \$2,415,454 would be retained funds.

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

*appropriations.*

The \$8,025,120 of other funds has been appropriated in the Executive Budget for the Basic Care Assistance Program and includes the fiscal impact of implementing the Personal Care Option created by this bill. **If the Personal Care Option is not passed, \$5,609,666 of general funds would need to be added to the budget to maintain our current level of Basic Care Assistance services.**

<b>Name:</b>	Brenda M. Wolsz	<b>Agency:</b>	Department of Human Services
<b>Phone Number:</b>	328-2397	<b>Date Prepared:</b>	01/31/2001

# FISCAL NOTE

Requested by Legislative Council  
12/21/2000

Bill/Resolution No.: HB 1115

Amendment to:

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

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				\$8,025,120		\$8,596,709
<b>Expenditures</b>			\$2,965,200	\$8,025,120	\$4,100,000	\$8,596,709
<b>Appropriations</b>			\$2,965,200		\$4,100,000	

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

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

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

This bill would require the Department to implement the personal care option benefit program for individuals residing in a basic care facility. This bill would also require the Department to implement a rent subsidy program for individuals residing in an assisted living facility, to the extent that the individuals lack the resources necessary to meet the cost of that facility. The rent subsidy would be limited to the amount of general funds saved by implementing the basic care option benefit program.

**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 \$8,025,120 of revenue for the 01-03 biennium consists of \$5,609,666 in federal funds, and \$2,415,454 of retained funds generated from the SWAP legislation passed in the 1997 Legislative Session. The revenue amounts were included in the Executive Budget.

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

The rent subsidy program would be paid from the Economic Assistance Grants line item and would require a general fund expenditure of \$2,965,000. The personal care option program would require \$8,025,120 in expenditures paid from the Economic Assistance Grants line item, of which \$5,609,666 would be federal funds, and \$2,415,454 would be retained funds.

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

The \$8,025,120 of other funds has been appropriated in the Executive Budget for the Basic Care Assistance Program, and includes the fiscal impact of implementing the Personal Care Option created by this bill. **If the Personal Care Option is not passed, \$5,609,666 of general funds would need to be added to the budget to maintain our current level of Basic Care Assistance services.**

Additionally, the bill requires that a portion of the amount saved by implementing the Personal Care Option be used for a rent subsidy program for individuals in assisted living facilities. **The amount of funding needed for the rent subsidy program was not included in the Executive Budget, and if implemented would require a general fund appropriation increase of \$2,965,200.**

<b>Name:</b>	Branda M. Weisz	<b>Agency:</b>	Department of Human Services
<b>Phone Number:</b>	328-2397	<b>Date Prepared:</b>	01/16/2001

VRC  
1/26/01

HOUSE AMENDMENTS TO HB 1115

HOUSE HS

1-30-01

Page 1, line 1, remove "and a new subsection to"

Page 1, line 2, remove "section 50-24.5-02"

Page 1, line 3, replace "and an income supplement for eligible beneficiaries" with a period

Page 1, remove line 4

Page 1, remove lines 9 through 11

Page 1, line 12, remove "2."

Page 1, line 14, after the period insert "As used in this section, "basic care facility" has the meaning provided in section 23-09.3-01."

Page 1, remove lines 15 through 24

HOUSE AMENDMENTS TO HB 1115

HOUSE HS

1-30-01

Page 2, remove lines 1 through 4

Renumber accordingly

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

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1115

House Human Services Committee

☐ Subcommittee on \_\_\_\_\_  
or  
☐ Conference Committee

Legislative Council Amendment Number 18125. 0101

Action Taken Voted on Amendment

Motion Made By Rep. Cleary Seconded By Rep. Niemeier

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

Total (Yes) 11 No 1

Absent 2

Floor Assignment \_\_\_\_\_

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

Date: 1-24-01  
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1115

House Human Services Committee

☐ Subcommittee on \_\_\_\_\_  
or  
☐ Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass as amended - re-refer to Appropriation

Motion Made By Rep. Pollert Seconded By Rep. Metcalf

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

Total (Yes) 12 No 0

Absent 2

Floor Assignment Rep. Niemeier

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



**REPORT OF STANDING COMMITTEE**

**HB 1115: Human Services Committee (Rep. Price, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1115 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "and a new subsection to"

Page 1, line 2, remove "section 50-24.5-02"

Page 1, line 3, replace "and an income supplement for eligible beneficiaries" with a period

Page 1, remove line 4

Page 1, remove lines 9 through 11

Page 1, line 12, remove "2."

Page 1, line 14, after the period insert "As used in this section, "basic care facility" has the meaning provided in section 23-09.3-01."

Page 1, remove lines 15 through 24

Page 2, remove lines 1 through 4

Renumber accordingly

2001 HOUSE APPROPRIATIONS

HB 1115

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1115

House Appropriations Committee  
Human Resources Division

☐ Conference Committee

Hearing Date **MONDAY, FEBRUARY 12TH, 2001**

Tape Number <b>2-12-01 1115</b>	Side A <b>X</b>	Side B	Meter # <b>00-3320</b>
Committee Clerk Signature <i>Mickie Schmidt</i>			

Minutes: **CHAIRMAN KEN SVEDJAN, VICE-CHAIRMAN JEFF DELZER,  
REP. KETTI KEMPENICH, REP. JAMES KERZMAN,  
REP. AMY KLINISKE, REP. JOHN M. WARNER**

**00-Chairman Svedjan:** We will call the Human Resource section to order.

Roll Call: We have a quorum. **We have HB 1115 before us this morning for hearing.**

**353-Dave Zentner:** Director of Medical Services for the Dept. of Human Services. (see attachment #1)

**704-Chairman Svedjan:** Are those retained dollars being used to pay the general fund portion of Basic Care?

**721-Dave:** Yes.

**734-Chairman Svedjan:** So this is another effort to access more federal dollars for something that general funds are being used for right now. Why was the rent subsidy removed in the House Human Services committee?

**758-Dave:** Yes. I believe there was a 2.9 million price tag to it and that was not included in the Governor's budget so it was removed.

**775-Chairman Svedjan:** With that not being enacted, you still pay only \$475 a month and if somebody has to pay more than that for Basic Care, they have to come up with it themselves?

**794-Dave:** Not for Basic Care, because the way the law is written we subsidize the difference between their income level and across to the service. This was designed for Assisted Living facilities, not for Basic Care. And those facilities their room and board rates tend to be higher than Basic Care, because they're more apartment like, more amenities. What the dept. had originally proposed was to use part of that 5.6 million for sup plantation.

**869-Vice-Chairman Delzer:** Looking at the fiscal note that was handed out, and on the computer, I have a fiscal \_\_\_\_ of \$131. It looks to me that the only difference is the \$2965, and that would be rent subsidy.

**895-Dave:** That's correct. The 2.9 is the general fund portion that was in essence removed because the rent subsidy was removed, so you're really looking at 8 million total of which 5.6 is federal \$\$ and 2.4 would be retained.

**931-Vice-Chairman Delzer:** When we make this an entitlement, are we opening ourselves up to more cost in the future? With the other things we're talking about doing like giving FLEX to the Nursing Homes. HB 1196 as it stands right now has a flex option in there. Has any of that been considered?

**964-Dave:** Personal Care is not available in the nursing facilities, so in order for us to access this option through the Medicaid program, that facility would have to license a portion of their beds as Basic Care. If they are allowed to be licensed as a nursing facility, and they get Basic

Care rates for our people, that's not going to be at 100% general funds. We can't access personal care in an institution.

1041-Vice-Chairman Delzer: If a certain area of the nursing home was reclassified Basic Care, then you could do that.

1059-Dave: If it's licensed. On the federal regulations, it is clear that if they are licensed as skilled nursing, we would not be able to access that option.

1090-Vice-Chairman Delzer: Currently some of them are licensed both? Some are licensed partly Basic Care, partly nursing home?

1109-Dave: Yes. There are facilities that have basic care wings or units on there and are licensed as basic care.

1127-Vice-Chairman Delzer: So that's what they were talking about that needed once a year. That was for the licenser.

1143-Dave: Yes. Getting back to your other question, you always have the issue of the entitlement and how much impact that's going to have. We try to limit it by saying we're going to limit to people who qualify for basic care.

1196-Vice-Chairman Delzer: That's what the Targeted Case Management does. But that's only receiving federal dollars for the case management part, not the personal care part. Could you do that and receive federal dollars on the personal care on home community base?

1231-Dave: Yes. You could. Personal is available. What we would have to do if we wanted to open it up and have \_\_\_\_ from the entitlement stand point. Right now people who are accessing personal care, those who are in the waiver now, need nursing facility care. If you would go to opening up the process, you would have to look at whether we would want to get rid of our personal care in the Medicaid waivers, and that open it up to people living in their home.

**1292-Vice-Chairman Delzer:** Have you done any research on that?

**1299-Dave:** Yes, but not specifically to the state of ND. What we have found in viewing what's happening in other states, the entitlement aspect of it, can really cost money with how you set up the process.

**1361-Vice-Chairman Delzer:** Do these other states have any kind of information as to whether or not their nursing home usage is reducing enough to pay for that? Do you think that would be there if there was a study in the interim, do you think qualified information would show up, or is it something where we might very well be \_\_\_\_\_?

**1405-Dave:** It's difficult to say.

**1460-Vice-Chairman Delzer:** On your engrossed bill, should that read "may" instead of shall?

**1477-Dave:** No objection to it.

**1510-Rep. Kempenich:** Is that why you show in the next biennium increasing 1.2 million in general funds in 03-05?

**1543-Dave:** That would be due to the rent subsidy.

**1549-Vice-Chairman Delzer:** The updated fiscal note has the general fund portion out, but it does have an increase in other funds from 8 million to 8,596,000 which a third of that is general funds or retained dollars.

**1601-Rep. Kempenich:** So we're basically going to the next biennium numbers this biennium?

**1615-Vice-Chairman Delzer:** It's the same, the only difference is they dropped the general fund portion out.

**1629-Chairman Svedjan:** Just to follow up, the 8.025 is the right number for this 01-03.

**1648-Dave:** That's the amount that would have been in the Governor's budget.

1656-Chairman Svedjan: These numbers as the bill currently stands are in the executive budget?

1665-Dave: Yes. The 5.6 million has been in essence used in other parts of the budget.

1677-Chairman Svedjan: So there's nothing more required there? You note in your last paragraph that we could put a do not pass on this bill if we amend language in the HB 1012?

1702-Dave: Not that I'm aware of. We do not need legislative bill that requires us or permits us to do this.

1790-Vice-Chairman Delzer: Just a comment: I think we should pass this bill and send it over to Senate, so the Senate's aware of the differences, and then if they want to kill the bill and amend it into HB 1012.

1844-Shelly Peterson: (with the Long Term Care Association) We just want to be on record in support of HB 1115.

1869-Chairman Svedjan: Why?

1874-Shelly Peterson: Why? Because it's 5.6 million in federal funds that we don't have to spend in state general funds.

1898-Vice-Chairman Delzer: Do you see any expansion of this and do you think they're pretty close or do you think basic care will expand with what's going on in HB 1196?

1916-Shelly: We will have some expansion in basic care if allowed. But not of new people coming in. We have the nursing facility residents and are accessing services because it's the only available option in their community. If they have basic care available I think we'll see more utilization there, but hopefully a decline in the nursing facility population. Basic care, no matter how many beds that we've had, we currently have 1422, we spend about 85% occupied. It remains steady.

**2021-Vice-Chairman Delzer:** The flex deal on HB 1196, if that was to include assisted living, what difference would that make?

**2047-Shelly:** Not sure because right now nursing facilities can do assisted living.

**2056-Vice-Chairman Delzer:** But they have to drop there license if they want to do that?

**2061-Shelly:** Not necessarily so. Right now assisted living is not regulated and there is not a moratorium on it.

**2085-Vice-Chairman Delzer:** Currently they can't take the nursing beds and rent it out as assisted living?

**2093-Shelly:** Right.

**2098-Vice-Chairman Delzer:** Assisted living as a rule is cheaper than basic care?

**2104-Shelly:** It depends on the complement of services you get, and the type of facility.

**2128-Vice-Chairman Delzer:** If they went to assisted living, what kind of costs do you expect that would be compared to the basic care flex option?

**2173-Shelly:** The average cost in basic care right now is \$42.36 a day. So basic care for 24 hour care is pretty inexpensive.

**227-Vice-Chairman Delzer:** Is that anything that's been thought of?

**2232-Shelly:** We have those circumstances where spouse's come in and the other one wants to be admitted and they're admitted at a private pay rate.

**2294-Chairman Svedjan:** But to do that, you would have to de-license a bed?

**2303-Shelly:** In listening to the Health dept., I understood from them that we needed to not put them into a licensed bed.

**2381-Chairman Svedjan:** Normally to go from a nursing bed to an assisted living bed, you would have to convert or flex?



**2395-Shelly:** You would not flex back and forth. Normally you would not, if you were going to discharge them from the nursing facility, you would need to put them in a non licensed, non certified bed.

**2570-Chairman Syedjan:** So the flex language in HB 1196 is really between basic care and skilled care.

**2580-Shelly:** Yes.

**2589-Vice-Chairman Delzer:** Isn't there a bill floating around out there somewhere that addresses licensing and basic care and assisted living? HB 1109?

**2630-Chairman Syedjan:** Any other questions? Hearing none, thank you Shelly. We will close the hearing on HB 1115. What are your wishes?

**2781-Rep. Kliniske:** I move a do pass on HB 1115.

**2789-Chairman Syedjan:** OK, there's a do pass motion, is there a second?

**2793-Rep. Kerzman:** Second.

**2795-Chairman Syedjan:** OK, there's a second by Rep. Kerzman. Discussion?

**2801-Vice-Chairman Delzer:** I think we should discuss if we should leave it shall or may. The shall means if we put it in it's absolutely got to be done.

**2835-Chairman Syedjan:** Substitute motion would be in order.

**2840-Rep. Kempenich:** I thought that too, but after looking what they built their budget on, I don't think there is an option.

**2875-Vice-Chairman Delzer:** My thought is more not so much about what's there now, but what if it expands beyond what we're thinking about?

**2903-Rep. Kempenich:** I think that's going to have to be policy, once it starts, the legislatures are going to have to make the policy decision of taking it out.

2948-Rep. Kliniske: In other optional services through Medicare, how does that work? Is that worded with a shall or a may?

2963-Chairman Svedjan: I'm not sure.

2977-Dave: Basically we don't have a lot of that in statute.

3016-Rep. Kempenich: I agree with Rep. Delzer.

3072-Vice-Chairman Delzer: If we pass this, we're putting it in code that they shall do it. I would move that we change the shall to may.

3093-Chairman Svedjan: OK, we have a substitute motion, second?

3094-Rep. Kempenich: Second it.

3099-Chairman Svedjan: Further discussion? Everyone understands the amendment, changing shall to may? Further discussion? Hearing none, all in favor of the proposed amendment say I, -6, opposed say nay, -0. The motion carries. Now we have an amended bill in front of us. No, it has to be removed. There's no motion.

3154-Rep. Kliniske: I would move a do pass as amended.

3158-Chairman Svedjan: You've heard the motion, is there a second?

3161-Rep. Kerzman: I'll second it.

3163-Chairman Svedjan: Seconded by Rep. Kerzman. Any further discussion? Hearing none, are you ready to vote? We'll take a roll call on a do pass as amended on HB 1115.

CHAIRMAN KEN SVEDJAN, Y  
REP. KEITH KEMPENICH, Y  
REP. AMY KLINISKE, Y

VICE-CHAIRMAN JEFF DELZER, Y  
REP. JAMES KERZMAN, Y  
REP. JOHN M. WARNER, Y

3215-Chairman Svedjan: OK, the motion passes. Who would like to carry this bill?

Rep. Kerzman will carry the bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1115

House Appropriations Committee

☐ Conference Committee

Hearing Date February 20, 2001

Tape Number	Side A	Side B	Meter #
02-20-01 tape #1		0 - 254	
Committee Clerk Signature <i>Robert Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1115.

Rep. Kerzman: HB 1115 basically allows the Department of Human Services to implement a personal care option for individuals in basic care facilities. It allows the department to access about \$5.6 million in federal funds and use the balance of the swap program. The only amendment that we put on in the subcommittee is to change shall to may on line 6 of the engrossed bill. Moves to adopt the amendment. Seconded by Rep. Kliniski.

Voice vote adopted the amendment.

Rep. Kerzman: Moves DO PASS AS AMENDED. Seconded by Rep. Svedjan.

Rep. Svedjan: For clarification, for this kind of service now in basic care it's all paid for by general funds. This is now a new interpretation by HICFA that allows us to access federal funds for this purpose so there will be a match of 70% federal funds.

Page 2

House Appropriations Committee

Bill/Resolution Number HB 1115

Hearing Date February 20, 2001

Vote on Do Pass as Amended: 19 yes, 0 no, 2 absent and not voting. Motion passes

Rep. Kerzman is assigned to carry this bill to the floor.

Date: 2-12-61

Roll Call Vote #: 1

**2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 115**

House Appropriations Committee

☒ Subcommittee on Human Resources  
or  
☐ Conference Committee

Legislative Council Amendment Number 18125.0300

Action Taken Do Pass

Motion Made By Rep. Klincks Seconded By Rep. Logzina

[illegible]

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent

**Floor Assignment**

If the vote is on an amendment, briefly indicate intent: replace "shall" with "may".

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1115

Page 1, line 6, replace "shall" with "may"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Dept. 325 - Department of Human Services**

HOUSE - This amendment provides that the Department of Human Services may provide a personal care option benefit program under medical assistance for individuals residing in basic care facilities rather than requiring the department to provide this option.

Date: 2-12-01

Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1115

House Appropriations Committee

☐ Subcommittee on Human Resources  
or  
☐ Conference Committee

Legislative Council Amendment Number 18125.0301

Action Taken Substitute motion to amend

Motion Made By Rep. Delzer Seconded By Rep. Kempenich

[illegible]

Total (Yes) 6 No 0

Absent ☒

### Floor Assignment

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

Roll Call Vote #: 3

## BILL/RESOLUTION NO. 115

Committee

Subcommittee on Human Resources

or

☐ Conference Committee

Legislative Council Amendment Number 18125, 0301

Action Taken Do pass as amended

Rep. Kerzman

[illegible]

**Absent**

Res. Kerzman

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



Date: 2-20-01  
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1115

House APPROPRIATIONS Committee

☐ Subcommittee on \_\_\_\_\_  
or  
☐ Conference Committee

Legislative Council Amendment Number 18/25.0301

Action Taken to adopt amendment

Motion Made By Rep. Kerzman Seconded By Rep. Kliniske

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman					
Wald - Vice Chairman					
Rep - Aarsvold			Rep - Koppelman		
Rep - Boehm			Rep - Martinson		
Rep - Byerly			Rep - Monson		
Rep - Carlisle			Rep - Skarphol		
Rep - Delzer			Rep - Svedjan		
Rep - Glassheim			Rep - Thoreson		
Rep - Gulleason			Rep - Warner		
Rep - Huether			Rep - Wentz		
Rep - Kempenich					
Rep - Kerzman					
Rep - Kliniske					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

line 6

*adopted*

Date: 2-20-01  
Roll Call Vote #: 2

**2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. HB 1115**

House APPROPRIATIONS Committee

☐ Subcommittee on \_\_\_\_\_  
or  
☐ Conference Committee

Legislative Council Amendment Number 18125.0301

Action Taken DO PASS AS AMENDED.

Motion Made By Rep. Kerzman Seconded By Rep. Svedjan

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold	✓		Rep - Koppelman		
Rep - Boehm	✓		Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle			Rep - Skarphol	✓	
Rep - Delzer	✓		Rep - Svedjan	✓	
Rep - Glassheim	✓		Rep - Thoreson	✓	
Rep - Gulleon	✓		Rep - Warner	✓	
Rep - Huether	✓		Rep - Wentz	✓	
Rep - Kempenich	✓				
Rep - Kerzman	✓				
Rep - Kliniske	✓				

Total (Yes) 19 No 0

Absent 2

Floor Assignment Rep. Kerzman

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

2001 SENATE HUMAN SERVICES

HB 1115

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1115

Senate Human Services Committee

☐ Conference Committee

Hearing Date March 6, 2001

Tape Number	Side A	Side B	Meter #
1	X		
Committee Clerk Signature <i>Carol Holodichuk</i>			

Minutes:

Vice Chairman Kilzer called the Senate Human Services Committee to order in the absence of Senator Lee. All other Senators were present. Senator Lee was called home; her husband had taken a sudden turn for the worse, and have heard nothing since. SENATOR KILZER passed out some testimony.

The hearing was opened on HB 1115.

DAVID ZENTNER, Dept of Human Services, supports bill. (Written testimony) SENATOR MATHERN: What would rent provision have cost us? MR. ZENTNER: 2.9 million. It was not included in Governor's budget. Generally assisted living is cheaper than nursing care. Room and board are from general fund dollars. SENATOR POLOVITZ: Is there any rent paid? MR. ZENTNER: We pay with non Federal funds. Personal care are bodily services SENATOR MATHERN: Could we save money earlier if we put emergency on it? MR. ZENTNER: There would be no harm in putting it on, but if we get approval we would do it as soon as possible.

SENATOR FISCHER: The idea being putting it into code so it cannot be challenged.

SENATOR MATHERN: What is the consequence for county that has no basic care facility, like Cass county. MR. ZENTNER: The county understands there is no basic care facility and provide as much home community care. The facility in Moorhead is being used, but the client must become a resident of Minnesota. A county can provide alternative services in own home or leave Cass County.

SHELLY PETERSON, Long Term Care, supports bill (Written testimony)

No opposition

The hearing on HB 1115 was closed.

Discussion on the bill ensued. SENATOR MATHERN: I think we should put the emergency clause on so nobody challenges the department to not move ahead before August 1. MURIEL PETERSON explained how department could do this by May 1. SENATOR FISCHER: If we put an emergency clause the department will pick up 3 months.

SENATOR MATHERN moved the emergency clause as an amendment. SENATOR POLOVITZ seconded it. Roll call vote carried 5-0 with the vote held open for Senator Lee. SENATOR MATHERN moved a DO PASS AS AMENDED AND REREFERRED to Appropriations. Roll call vote carried 5-0 with vote held open for Senator Lee. SENATOR MATHERN will carry the bill.

*JB*  
*3-6-1*

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1115

Page 1, line 2, after "facillties" Insert "; and to declare an emergency"

Page 1, after line 9, Insert:

**"SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

Date: 3/6/01

Senate **HUMAN SERVICES** Committee

Legislative Council Amendment Number \_\_\_\_\_

Motion Made By Ser Mathew Seconded By Ser Polovitz

[illegible]

Absent 0

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

Date: 3/06/01

Senate HUMAN SERVICES Committee

☐ Conference Committee

Action Taken Do pass as amended & rereferred

Motion Made By Sen. Mathews Seconded By Sen. Palovitz

[illegible]

Total (Yes) 6 No 0

Absent 0

Floor Assignment Sen. Nathan

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



REPORT OF STANDING COMMITTEE (410)  
March 15, 2001 3:29 p.m.

Module No: SR-45-5760  
Carrier: T. Mathern  
Insert LC: 18125.0401 Title: .0500

**REPORT OF STANDING COMMITTEE**

HB 1115, as reengrossed: Human Services Committee (Sen. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1115 was placed on the Sixth order on the calendar.

Page 1, line 2, after "facilities" Insert "; and to declare an emergency"

Page 1, after line 9, insert:

"**SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

2001 SENATE APPROPRIATIONS

HB 1115

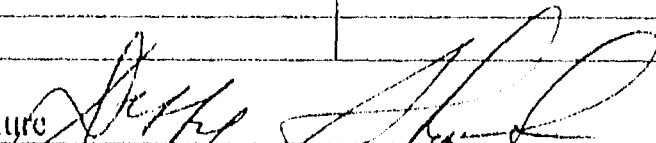
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1115

Senate Appropriations Committee

☐ Conference Committee

Hearing Date March 26, 2001

Tape Number	Side A	Side B	Meter #
1	X		0.0-12.8
Committee Clerk Signature 			

Minutes:

Senator Nething opened the hearing on HB 1115.

David Zentner, Director of Medical Services for the Department of Human Services, appeared to provide information and to support the bill (testimony attached).

Senator Nething: This is a new fund; we already have general funds, federal funds, now retained funds, explain.

David Zentner: These dollars are the SWAP part of legislation. We keep these dollars to generate.

Senator Nething: Do they reduce the general funds?

David Zentner: Yes, the fiscal notes indicates with the adoption of this personal care option, this will supplant the \$5.6 million is retained funds with federal funds.

Senator Nething: How are they budgeted?

Arvy Smith, OMB: They are general fund equivalent.

Senator Nething: How were the dollars accounted for this biennium?

David Zentner: They were built into the fund.

Senator Tallackson: Since the rent was taken out in the House, does this affect your federal funds?

David Zentner: No, they are all general funds.

Senator Tomac: What funds do you have to work with?

David Zentner: Economic assistance line.

Senator Solberg: Look at the last page of your spread sheet, \$31.940 million.

David Zentner: Working with SWAP funds; counties no longer will have to pay.

Senator Nething: The emergency clause; was this already included in your budget?

David Zentner: No is was not included; it was added for funding this April or May.

Arvy Smith: This was also to build the increase in turn back dollars.

Senator Andrist: The idea of personal care service, what is this encompassed to?

David Zentner: For individuals, it is to the body to function for personal care services.

Shelly Peterson, Long Care Nursing Association, spoke in favor of the bill. These are new funds and for the first time for federal funding in basic care. We now have 42 basic care facilities in the state and this is supportive action.

Penny Weston, Wedgewood Vista, spoke in support of the bill with the number of increasing basic care in the state giving individuals options in nursing care. A lot of individuals are limited with their funds if they have any and this supplementation will be very beneficial. I urge you to move a do pass on the bill.

With no opposition to the bill and no further testimony the hearing was closed on HB 1115.

Senator Holmberg moved a "Do Pass" as amended; seconded by Senator Solberg.

Page 3

Senate Appropriations Committee

Bill/Resolution Number HB 1115

Hearing Date March 26, 2001

With no discussion a committee vote was taken. Motion passed 11 yes, 0 no, 3 absent.

Senator Tim Mathern will carry the bill.

Tape #1, Side A, meter 12.8

Date: 3-26-01

Roll Call Vote #: \_\_\_\_\_

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB1115

Senate Appropriations Committee

☐ Subcommittee on \_\_\_\_\_

or

☐ Conference Committee

Legislative Council Amendment Number 18125.0101

Action Taken Do Pass (as amended H.S.)

Motion Made By Senator Holmberg Seconded By Senator Solberg

Senators	Yes	No	Senators	Yes	No
Dave Nothing, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas	✓				
Harvey Tallackson	✓				
Larry J. Robinson					
Steven W. Tomac	✓				
Joel C. Heitkamp	✓				
Tony Grindberg					
Russell T. Thane	✓				
Ed Kringstad					
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 11 No 0

Absent 3

Floor Assignment Senator Mather

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

REPORT OF STANDING COMMITTEE (410)  
March 26, 2001 12:13 p.m.

Module No: SR-52-6724  
Carrier: T. Mathern  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

HB 1115, as reengrossed and amended: Appropriations Committee (Sen. Nething, Chairman) recommends **DO PASS** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). Reengrossed HB 1115, as amended, was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1115



**TESTIMONY BEFORE THE HOUSE HUMAN SERVICES COMMITTEE**  
**REGARDING HOUSE BILL 1115**  
**JANUARY 17, 2001**

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

The Task Force on Long Term Care Planning examined the issue of adding the personal care services option to the array of services available to Medicaid eligible recipients. Currently, personal care services are only available to individuals participating in the Elderly and Disabled and Traumatic Brain Injured Medicaid waivers.

The Task Force report noted that the Health Care Financing Administration (HCFA) had recently revised the requirements for Medicaid coverage of personal care services. At one time the services had to be supervised by a nurse. Also, the Department understood that Medicaid could not limit where personal care services could be delivered. We believed we would need to eliminate personal care services in the waiver programs and open up the service to all recipients no matter where they resided.

After discussion with HCFA staff, we were advised that the new interpretation permitted the Department to limit personal care services to certain provider types. Based on this information, the Task Force recommended that the personal care option be pursued but limit the option to basic care providers.

The Task Force also reviewed the affordability of assisted living facilities for individuals eligible for the Medicaid Program. It found that many individuals could not afford to live in assisted living facilities because the cost of rent

exceeded the medically needy income level currently at \$475 per month for a single person household. It was noted that if individuals eligible for assistance could afford to access assisted living facilities where twenty-four hour services are available, individuals may be able to maintain their independence for a longer period of time and could possibly delay or prevent the need for nursing facility care in the future.

The Task Force recommended the establishment of a rent subsidy program and would use savings generated from adopting the personal care option in the Basic Care Assistance Program.

The bill before you accomplishes these two objectives. Section 1 establishes the personal care option for individuals residing in basic care facilities and Section 2 permits the establishment of a rent subsidy program.

The fiscal note indicates that the adoption of the personal care option will supplant \$5.6 million dollars in retained funds with federal funds. The fiscal note indicates that the rent subsidy would cost about \$3 million in general funds to implement and would permit Medicaid eligible recipients to access assisted living facilities with monthly room and board costs that would not exceed \$700. The subsidy would be the difference between the maximum of \$700 and the medically needy income level after subtracting a personal care allowance of about \$200 per month. It would serve up to 400 individuals by the end of next biennium. The rent subsidy portion of this bill was not included in the Executive Budget and would require an additional general fund increase of \$3 million.

The Department is in full support of the personal care option, as it will increase the amount of federal funds available to the Department and save an equivalent amount of non-federal funds for the state. While we support the general idea of a rent subsidy, we cannot support its implementation at this time because the funds needed to pay for the subsidy were not included in the Executive budget.

exceeded the medically needy income level currently at \$475 per month for a single person household. It was noted that if individuals eligible for assistance could afford to access assisted living facilities where twenty-four hour services are available, individuals may be able to maintain their independence for a longer period of time and could possibly delay or prevent the need for nursing facility care in the future.

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The Department is in full support of the personal care option, as it will increase the amount of federal funds available to the Department and save an equivalent amount of non-federal funds for the state. While we support the general idea of a rent subsidy, we cannot support its implementation at this time because the funds needed to pay for the subsidy were not included in the Executive budget.

If the rent subsidy is retained in this bill, I offer several amendments that would clarify how the subsidy program would be operated.

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

**PROPOSED AMENDMENTS TO HOUSE BILL NO. 1115**

Page 1, line 18, replace "aid to vulnerable aged," with "an eligible beneficiary receiving necessary basic care services"

Page 1, line 19, remove "blind, and disabled persons who reside in basic care facilities"

Page 1, line 23, after "Supplement," insert "at rates determined by the department,"

Page 2, replace lines 1 through 4 with:

"individual who:

- a. Has applied for and is eligible to receive benefits under title XIX of the Social Security Act [42 U.S.C. 1396 et seq.];
- b. Resides in an assisted living facility; and
- c. Is determined to be eligible pursuant to rules adopted by the department."

Renumber accordingly

**Testimony on HB 1115**  
**House Human Services Committee**  
**January 17, 2001**

Chairman Price and members of the House Human Services Committee, thank you for the opportunity to testify on HB 1115. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. I am here testifying on behalf of our nursing facility, basic care and assisted living members.

HB 1115 requires the Department of Human Services to implement a personal care option benefit limited to individuals who reside in basic care facilities. This legislation will allow the Department of Human Services to access federal funds for basic care. By allowing this option the state will be able to access \$5.6 million new federal dollars for basic care.

We support this action, in fact the Department of Human Services Budget (HB 1012) relies upon receiving these federal funds for basic care. Governor Hoeven's Budget does not contain money for the rent subsidy, thus we can't support Section 2 of the bill. It would have been great to create a rent subsidy for low and moderate income individuals to access assisted living, but the budget does not support this new services at this time.

Basic care will continue to be available to low and moderate income, rather than assisted living.

Thank you for the opportunity to submit testimony on HB 1115. I would be happy to address any questions you may have.

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

*David Zentner*

**TESTIMONY BEFORE THE HOUSE APPROPRIATIONS COMMITTEE  
HUMAN RESOURCES SECTION  
REGARDING HOUSE BILL 1115  
FEBRUARY 12, 2001**

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

The Task Force on Long Term Care Planning examined the issue of adding the personal care services option to the array of services available to Medicaid eligible recipients. Currently, personal care services are only available to individuals participating in the Elderly and Disabled and Traumatic Brain Injured Medicaid waivers.

The Task Force report noted that the Health Care Financing Administration (HCFA) had recently revised the requirements for Medicaid coverage of personal care services. At one time the services had to be supervised by a nurse. Also, the Department understood that Medicaid could not limit where personal care services could be delivered. We believed we would need to eliminate personal care services in the waiver programs and open up the service to all recipients no matter where they resided.

After discussion with HCFA staff, we were advised that the new interpretation permitted the Department to limit personal care services to certain provider types. Based on this information, the Task Force recommended that the personal care option be pursued but limit the option to basic care providers.

The original bill also contained a Section that would have established a rent subsidy program for individuals who could not afford to live in assisted living facilities because the cost of rent exceeded the medically needy income level

currently at \$475 per month for a single person household. The rent subsidy was meant to allow individuals to maintain their independence for a longer period of time and could possibly delay or prevent the need for nursing facility care in the future. The rent subsidy portion of the bill was removed from the committee by the House Human Services Committee.

The fiscal note indicates that the adoption of the personal care option will supplant \$5.6 million dollars in retained funds with federal funds.

The Department submitted the state plan amendment on January 18, 2001. We have not received any feedback from the Health Care Financing Administration. They have 90 days to approve the plan or they can stop the clock by asking clarification questions.

The Department is in full support of the personal care option, as it will increase the amount of federal funds available to the Department and save an equivalent amount of non-federal funds for the state.

Technically the Department can implement the personal care option without enabling legislation. The committee may want to consider putting language in HB1012 that it is legislative intent for the Department to establish a personal care option for individuals residing in basic care facilities. If that action were taken, the bill would no longer be necessary.

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



**TESTIMONY BEFORE THE SENATE HUMAN SERVICES COMMITTEE**  
**REGARDING HOUSE BILL 1116**  
**MARCH 6, 2001**

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

The Task Force on Long Term Care Planning examined the issue of adding the personal care services option to the array of services available to Medicaid eligible recipients. Currently, personal care services are only available to individuals participating in the Elderly and Disabled and Traumatic Brain Injured Medicaid waivers.

The Task Force report noted that the Health Care Financing Administration (HCFA) had recently revised the requirements for Medicaid coverage of personal care services. At one time the services had to be supervised by a nurse. Also, the Department understood that Medicaid could not limit where personal care services could be delivered. We believed we would need to eliminate personal care services in the waiver programs and open up the service to all recipients no matter where they resided.

After discussion with HCFA staff, we were advised that the new interpretation permitted the Department to limit personal care services to certain provider types. Based on this information, the Task Force recommended that the personal care option be pursued but limit the option to basic care providers.

The original bill also contained a Section that would have established a rent subsidy program for individuals who could not afford to live in assisted living facilities because the cost of rent exceeded the medically needy income level currently at \$475 per month for a single person household. The rent subsidy was

meant to allow individuals to maintain their independence for a longer period of time and could possibly delay or prevent the need for nursing facility care in the future. The rent subsidy portion of the bill was removed from the bill by House action.

The fiscal note indicates that the adoption of the personal care option will supplant \$5.6 million dollars in retained funds with federal funds.

The Department submitted the state plan amendment on January 18, 2001. We have not received any feedback from the Health Care Financing Administration. They have 90 days to approve the plan or they can stop the clock by asking clarification questions.

The Department is in full support of the personal care option, as it will increase the amount of federal funds available to the Department and save an equivalent amount of non-federal funds for the state.

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

**Testimony on HB 1115**  
**Senate Human Services Committee**  
**March 6, 2001**

Chairman Lee and members of the Senate Human Services Committee, thank you for the opportunity to testify on HB 1115. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. I am here testifying on behalf of our nursing facility, basic care and assisted living members.

HB 1115 allows the Department of Human Services to implement a personal care option benefit limited to individuals who reside in basic care facilities. This legislation will allow the Department of Human Services to access federal funds for basic care. By allowing this option the state will be able to access \$5.6 million new federal dollars for basic care.

We support this action, in fact the Department of Human Services Budget (HB 1012) relies upon receiving these federal funds for basic care.

Attached is a fact sheet on basic care. Basic care is an excellent cost effective service and we encourage your adoption of HB 1115.

Thank you for the opportunity to submit testimony on HB 1115. I would be happy to address any questions you may have.

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

## ★ -- BASIC CARE FACT SHEET -- ★

- ★ North Dakota has 42 basic care facilities.
- ★ There are 1,422 licensed basic care beds, 86% occupied.
- ★ The average cost for a single day of basic care is \$42.36, generally less than the cost of one night in a hotel.
- ★ In 1998, an average of 423 individuals needed State Basic Care Assistance to pay for their care.
- ★ Basic care services include room, meals, medication administration, 24-hour supervision and support, activities and nursing consultation.
- ★ The top two reasons an individual will enter basic care is the need for medication administration and 24 hour supervision.
- ★ The purpose of basic care is to help residents maintain their current level of independence and strive to improve their overall health.
- ★ Basic care is the most cost effective level of care for residents who need constant supervision but not 24-hour nursing care.
- ★ 86 percent of residents require total administration of medications by staff.
- ★ 73 percent of residents are ambulatory and need no assistance with devices (cane, walker).
- ★ 59 percent of residents require some help in bathing.
- ★ 28 percent of the residents experience confusion or disorientation.
- ★ 20 percent of residents have a diagnosis of mental illness or mental retardation.
- ★ The average age of a basic care resident is 85 years.
- ★ Age breakdown of basic care residents:
 

<u>0 - 64</u>	<u>65 - 74</u>	<u>75 - 84</u>	<u>85+</u>
8%	10%	32%	50%
- ★ The age range of basic care residents is 33 to 102 years old.