

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1196

Page 1, line 1, after "enact" insert "a new subsection to" and replace "23-27-04.5" with "21-10-06"

Page 1, line 2, after "to" insert "funds under the management of the state investment board and", after "nurses" insert "student", replace "repayment" with "payment", and remove "and"

Page 1, line 3, remove "a quick-response unit service pilot program"

Page 1, line 4, after the sixth comma insert "23-16-01.1,"

Page 1, line 6, after the second comma insert "the moratorium on the expansion of long-term care bed capacity,"

Page 1, line 9, after the first semicolon insert "to provide a statement of legislative intent; to provide for a legislative council study;"

Page 1, line 20, remove the overstrike over "~~nursing~~" and remove the underscored colon

Page 1, line 21, remove "1. Nursing"

Page 1, line 23, remove "construction or"

Page 1, remove line 24

Page 3, after line 30, insert:

**"SECTION 7.** A new subsection to section 21-10-06 of the 1999 Supplement to the North Dakota Century Code is created and enacted as follows:

Health care trust fund."

Page 4, line 18, replace "A nursing facility may designate up to twenty percent of its licensed bed capacity as" with "Not more than once in a twelve-month period, a nursing facility may convert licensed nursing facility bed capacity to basic care bed capacity or may convert basic care bed capacity to licensed nursing facility bed capacity. At least ninety days before the conversion, the facility shall notify the state department of health of the facility's intent to convert bed capacity. The converted beds must be located in the same block of rooms within the facility."

**SECTION 9. AMENDMENT.** Section 23-16-01.1 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**23-16-01.1. Moratorium on expansion of long-term care bed capacity.**

Notwithstanding sections 23-16-06 and 23-16-10, except when existing beds are converted for use by the alzheimer's and related dementia population under the projects provided for in section 50-06-14.4 or when nursing facilities are converting basic bed capacity to nursing facility bed capacity, the state department of health may not issue a

license for any additional bed capacity above the state's gross licensed capacity of seven thousand one hundred forty beds, adjusted by any reduction in beds before July 31, 1999, during the period between August 1, 1999, and July 31, 2001. Transfers of existing beds from one municipality to another municipality must be approved if the department of health licensing requirements are met, during the period August 1, 1999, to July 31, 2001, only to the extent that for each bed transfer approved the total number of licensed beds in the state is reduced by the same number transferred. Existing licensed beds released by a facility which are not immediately transferred to another facility may not be banked for future transfer to another facility. Not more than once in a twelve-month period, a nursing facility may convert licensed nursing facility bed capacity to basic care bed capacity or may convert basic care bed capacity to licensed nursing facility bed capacity. At least ninety days before the conversion, the facility shall notify the state department of health of the facility's intent to convert bed capacity. The converted beds must be located in the same block of rooms within the facility."

Page 4, remove lines 19 through 31

Page 5, remove lines 1 and 2

Page 5, line 5, after "**nurses**" insert "**student**" and replace "**repayment**" with "**payment**"

Page 5, line 7, after "nurses" insert "student" and replace "repayment" with "payment"

Page 5, line 8, after "nurses" insert "student"

Page 5, line 9, replace "repayment" with "payment"

Page 5, line 10, replace "**repayment**" with "**payment**"

Page 5, line 12, replace "repayment" with "payment"

Page 5, line 15, replace "repayment" with "payment"

Page 5, line 20, replace "to applicants who" with "monthly to institutions that own student loans of applicants who meet and continue to meet the criteria standards and eligibility standards."

1. In the case of an eligible applicant who has a student loan with forty-eight or fewer monthly scheduled payments remaining on the loan at the date of application, the monthly payment amount is equal to the regularly scheduled monthly payment amount.
2. In the case of an eligible applicant who has a student loan with more than forty-eight monthly scheduled payments remaining on the loan at the date of application, the monthly payment amount is equal to one forty-eighth of the amount of the outstanding balance of the educational loan on the date of application plus any applicable interest."

Page 5, remove lines 21 through 30

Page 6, remove lines 1 through 6

Page 6, line 7, after "**nurses**" insert "**student**", replace "**repayment**" with "**payment**", and remove "**- Continuing appropriation**"

Page 6, line 8, replace "repayment" with "payment"

Page 6, line 10, remove "are appropriated and"

Page 6, line 11, after "council" insert "pursuant to legislative appropriations" and replace "repayment" with "payment"

Page 9, line 31, overstrike "treasurer" and insert immediately thereafter "investment board"

Page 10, line 1, overstrike "such funds in interest-bearing accounts, as designated by the department" and insert immediately thereafter "moneys in the fund in accordance with chapter 21-10"

Page 10, line 2, overstrike "interest" and insert immediately thereafter "income"

Page 10, line 19, overstrike the colon

Page 10, line 20, overstrike "a." and remove "Construction or"

Page 10, line 24, overstrike "; or"

Page 10, line 25, overstrike "b."

Page 10, line 27, remove the overstrike over the period and remove "Technology projects relating to the delivery of long-term"

Page 10, remove line 28

Page 12, after line 23, insert:

**"SECTION 17. LEGISLATIVE INTENT - HEALTH CARE TRUST FUND USES.**

It is the intent of the fifty-seventh legislative assembly that the June 30, 2003, unobligated balance in the health care trust fund and any investment earnings on that amount during the 2003-05 biennium not be appropriated but be retained in the fund to be used to continue, for periods subsequent to the 2003-05 biennium, the increased funding levels authorized in this Act for the 2001-03 biennium."

Page 13, line 1, replace "26,700,000" with "38,750,000"

Page 13, line 2, replace "18,700,000" with "27,100,000"

Page 13, line 3, replace "8,000,000" with "11,650,000"

Page 13, line 6, replace "\$18,700,000" with "\$27,100,000" and replace "16" with "18"

Page 13, after line 26, insert:

**"SECTION 21. APPROPRIATION - ADMINISTRATIVE COSTS.**

There is appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the sum of \$71,158, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the administrative costs associated with the intergovernmental transfer program, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Page 13, line 29, replace "\$35,000,000" with "\$8,899,774"

Page 14, line 1, replace "Of the amounts available in the health care trust fund for loans, the" with "Of this amount \$3,920,000 relates to commitments made during the biennium beginning July 1, 1999, and ending June 30, 2001."

Page 14, remove lines 2 through 4

Page 15, line 3, replace "\$1,165,303" with "\$681,846"

Page 15, line 4, replace "\$2,719,040" with "\$1,590,974"

Page 15, line 7, replace "2000" with "1999"

Page 15, after line 21, insert:

**"SECTION 29. LEGISLATIVE COUNCIL STUDY - LONG-TERM CARE NEEDS.** The legislative council shall consider studying, during the 2001-02 interim, the long-term care needs in North Dakota. If studied, the legislative council shall receive progress reports and a final report from the department of human services on the statewide needs assessment study for long-term care."

Page 15, line 27, after "**NURSES**" insert "**STUDENT**" and replace "**REPAYMENT**" with "**PAYMENT**"

Page 15, line 29, after "nurses" insert "student" and replace "repayment" with "payment"

Page 15, replace lines 30 and 31 with:

**"SECTION 32. APPROPRIATION - STATE DEPARTMENT OF HEALTH - NURSING FACILITY NURSES STUDENT LOAN PAYMENT FUND - ADDITIONAL SPENDING AUTHORITY - EMERGENCY COMMISSION APPROVAL.** There is appropriated out of any moneys in the nursing facility nurses student loan payment fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the state department of health for the purpose of making nursing facility nurses student loan payments, for the biennium beginning July 1, 2001, and ending June 30, 2003. The state department of health may request emergency commission and budget section approval to spend additional moneys from the fund for making nursing facility nurses student loan payments, which is appropriated for the biennium beginning July 1, 2001, and ending June 30, 2003.

**SECTION 33. APPROPRIATION - SERVICE PAYMENTS FOR THE ELDERLY AND DISABLED.** There is appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the sum of \$6,898,302, or so much of the sum as may be necessary, to the department of human services for the purpose of making service payments for the elderly and disabled, for the biennium beginning July 1, 2001, and ending June 30, 2003.

**SECTION 34. APPROPRIATION - HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT.** There is appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, and from special funds derived from federal funds, the sum of \$5,055,347, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the expenses of complying with the federal Health Insurance Portability and Accountability Act or other technology

projects, for the period beginning with the effective date of this Act and ending June 30, 2003.

**SECTION 35. APPROPRIATION - 1999-2001 BIENNIUM NURSING FACILITY GRANTS.** There is appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the sum of \$100,226, or so much of the sum as may be necessary, to the department of human services for the purpose of making payments on grants approved under the nursing facility alternative grant fund during the 1999-2001 biennium, for the biennium beginning July 1, 2001, and ending June 30, 2003.

**SECTION 36. APPROPRIATION - SENIOR CITIZEN MILL LEVY MATCHING GRANTS.** There is appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing additional senior citizen mill levy matching grants, for the biennium beginning July 1, 2001, and ending June 30, 2003.

**SECTION 37. APPROPRIATION - MEDICAL ASSISTANCE - TARGETED CASE MANAGEMENT SERVICES.** There is appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the sum of \$338,530, or so much of the sum as may be necessary, and from special funds derived from federal funds, the sum of \$769,220, or so much of the sum as may be necessary, to the department of human services for the purpose of making medical assistance payments for targeted case management services, for the biennium beginning July 1, 2001, and ending June 30, 2003.

**SECTION 38. APPROPRIATION - INDEPENDENT LIVING CENTER GRANTS.** There is appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing grants to independent living centers, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Page 16, remove lines 1 through 3

Page 16, line 27, replace "Section 7" with "Sections 8 and 9" and replace "is" with "are"

Page 16, line 28, replace "is" with "are"

Page 16, line 29, replace "18" with "20", replace "30" with "34, 40" and replace "31" with "41"

Renumber accordingly

#### **STATEMENT OF PURPOSE OF AMENDMENT:**

##### **Dept. 301 - State Department of Health**

Sections are removed providing for the State Department of Health to implement a quick-response unit service pilot program and appropriating \$225,000 from the health care trust fund for this program for the 2001-03 biennium. The program and the appropriation are being included in House Bill No. 1202.

The name of the nursing facility nurses loan repayment program is changed to the nursing facility nurses student loan payment program and provisions of the program are changed to provide that the payments be made directly to the financial institution holding the loan rather than to the nurse and that loan payments be made equally over a four-year period rather than based on the following schedule:

Year 1	30 percent
Year 2	30 percent

Year 3	25 percent
Year 4	15 percent

The continuing appropriation for making these payments is removed and a \$200,000 appropriation from the nursing facility nurses student loan payment fund is provided for making these payments during the 2001-03 biennium. A provision is added that the department may seek Emergency Commission and Budget Section approval for additional spending authority for this program during the 2001-03 biennium. Sections 23-09.3-01.1 and 23-16-01.1 that provide for the moratoriums on the expansion of basic care or nursing facility bed capacity are changed to allow nursing facilities to convert licensure from skilled care to basic care and vice versa no more often than once every 12 months and providing that the beds being converted must be in the same block of rooms within the facility.

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

HOUSE - This amendment provides that the State Investment Board is responsible for the investment of moneys in the health care trust fund.

A section of legislative intent is added regarding making adequate resources available in the fund beyond the 2003-05 biennium to provide the funding necessary to continue the increased funding levels authorized by this bill.

Provisions are added directing the Legislative Council to consider studying, during the 2001-02 interim, the long-term care needs in North Dakota, and that the Department of Human Services conduct its assessment of North Dakota's long-term care needs in conjunction with the Legislative Council committee.

Appropriations changes and additions include:

- Increasing the government nursing facility funding pool payment appropriation by \$12,050,000, \$3,650,000 of which is from the general fund, to a total of \$38,750,000, \$11,650,000 of which is from the general fund and \$27,100,000 of federal funds to reflect revised Department of Human Services projections. The general fund share will be returned to the general fund within one business day of each payment being made.
- Reducing funds from the health care trust fund for loans by \$26,100,226 to a total of \$8,899,774. The \$8.9 million includes appropriation authority for funding loans approved during the 1999-2001 biennium but which will not be paid out until the 2001-03 biennium. In addition, the provisions allowing loans to be made for technology projects are removed and, as amended, loans may not be made for construction projects, only renovation projects.
- Reducing funds for nursing facility rate limit increases by \$483,457 from the health care trust fund to provide that rate limits be based on 1999 rather than 2000 cost reports. Funding of \$2,272,820 remains in the bill, \$681,846 of which is from the health care trust fund and \$1,590,974 of federal funds.
- Providing \$1,107,750, \$338,530 of which is from the health care trust fund and \$769,220 of federal funds for medical assistance grants relating to targeted case management services.
- Providing \$6,898,302 from the health care trust fund for service payments for elderly and disabled (SPED).
- Providing \$100,226 from the health care trust fund for making payments on grants approved during the 1999-2001 biennium but which will not be paid until the 2001-03 biennium.
- Providing \$150,000 from the health care trust fund for increasing senior citizen mill levy matching grants.
- Providing \$100,000 from the health care trust fund for independent living center grants.
- Providing \$71,158 from the health care trust fund for administrative costs associated with the intergovernmental transfer program.
- Providing \$8,055,347, \$3,000,000 of which is from the health care trust fund and \$5,055,347 of federal funds, for costs associated with the federal Health Insurance Portability and Accountability Act (HIPAA) or other technology projects.

After these changes, appropriations and transfers from the health care trust fund and related federal funds included in this bill are as follows:

	HEALTH CARE TRUST FUND	FEDERAL FUNDS	TOTAL
<b>Department of Human Services appropriations</b>			
Dunseith and McVile - Additional 1999-2001 biennium transaction fee	\$800,000		\$800,000
Grants - 1999-2001 commitments	100,226		100,226
Loans - 1999-2001 commitments	3,920,000		3,920,000
Loans - 2001-03 biennium	4,979,774		4,979,774
Service payments for elderly and disabled (SPED)	6,898,302		6,898,302
HIPAA computer project	3,000,000	\$5,055,347	8,055,347
Statewide long-term care needs assessment	241,006		241,006
Nursing home bed reduction incentive	4,100,000		4,100,000
Nursing facility employee compensation enhancement	8,189,054	19,107,793	27,296,847
Basic care employee compensation enhancement	202,080	471,520	673,600
Nursing facility rate limit increases resulting from rebasing	681,846	1,590,974	2,272,820
Nursing facility personal care allowance increase	266,400	621,600	888,000
Basic care facility personal care allowance increase	180,000		180,000
Qualified service provider (QSP) training grants	140,000		140,000
Administrative costs	71,158		71,158
Senior citizen mill levy match	150,000		150,000
Medical assistance - Targeted case management	338,530	769,220	1,107,750
Independent living center grants	<u>100,000</u>		<u>100,000</u>
Total Department of Human Services	\$34,358,376	\$27,616,454	\$61,974,830
Transfer to nursing facility nurses student loan repayment fund	<u>1,000,000</u>		<u>1,000,000</u>
Total appropriations and transfers	\$35,358,376	\$27,616,454	\$62,974,830