

MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

1204

2005 HOUSE HUMAN SERVICES

HB 1204

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1204

House Human Services Committee

☐ Conference Committee

Hearing Date 01/10/05

Tape Number	Side A	Side B	Meter #
#1	x		3096-4715

x

-1

Committee Clerk Signature



Minutes:

Chairman Price opened hearing on HB 1204. All committee members were present.

Rep. Devlin: (See attached testimony)

Rep. M. Boucher: Did not appear but sent testimony (1A) attached:

Chairman Price: Anyone else in favor?

Shelly Peterson: (See attached testimony)

David Zentner, Director of Medical Services, Dept. of Human Services.

(See Attached Testimony)

Vice Chrm. Kreidt: The loans that were issued in the amount \$12,000 through the Bank of ND.

Does that come back to the trust fund?

D. Zentner: Yes, the interest and principal payments reverts back to the Trust fund, I believe they receive a fee for their services. The bulk of the dollars will come back and be reinvested in the Trust Fund.

Rep. Potter: We received an E-mail from Chuck Stebbins, talking about the Intergovernmental Transfer dollars regarding alternatives to nursing home care? Do you agree with that?

D. Zentner: The decisions concerning those dollars was left up to the Legislature. In 1999, the bill called for alternatives, for SPED and for assisted living development. In 2001, the legislature decided to use the money for across the board, including nursing homes.

Chairman Price: Rep. Potter, we did make attempts to encourage those nursing homes making those changes, it really wasn't used that much so that's why they made those adjustments. It was our hope that they would be a bit more creative.

Chairman Price: Anyone in favor/opposition to HB 1204. Close hearing.

Reopened hearing:

V. Chrm. Kreidt: Other facilities want to participate, if there was more out there, they would be will to participate.

Rep. Kaldor: Regarding Mr. Zentner's testimony, suggested language, Federal language - doesn't allow, that is the reason for the amendment.

V. Chrm. Kreidt: We certainly don't want to reinvent the wheel.

Chairman Price: Could we move the language to the new section, concerning the money coming in?

S. Peterson: We had that discussion, We could live with/without the language, they don't use it now, we would prefer passing the bill. Even if they would make new rules, in the future. Like rule making authority with Legislative authority.

Chairman Price: Senate bill 2139 has passed, it does not have the new language on page 2.

Rep. Porter: I do not like the amendments, Dept. has to adopt procedures, makes it a part of administrative rules and the Legislature doesn't have control.

Chairman Price: What about the loans.

Rep. Porter: Were they ever addressed concerning principal/interest?

Chairman Price: Would this regulate it?

Rep. Weisz: Rep. Porter is right, if the fund comes back, will regulating it, get it to work.

Rep. Porter: Motion Do Pass.

Rep. Damschen: Second.

Vote: 12-0-0 Carrier: Rep. Nelson

Date: 1/10/05

Roll Call Vote #:

Done
1/10/05

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1204

House

Human Services

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken *Do Pass as am -*

Motion Made By *Porter*

Seconded By *Damschen*

Representatives
Chairman C.S. Price
V Chrm. G. Kreidt
Rep. V. Pietsch
Rep. J.O. Nelson
Rep. W.R. Devlin
Rep. T. Porter
Rep. G. Uglem
Rep. C. Damschen
Rep. R. Weisz

Yes No

Representatives
Rep. L. Kaldor
Rep. L. Potter
Rep. S. Sandvig

Yes No

Total () 12

No 6

Absent 0

Floor Assignment *Porter Nelson*

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

REPORT OF STANDING COMMITTEE (410)
January 10, 2005 1:00 p.m.

Module No: HR-05-0219
Carrier: Nelson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1204: Human Services Committee (Rep. Price, Chairman) recommends DO PASS
(12 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1204 was placed on the
Eleventh order on the calendar.

2005 SENATE HUMAN SERVICES

HB 1204

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1204

Senate Human Services Committee

☐ Conference Committee

Hearing Date February 15, 2005

Tape Number

2

Side A

x

Side B

Meter #

585-1885

Committee Clerk Signature



Minutes:

Chairman Lee opened the public hearing on HB 1204. All members were present.

Representative Bill Devlin, District 23, Finley introduced the bill. See written testimony (Attachment 1). This bill relates to the North Dakota health care trust fund.

Testimony in favor of HB 1204

Shelly Peterson, President of the North Dakota Long Term Care Association. See written testimony (Attachment 2)

David Zentner, Director of Medical Services for the Department of Human Services. See written testimony (Attachment 3)

Chairman Lee: You're recommending that on page 1 lines 12 and 13 we delete 'and shall adopt procedures for participation by government nursing facilities.

Zentner: Correct.

There was no further testimony on HB 1204. Chairman Lee closed the public hearing.

Senator Brown moved DO PASS on the amendment, seconded by Senator Warner.

VOTE: 5 YEAS, 0 NAYS, 0 ABSENT

Senator Brown moved DO PASS on amended bill, seconded by Senator Dever.

Sen. Warner: I not really clear why we're forwarding both of these now. Isn't there a Senate version of this over in the House?

Chairman Lee: Yes, and I know this sounds silly, but the reason is the other one is an agency bill and this one has Senators and Representatives names on it and because some of them has had such a sense of ownership about the IGT fund, the legislators would prefer to have a bill survive that is adopted by...

Sen. Dever: As I recall, wasn't it more extensive than this?

Sen. Lyson: They didn't have something that we have. This is more complete.

Chairman Lee: It's probably going to be the same when we're finished with this. But in Mr. Zentner's testimony, it says that this had language that wasn't originally in the bill that was acted on, but we amended to include that; and now we would be deleting this phrase. We end up at the same place.

There was some additional discussion on the changes.

VOTE: 5 yeas, 0 nays, 0 absent Carrier: Senator Dever

Date: 2-15-05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1204

Senate Human Services

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do Pass Amendment

Motion Made By Sen Brown Seconded By Sen Warner

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee - Chairman	✓		Sen. John Warner	✓	
Sen. Dick Dever - Vice Chairman	✓				
Sen. Richard Brown	✓				
Sen. Stanley Lyson	✓				

Total (Yes)

5

No

0

Absent

Floor Assignment

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

Date: 2-15-05
Roll Call Vote #: 2

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1204

Senate Human Services

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken *Do Pass as amended*

Motion Made By *Sen Brown* Seconded By *Sen Dever*

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee - Chairman	✓		Sen. John Warner	✓	
Sen. Dick Dever - Vice Chairman	✓				
Sen. Richard Brown	✓				
Sen. Stanley Lyson	✓				

Total (Yes) 5 No 0

Absent

Floor Assignment *Sen. Dever*

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

REPORT OF STANDING COMMITTEE (410)
February 17, 2005 11:54 a.m.

Module No: SR-32-3344
Carrier: Dever
Insert LC: 50332.0101 Title: .0200

REPORT OF STANDING COMMITTEE

HB 1204: Human Services Committee (Sen. J. Lee, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1204 was placed on the Sixth order on the calendar.

Page 1, line 12, overstrike "and shall adopt procedures for participation"

Page 1, line 13, overstrike "by government nursing facilities"

Renumber accordingly

2005 TESTIMONY

HB 1204

61
January 10, 2005

Good morning again Chairperson Price and esteemed members of the House Human Service Committee.

I am Rep. Bill Devlin, District 23 from Finley.

I am here to introduce HB1204 and urge a do pass recommendation from this committee.

Those of you that have been on this committee before have also seen most of this information before. Briefly what the bill does is:

Updates the Health Care Trust fund and directs the department to apply for Inter-Government Transfer Funds if the transfer is beneficial.

Since we passed the original enabling legislation and when we later updated that in HB 1196 in the 2001 session over 98 million dollars has come into the state benefiting the full continuum of long term care.

ND was able to access this type of funding because we have two nursing homes owned by political subdivisions. One is in my district in McVile and other is in Rep. Boucher's district in Dunseith.

Make no mistake about it without the cooperation of those facilities and those communities most of that money would never have come to ND. I greatly appreciate the cooperation of everyone in those communities in working with the state on this issue.

In 2002 the federal government created new rules which greatly limited those transfers not because ND had done anything wrong but because the federal government wanted to make some changes. The bill allows us to continue to use the funds, if the federal government has a change of heart.

HB 1196 and other legislation that we have passed have been a life-saver for the health care facilities in not only my district but across the state. The federal dollars have also allowed us to sharply increase funding for other long term care options like basic care, assisted living as well as Home and Community Based Services.

I urge a do pass on HB 1204 and would be happy to answer any questions. Thank you!

William R. Devlin
State Representative, District 23

TESTIMONY FOR HB 1204
HUMAN SERVICES COMMITTEE
REP. CLARA SUE PRICE, CHAIR
SUBMITTED BY REP. MERLE BOUCHER
MONDAY, JANUARY 10, 2005

GOOD MORNING HOUSE HUMAN SERVICES COMMITTEE MEMBERS.
FOR THE RECORD, I AM REPRESENTATIVE MERLE BOUCHER FROM
DISTRICT NINE.

I STAND BEFORE YOU TODAY IN SUPPORT OF HOUSE BILL 1204.
SEVERAL YEARS BACK NORTH DAKOTA WAS ABLE TO BENEFIT FROM A
SPECIAL FINANCIAL ENHANCEMENT INITIATIVE CALLED THE
INTERGOVERNMENTAL TRANSFER PROGRAM (IGT).

THE MONIES RECEIVED FROM THIS ENHANCEMENT WERE A VERY
BENEFICIAL WINDFALL. THESE FUNDS HELPED US MAKE A NUMBER OF
VERY POSITIVE IMPROVEMENTS TO OUR CONTINUUM OF SERVICES TO
THE ELDERLY IN OUR STATE.

THE LEGISLATURE CHOSE TO USE IGT DOLLARS TO ADDRESS
IMMEDIATE CONCERNS, AND ALSO FUNDS WERE SET ASIDE FOR A
HEALTH CARE TRUST.

UNFORTUNATELY THE FEDERAL GOVERNMENT HAS DISCONTINUED
THE INTERGOVERNMENTAL TRANSFER PROGRAM. THIS HAS HAD AN
ADVERSE AFFECT UPON THE NORTH DAKOTA HEALTH CARE TRUST FUND.
THIS BILL HAS BEEN FORWARDED TO PROVIDE A MEANS TO RECEIVE,
DEPOSIT, AND DISPENSE FUNDS SHOULD CONGRESS RE-ESTABLISH AN
INTERGOVERNMENTAL TRANSFER PROGRAM AGAIN.

I URGE THE MEMBERS OF HOUSE HUMAN SERVICES COMMITTEE
AND THE LEGISLATURE TO PASS HB 1204.

THANK YOU.

RESPECTFULLY SUBMITTED BY:

REPRESENTATIVE MERLE BOUCHER
DISTRICT NINE

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TESTIMONY BEFORE THE HOUSE HUMAN SERVICES COMMITTEE

REGARDING HB 1204

JANUARY 10, 2005

Chairman Price, members of the committee, I am David Zentner, Director of Medical Services for the Department of Human Services. I appear to provide information regarding this bill.

The Department submitted a similar bill, SB 2139, that had a hearing on January 5, 2005 in front of the Senate Human Services Committee. A copy of my testimony is attached in which we supported that bill.

During committee discussion it was noted that HB 1204 dealt with the same issue. The bill we are discussing today includes language in Section 1, paragraph 2, lines 1 through 3 on page two that was not contained in our bill. The Senate Human Services Committee suggested that the bill be amended to include paragraph 2 of this bill in the Senate version. The Department had no objection to the amendment and the bill was amended to insert that language. The bill has been voted out of committee with a do pass recommendation.

Senate Bill 2139 also eliminated language on lines 12 and 13 beginning with and ending with facilities. The Department suggested eliminating this language since the changes in federal regulations no longer permit us to use this mechanism to generate funds in the future. You may want to consider amending this bill to eliminate this language.

The Department has no preference as to which bill becomes law since both accomplish the intended purpose of eliminating language that is no longer necessary since we are no longer able to use the intergovernmental transfer

process to transfer funds generated through the use of the upper payment limit from public owned nursing facilities to the North Dakota Health Care Trust Fund.

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

Price, Clara Sue

From: Chuck Stebbins [ChuckS@freedomrc.org]
Sent: Friday, January 07, 2005 11:00 AM
To: William Devlin; Chuck Damschen; Clara Sue Price; Gary Kreidt; Gerald Uglem; Jon Nelson; Lee Kaldor; Louise Potter; Robin Weisz; nd@relay.state.nd.us; us@relay.state.nd.us; Sally Sandvig; Todd Porter; Vonnie Pietsch
Cc: John Johnson; jimmoench@nddac.org
Subject: SB 1204

Jan. 7, 05

Human Service Committee members,

This is in regards to HB 1204 and the history of Intergovernmental Transfer dollars, IGT. In the 1999 session, SB 2168 created an Intergovernmental Transfer program to access federal funds which were to be used to **develop alternatives to nursing facility care.**

"Federal regulations allowed the DHS to pay nursing facilities owned by political subdivisions a different rate than that paid to facilities that were not owned by political subdivisions. The maximum that can be paid by Medicaid to nursing homes, **in the aggregate**, cannot exceed the Medicare Upper limit." that from a fact sheet prepared by the DHS in 1999. McVille and Dunseith are owned by political subdivisions, they allowed the state to access more federal dollars, **to be used to develop alternatives to nursing home care.** But once the money hit the General Fund, it was up for grabs. Of course nursing homes got the bulk of the funding, and continue to while Home and Community Based Services get crumbs, and continue to get crumbs.

The Governor, in his budget transfers 16.1 million dollars from the Health Care Trust Fund (IGT dollars) to be dedicated to nursing homes. That is NOT developing alternatives to nursing home care! I believe the IGT loop hole is closing this year. The reason it's closing

1/7/2005

is that states were not using the money for their intended purpose; developing alternatives to nursing home care.

Nursing homes cannot continue to be funded at an ever expanding rate! That cannot be denied, that is a fact that every state in this country knows. That \$16.1 million going to nursing homes in the Governors budget, should be going to Home and Community Based Services, that is the alternative to nursing home care. Use that 16.1 million for it's intended purpose.

Chuck Stebbins

Freedom Resource Center

Fargo, ND

701 478 0459

Chuck Stebbins
Freedom Resource Center

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Testimony on HB 1204
House Human Services Committee
January 11, 2005

Chairman Price and members of the House Human Services Committee, thank you for the opportunity to testify on HB 1204. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. I am here today to testify in support of HB 1204.

Prior to testifying on HB 1204 I would like to share with you some background information on the Health Care Trust Fund.

Review attached article.

HB 1204 proposes to remove language related to the generating of the funds through the intergovernmental transfer process. Federal regulations don't allow us to calculate the transfer based on all Medicaid resident days in all nursing facilities. North Dakota has netted over \$98.2 million through this mechanism. We have been on a five year phase-out with our last transfer received in the summer of 2004.

One of the most important parts of this bill is Section 1, Subsection 2, which is the sentence at the top of the second page. This sentence will allow North Dakota to continue to access intergovernmental transfer funds if permitted by the federal government and if use of the program is found to be beneficial.

A few of the major states are on an eight year phase-out and will be financially devastated when the transfer program ends. Some have gone with provider taxes to replace the lost revenue, other are hoping with pressure from a few financially devastated states the program may come back to life. It is also our understanding that the transfer could potentially occur, with the calculation made by the resident days in McVile and Dunseith.

Given the 2002 federal regulations greatly limiting the transfer process, North Dakota is unsure if there would ever be a net gain to the state or the two facilities. Whoever knows for sure if the federal government will make further changes to this program. The new language in HB 1206 will allow North Dakota to access the program if allowed by the federal government and if the program is found to be beneficial.

This concludes my testimony. Thank you again, for the opportunity to testify. Should you have any questions, I would be happy to answer them.

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

"Caring for North Dakota's Greatest Generation"

Intergovernmental Transfer and the Health Care Trust Fund

When was the Trust Fund Created?

During the 1999 Legislative Session, lawmakers passed SB 2168 which established the Health Care Trust Fund.

The money for the trust fund comes from a funding mechanism called intergovernmental transfer.

How Does North Dakota Qualify for this Funding?

North Dakota qualifies for this unique funding source because we have two governmental nursing facilities located in Dunseith and McVille. The formula for calculating how much money North Dakota qualifies for is complex and is based upon the number of Medicaid resident days in all North Dakota nursing facilities. The total Medicaid resident days are then multiplied by the difference between our Medicare and Medicaid rates. Traditionally Medicare pays more for care than Medicaid.

After application of the formula, North Dakota applies for the Medicaid dollars, and the money is ultimately deposited in the North Dakota Health Care Trust Fund.



How Have The Trust Fund Dollars Been Spent?

1999-2001

- ★ Service Payments to the Elderly and Disabled (SPED) - \$4.2 million
- ★ Development of assisted living and other alternatives to nursing facility care - approximately \$2 million

2001-2003

HB 1196 was comprehensive long term care legislation and directed how trust fund dollars were to be spent. Former Senator Solberg, Representative Devlin and Representative Boucher worked on HB 1196 nine months prior to it being introduced to the 2001 legislature. HB 1196 funded:

- ★ Salary and benefit enhancement to long term care staff - \$8.2 million
- ★ Increased personal needs money for nursing facility, basic care and developmentally-disabled (DD) residents on assistance. Nursing facility and DD residents personal needs allowance increased from \$40 to \$50 per month. Basic care residents personal needs allowance increased from \$45 to \$60 per month.



**North Dakota
Long Term Care
ASSOCIATION**

- ★ Two percent loans to remodel nursing facilities, basic care facilities and assisted living facilities - \$12 million
- ★ Bed reduction / facility closure incentives - \$4 million
- ★ Update nursing facility limits to 1999.
- ★ HIPAA compliance funds for Department of Human Services (DHS) - \$3 million
- ★ Scholarship and loan repayment grants to nursing facilities to recruit and retain nurses and student nurses - \$589,500
- ★ Service payments to the elderly and disabled (SPED) - \$6.8 million
- ★ Senior Citizens mill levy grants - \$250,000
- ★ Grant program to convert ambulances to quick response units - \$225,000
- ★ Long term care and nursing facility payment study - \$241,006
- ★ Train in-home caregivers - \$140,000
- ★ Targeted case management - \$338,530
- ★ Grants to developmentally-disabled (DD) independent living centers - \$100,000
- ★ \$500,000 each to McVile and Dunseith for transfers.

2003-2005

\$35,911,035 was taken from the Health Care Trust Fund to continue paying for in-home and nursing facility care. Approximately ten million was anticipated to be remaining in the trust fund on June 30, 2005.

2005-2007

In Governor Hoeven's December 8, 2004 Budget Address he indicated the Health Care Trust Fund would be used to fund nursing facility services.



**North Dakota
Long Term Care
ASSOCIATION**

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(701) 222-0660
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E-Mail: shelly@ndltca.org
Shelly Peterson, President

February 15, 2005

Good morning Chairperson Lee and esteemed members of the Senate Human Service Committee.

I am Rep. Bill Devlin, District 23 from Finley.

I am here to introduce HB1204 and urge a do pass recommendation from this committee.

Those of you that have been on this committee before have also seen most of this information before. Briefly what the bill does is:

Updates the Health Care Trust fund and directs the department to apply for Inter-Government Transfer Funds if the transfer is beneficial. It is probably about the same as a department bill you saw earlier this session. We think this would be the better version to pass.

Since we passed the original enabling legislation and when we later updated that in HB 1196 in the 2001 session over 98 million dollars has come into the state benefiting the full continuum of long term care.

ND was able to access this type of funding because we have two nursing homes owned by political subdivisions. One is in my district in McVile and other is in Rep. Boucher's district in Dunseith.

Make no mistake about it without the cooperation of those facilities and those communities most of that money would never have come to ND. I greatly appreciate the cooperation of everyone in those communities in working with the state on this issue.

In 2002 the federal government created new rules which greatly limited those transfers not because ND had done anything wrong but because the federal government wanted to make some changes. The bill allows us to continue to use the funds, if the federal government has a change of heart.

HB 1196 and other legislation that we have passed have been a life-saver for the health care facilities in not only my district but across the state. The federal dollars have also allowed us to sharply increase funding for other long term care options like basic care, assisted living as well as Home and Community Based Services.

I urge a do pass on HB 1204 and would be happy to answer any questions. Thank you!

William R. Devlin
State Representative, District 23

Testimony on HB 1204
Senate Human Services Committee
February 15, 2005

Chairman Lee and members of the Senate Human Services Committee, thank you for the opportunity to testify on HB 1204. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. I am here today to testify in support of HB 1204.

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One of the most important parts of this bill is Section 1, Subsection 2, which is the sentence at the top of the second page. This sentence will allow North Dakota to continue to access intergovernmental transfer funds if permitted by the federal government and if use of the program is found to be beneficial.

A few of the major states are on an eight year phase-out and will be financially devastated when the transfer program ends. Some have gone with provider taxes to replace the lost revenue, other are hoping with pressure from a few financially devastated states the program may come back to life. It is also our understanding that the transfer could potentially occur, with the calculation made by the resident days in McVile and Dunseith.

Given the 2002 federal regulations greatly limiting the transfer process, North Dakota is unsure if there would ever be a net gain to the state or the two facilities. Whoever knows for sure if the federal government will make further changes to this program. The new language in HB 1204 will allow North Dakota to access the program if allowed by the federal government and if the program is found to be beneficial.

This concludes my testimony. Thank you again, for the opportunity to testify. Should you have any questions, I would be happy to answer them.

Shelly Peterson, President
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- ★ Salary and benefit enhancement to long term care staff - \$8.2 million
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- ★ \$500,000 each to McVile and Dunseith for transfers.

2003-2005

\$35,911,035 was taken from the Health Care Trust Fund to continue paying for in-home and nursing facility care. Approximately ten million was anticipated to be remaining in the trust fund on 06/30/05.

2005-2007

In Governor Hoeven's December 8, 2004 Budget Address he indicated the Health Care Trust Fund would be used to fund nursing facility services. HB 1445 transfers \$16.9 million from the trust fund to the general fund. Nursing facilities need an additional \$10,019,106 in general funds to care for nursing facility residents in 05-07 (HB 1012). The transfer will more than cover our increased state general fund obligation. We support the use of the trust fund for this purpose.

Overall Impact to North Dakota

From July 1999 to July 2004, North Dakota received \$140,082,281.55 from the IGT process. After general fund obligations and payments to Dunseith and McVile, the state netted \$98,649,710.57. The federal government created regulations in 2002 significantly altering states ability to access this funding mechanism. Our last transfer payment was received in July 2004.

About \$14 million is outstanding from long term care facilities for low interest loans for construction and renovation projects. Loan proceeds will continue to be repaid to the trust fund for years to come.

Thank You

The trust fund dollars have positively impacted care to residents. Benefits will be felt for years. Legislators are to be commended for wisely investing these dollars in care and services to ND seniors.



1900 North 11th Street
Bismarck, ND 58501
(701) 222-0660
Web Site: www.ndltca.org

TESTIMONY BEFORE THE SENATE HUMAN SERVICES COMMITTEE

REGARDING HB 1204

FEBRUARY 15, 2005

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

The Department submitted a similar bill, SB 2139, that had a hearing on January 5, 2005 in front of this Committee.

During committee discussion it was noted that HB 1204 dealt with the same issue. The bill we are discussing today includes language in Section 1, paragraph 2, lines 1 through 3 on page two, that was not contained in our bill. The Senate Human Services Committee amended our bill to include that language, in the Senate bill. The Department had no objection to the amendment.

The two bills are not exactly the same at this time. Senate Bill 2139 also eliminated language in Section 1, page 1, lines 12 and 13 beginning with "and" ending with "facilities". The Department suggested eliminating this language in this bill since the changes in federal regulations no longer permit us to use this mechanism to generate funds in the future. We ask that you consider amending this bill to eliminate that language.

The Department has no preference as to which bill becomes law since both accomplish the intended purpose of eliminating language that is no longer necessary since we are no longer able to use the intergovernmental transfer process to transfer funds generated through the use of the upper payment limit from public owned nursing facilities to the North Dakota Health Care Trust Fund.

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