

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1445

2005 HOUSE HUMAN SERVICES

HB 1445

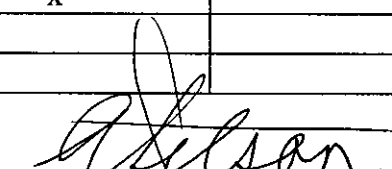
2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1445

House Human Services Committee

☐ Conference Committee

Hearing Date Feb. 2, 2005

Tape Number	Side A	Side B	Meter #
#1	x		4419/5377
Committee Clerk Signature 			

Minutes:

Chairman Price open hearing on HB 1445

Pam Sharp Director of OMB. See attached testimony.

Rep. Kreidt: Do you know the amount of money being transferred?

Celeste Kubsta, Asst OMB. We can get those figures for you

Rep. Kaldor: Are there any loans?

P. Sharp: Some

Chairman Price: How long of a period do they have to repay?

Rep. Kaldor: Will the trust fund have earnings? Is the money used for other purposes?

C. Kubsta: Yes, some of them are the Health Dept., Quick Response Program and Nursing students.

Rep. Potter: Are these loans or grants.

David Zentner, Director of Med. Services DHS In 1999, a bill was passed to set up two things.

1) To assist in building new facilities and 2) the SPED program. In the 2003 session, you changed what the funds could be used for.

Rep. Potter: Are these federal dollars?

D Zentner: Technically not federal dollars. The trust fund has generated 98 million dollars.

Chairman Price: The loop holes have been closed.

Rep Nelson: Can you clarify that?

D. Zentner: We contacted New Hampshire, but have not received a response.

Lt. Gov. Dalrymple: We have discussed the ground rules and in putting the budget together, as the dollars they created in New Hampshire, dedicated to their use, large amount of the government dollars, invested in long term, it was not meant to be a permanent endowment and dollars were transferred to general fund. We decided to use this as a reimbursement system.

Shelly Peterson, Director of LTC Assoc. See attached testimony.

Close hearing on HB 1445.

Chairman Price open discussion on HB 1445.

Allen Knudsen, LC. I am here to try and answer your questions.

Rep. Porter: I guess I would like specific details.

Rep. Kaldor: Can you explain the BND fees.

Rep. Porter: Can you get those figures?

Rep. Kaldor: 19 million, - \$80,000.00 - 03/05

Chairman Price: 3.5 million and % is lower.

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House Human Services Committee

Bill/Resolution Number HB 1445

Hearing Date February 2, 2005

Rep. Devlin: Move Do Pass

Rep. Weisz: Second and to re refer to Appropriations.

Rep. Potter: Why is this bill in our committee? It seems odd that no Home/Based Care representatives were here to testify.

Rep. Kreidt: The money raised by New Hampshire allowed use of their funds.

Chairman Price: When was that transfer?

Rep. Devlin: In 1999, to Home and Community Based Care.

Vote: 12-0-0. Rerefered to Appropriations. **Carrier:** Chariman Price

Date: 2/2/05

Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL
BILL/RESOLUTION NO. HB 1445

House _____ Committee Human Services

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS - Ref to approp.

Motion Made By Rep. Devlin Seconded By Rep. Weisz

Representatives	Yes	No	Representatives	Yes	No
Chairman C.S. Price	✓		Rep.L. Kaldor	✓	
V Chrm.G. Kreidt	✓		Rep.L. Potter	✓	
Rep. V. Pietsch	✓		Rep.S. Sandvig	✓	
Rep.J.O. Nelson	✓				
Rep.W.R. Devlin	✓				
Rep.T. Porter	✓				
Rep.G. Uglem	✓				
Rep C. Damschen	✓				
Rep.R. Weisz	✓				

Total Yes 12- No 0

Absent 0

Floor Assignment Rep. Price

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

REPORT OF STANDING COMMITTEE (410)
February 2, 2005 10:00 a.m.

Module No: HR-22-1654
Carrier: Price
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1445: Human Services Committee (Rep. Price, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (12 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1445 was rereferred to the Appropriations Committee.

2005 HOUSE APPROPRIATIONS

HB 1445

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1445
Transfer from Health Care Trust Fund

House Appropriations Full Committee

☐ Conference Committee

Hearing Date February 8, 2005

Tape Number	Side A	Side B	Meter #
2	X		#46.1 - end
2		X	#0 - #8.0
Committee Clerk Signature <i>Chris Alexander</i>			

Minutes:

Rep. Ken Svedjan, Chairman opened the discussion on HB1445.

Rep Price introduced the bill by saying that this bill requests for a transfer of \$16.9 million from the Health Care Trust Fund to the general fund to be used for the nursing home part of the Medicaid package. This will leave about \$3 million dollars in the trust fund and there are also about \$12 million dollars out there which are loans on this trust fund that will be repaid over the next 20 years. Small repayments of approximately \$900,000 will be repaid each biennium. This is garnered money through IGT funds and we will use natural density to access additional federal dollars and since we have put that in place we have been able to capture \$98.2 million from the federal government that we did not have access to before. This loophole has been closed and we do not anticipate receiving any more funds. So this bill takes this part of the IGT funds out of our code with the amendment that says that if this loophole ever becomes available in the future that we will try to access these funds again.

Rep. Mike Timm, Vice Chairman asked if they would used the funding for a one time thing it would it be used for an ongoing, multipurpose expense.

Rep Price answered that these funds have been used in a variety of ways, some one time projects and some for ongoing expenses, but that it was always known that this was not a never ending stream of funding and that eventually these funds would run out.

Rep. Jeff Delzer asked if we needed to reference this as being used for care for seniors instead of just general fund purposes.

Rep Price answered that this has always been the position of the human services committee.

Rep. Jeff Delzer commented that this has always been the question in human services expenses that it needed to be stated that it would be used specifically rather than for general fund usage and asked if this needed to be legally tied to the care for the elderly. Was the questioned asked of OMB whether this needed to be stated or not. (meter Tape #2, side A, #52.4)

Rep Price answered no.

Rep. Jeff Delzer commented that these were IGT dollars that were set up in 1999 and we used \$35 million. This year and we have \$17 million and we take money from this fund knowing that this is running low and that next year all the expenses will have to be covered through general funds.

Rep. Ken Svedjan, Chairman asked if the loans get repaid to this fund to keep it solvent.

Rep Price answered yes.

Rep. Ken Svedjan, Chairman asked if the standing committee amended this bill.

Rep Price answered no, the companion bill in the senate where we added that we could start this up again if the opportunity arose.

Rep. Clark Williams asked what the implications would be if this money is not transferred.

(meter Tape #2, side B, #0.6)

Rep Price answered that these fund would just sit in this fund for another biennium and I would have to look for the \$16.9 million elsewhere.

Rep. James Kerzman commented that the federal government had a problem with where the funds were being used and that was why we redirected the funds through the general fund. This was supposed to replace or be an alternative to long term care, is this right.

Rep Price answered that this was a nation wide response because we have directed as much as we could to long term care whereas some states have not directed any of these funds to long term care.

Rep. Ken Svedjan, Chairman commented that even though we generated \$100 million out of IGT funds, this is a drop in the bucket compared to some other states and they used those funds for everything from bridge maintenance to you name it. The intent in this is that because the funds were generated from 2 publicly owned nursing homes where they compared Medicare and Medicaid rates, calculated the difference, multiplied that by the number of Medicaid days, etc...the use of the funds should be targeted toward Medicaid related issues and in this case most of it has been directed to the long term care industry.

Rep. Jeff Delzer moved a Do Pass motion to HB1445.

Rep. Tom Brusegaard seconded.

Rep. Jeff Delzer commented the he supports this bill because we set this fund up for senior care and that is where we are using it. It is unfortunate that this is done but it is and we will have to live with this but this is the proper use of the money as it was originally intended.

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House Appropriations Committee

Bill/Resolution Number HB1445

Hearing Date February 8, 2005

Rep. Ken Svedjan, Chairman called for a roll call vote on the Do Pass motion for HB1488.

Motion carried with a vote of 21 yeas, 1 nay, and 1 absence. Rep Price will carry this to the house floor.

Rep. Ken Svedjan, Chairman closed the discussion on HB1488.

Date: February 8, 2005
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1445

House Appropriations - Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By Rep Delzer Seconded By Rep Brusegaard

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman	X		Rep. Bob Skarphol		X
Rep. Mike Timm, Vice Chairman	X		Rep. David Monson	X	
Rep. Bob Martinson	X		Rep. Eliot Glassheim	X	
Rep. Tom Brusegaard	X		Rep. Jeff Delzer	X	
Rep. Earl Rennerfeldt	X		Rep. Chet Pollert	X	
Rep. Francis J. Wald	X		Rep. Larry Bellew	X	
Rep. Ole Aarsvold	X		Rep. Alon C. Wieland	X	
Rep. Pam Gulleeson	X		Rep. James Kerzman	X	
Rep. Ron Carlisle	X		Rep. Ralph Metcalf	X	
Rep. Keith Kempenich	X				
Rep. Blair Thoreson	X				
Rep. Joe Kroeber	X				
Rep. Clark Williams	X				
Rep. Al Carlson	AB				

Total Yes 21 No 1

Absent 1

Floor Assignment Rep Price (Education)

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

REPORT OF STANDING COMMITTEE (410)
February 8, 2005 2:21 p.m.

Module No: HR-25-2151
Carrier: Price
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1445: Appropriations Committee (Rep. Svedjan, Chairman) recommends DO PASS
(21 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1445 was placed on the
Eleventh order on the calendar.

2005 SENATE APPROPRIATIONS

HB 1445


2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1445

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 03/09/05

Tape Number	Side A	Side B	Meter #
1	x		4687-end
		x	0-649
Committee Clerk Signature 			

Minutes: **Chairman Holmberg** called hearing to order on HB 1445

Pam Sharp, Director OMB appeared in support of HB 1445. Written testimony was read verbatim, see attached appendix I.

Sen. Lindaas: Does any of this show up on our current ending fund balance.

Ms. Sharp: No, not in the General Fund.

Sen. Fischer: Regarding ongoing programs, would any of them be affected by the transfer?

Ms. Sharp: No.

Shelly Peterson, President of ND Long Term Care Association appeared in support of HB 1445. Written testimony was read verbatim, see attached appendix II.

Questions were raised regarding whether or not they are market driven or driving by federal regulations. Ms. Peterson informed the committee that every think they do is driven by regulations.

Sen. Andrist: Are waivers possible?

Page 2

Senate Appropriations Committee

Bill/Resolution Number HB 1445

Hearing Date 03/09/05

Ms. Peterson: No, the federal government has taken them away.

Ms. Peterson said that there is a mal distribution of beds in ND, cities have none, and the rural areas have empty beds.

Ms. Peterson went on to speak about their options for further funding. Stating that 2004 is the last year of their transfer. .

Chairman Holmberg closed hearing on HB 1445.

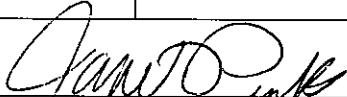
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1445

Senate Appropriations Committee

☐ Conference Committee

Hearing Date March 25, 2005

Tape Number	Side A	Side B	Meter #
1	a		0 - 235
Committee Clerk Signature 			

Minutes:

Chairman Holmberg opened the discussion on HB 1445 which is transferring funds from the health care trust fund. Roll call was called.

Senator Robinson moved a DO PASS on HB 1445, **Senator Fischer** seconded. A roll call vote was taken resulting in 14 yes, 0 no, 1 absent. The motion carried. **Senator Krauter** will carry the bill.

Chairman Holmberg closed the discussion on HB 1445.

Date 3/25/05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 1445

Senate SENATE APPROPRIATIONS

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DP

Motion Made By Robinson Seconded By Fischer

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG	✓		SENATOR KRAUTER	✓	
VICE CHAIRMAN BOWMAN	✓		SENATOR LINDAAS	✓	
VICE CHAIRMAN GRINDBERG	✓		SENATOR MATHERN	✓	
SENATOR ANDRIST	✓		SENATOR ROBINSON	✓	
SENATOR CHRISTMANN	✓		SEN. TALLACKSON	✓	
SENATOR FISCHER	✓				
SENATOR KILZER	✓				
SENATOR KRINGSTAD					
SENATOR SCHOBINGER	✓				
SENATOR THANE	✓				

Total (Yes) 14 No _____

Absent 1

Floor Assignment Krauter

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

REPORT OF STANDING COMMITTEE (410)
March 25, 2005 9:44 a.m.

Module No: SR-55-6175
Carrier: Krauter
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1445: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS
(14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1445 was placed on the
Fourteenth order on the calendar.

2005 TESTIMONY

HB 1445

Testimony on HB 1445
Pam Sharp, Director Office of Management and Budget
February 2, 2005

This bill was originally part of House Bill 1015, OMB's appropriation bill. The House Appropriations Committee made this section a separate bill.

This bill authorizes a transfer of \$16.9 million from the Health Care Trust Fund to the general fund during the 2005-07 biennium. This transfer is included in the Governor's budget.

The Health Care Trust Fund was established in the 1999-01 biennium. The federal funds were generated for the health care trust fund as a result of the Department of Human Services making government nursing facility funding pool payments to two government nursing facilities in the state – McVille and Dunseith.

The source of funds available for the health care trust fund has been phased out by the federal government. The last payment to the fund occurred in July 2004, and there will be no more payments.

During the 1999-01 biennium, \$45.4 million was received and the legislature provided spending authority from that fund in the amount of \$6.3 for the Department of Human Services.

During the 2001-03 biennium, \$33.8 million was received the legislature provided spending authority of \$39.8 million from that fund for the Department of Human Services.

During the current biennium, \$23 million was received, and rather than appropriate the money directly out of the fund, the 2003 Legislature directed that a transfer from the health care trust fund be

(over)

made to the general fund. The amount of that transfer was \$35.9 million.

Following that lead of making a transfer to the general fund rather than appropriating the funds to DHS directly out of the fund, Governor Hoeven's budget provides for a \$16.9 million transfer from this fund. After that transfer is made, the balance in the fund will be approximately \$3.6 million. That \$3.6 million will be available for transfer during the 2007-09 biennium.

ANALYSIS OF 2005-07 EXECUTIVE BUDGET

Supplement to the

Report of the Legislative Council

Budget Section



59th Legislative Assembly

January 2005

ANALYSIS OF THE HEALTH CARE TRUST FUND FOR THE 2003-05 AND 2005-07 BIENNIUMS (REFLECTING THE 2005-07 BIENNIUM EXECUTIVE BUDGET RECOMMENDATION)

	2003-05 Biennium	2005-07 Biennium
Beginning balance		\$19,379,478
Add estimated revenues		
2002 government nursing facility funding pool payment (July 2003)	\$13,646,405	
2003 government nursing facility funding pool payment (July 2004)	6,349,417	
Investment earnings	2,019,756	870,019
Loan repayments - Principal and Interest	915,867	963,185
Total estimated revenues	\$22,931,445	\$1,833,204
Total available	\$56,084,628	\$21,212,682
Less estimated expenditures		
State Department of Health		
Quick response unit pilot project	\$225,000	\$225,000
Scholarship and nurses' student loan repayment grant program	489,500	489,500
Bank of North Dakota administrative fee	79,615	79,615
Transfer to the general fund	35,911,035	16,900,000
Total estimated expenditures	\$36,705,150	\$17,694,115
Estimated ending balance	\$19,379,478	\$3,518,567

The health care trust fund was established by the 1999 Legislative Assembly (Senate Bill No. 2168) for providing nursing alternative loans or grants. The 2001 Legislative Assembly in House Bill No. 1196 provided that money in the fund may be transferred to the long-term care facility loan fund for nursing facility renovation projects and used for other programs as authorized by the Legislative Assembly. Money is generated for the health care trust fund as a result of the Department of Human Services making government nursing facility funding pool payments to two government nursing facilities--McVie and Dunseith. Payments are made based on the average amount Medicaid rates for all nursing care facilities in the state multiplied by the total of all Medicaid resident days of all nursing homes. Federal Medicaid funds are available for these payments and require a state match. Payments are made to the two government nursing facilities and are subsequently returned to the state, less a \$50,000 transaction fee retained by each of the two government nursing facilities. Once returned to the state, the state's matching share is returned to its source, and the federal funds are deposited in the health care trust fund. Money in the fund is invested by the State Investment Board and any investment earnings are retained in the fund. The federal government has eliminated this intergovernmental transfer program. As a result, North Dakota's final intergovernmental transfer payment was received in July 2004.

57TH LEGISLATIVE ASSEMBLY

**ANALYSIS OF CHANGES TO
THE EXECUTIVE BUDGET
2001-03 BIENNIUM**

(Including Supplemental and Statistical Information Regarding the State Budget)



**LEGISLATIVE COUNCIL
STATE CAPITOL
BISMARCK, NORTH DAKOTA
MAY 2001**

ANALYSIS OF THE HEALTH CARE TRUST FUND FOR THE 1999-2001 AND 2001-03 BIENNIUMS

	1999-2001 Biennium	2001-03 Biennium
Beginning balance	\$0	\$38,632,261
Add estimated revenues		
1998 government nursing facility funding pool payment (April 2000)	\$25,902,739	
1999 government nursing facility funding pool payment (September 2000)	17,340,685	
2000 government nursing facility funding pool payment (July 2001)		\$15,141,604
2001 government nursing facility funding pool payment (July 2002)		11,754,986
Investment earnings	1,949,798	6,758,207
Loan repayments - Principal and interest	27,369	841,967
Total estimated revenues	45,220,591	34,496,764
Total available	\$45,220,591	\$73,129,025
Less estimated expenditures		
Department of Human Services		
Grants and loans - 1999-2001 biennium (1999 SB 2168)	\$1,463,853	\$100,226
Grants 1999-2001 commitments (2001 HB 1196)		4,960,000
Loans 1999-2001 commitments (2001 HB 1196)		7,040,000
Loans - 2001-03 biennium (2001 HB 1196)	800,000	
Additional 1999-2001 biennium transaction fee - Dunseith and McVile (2001 HB 1196)		6,898,302
Service payments for elderly and disabled (SPED) (1999 SB 2012, 2001 HB 1196)	4,262,410	3,000,000
Health Insurance Portability and Accountability Act (HIPAA) computer project - State matching and other technology projects (2001 HB 1196)		4,000,000
Nursing home bed reduction incentive (2001 HB 1196)		8,189,054
Nursing facility employee compensation enhancement (2001 HB 1196)		202,080
Basic care employee compensation enhancement (2001 HB 1196)		681,846
Nursing facility rate limit increases resulting from rebasing (2001 HB 1196)		309,600
Nursing facility and intermediate care facility for the mentally retarded personal care allowance increase (2001 HB 1196)		180,000
Basic care facility personal care allowance increase (2001 HB 1196)		140,000
Qualified service provider training grants (2001 HB 1196)		250,000
Senior citizen mill levy match (2001 HB 1196)		338,530
Medical assistance - Targeted case management (2001 HB 1196)		100,000
Independent living center grants (2001 HB 1196)		

2-16

Testimony on HB 1445
House Human Services Committee
February 2, 2005

*Same given
to Senate
approvs*

Chairman Price and members of the House Human Services Committee, thank you for the opportunity to testify on HB 1445. My name is Shelly Peterson, President of the North Dakota Long Term Care Association. I am here to testify in support of HB 1445.

HB 1445 transfers \$16.9 million from the Health Care Trust Fund to the general fund. HB 1445 is at the request of Governor Hoeven. In Governor Hoeven's budget address on December 8, 2004, he said the transfer would benefit nursing facility residents. We support Governor Hoeven's position and ask that you do the same.

Nursing facilities, including swing beds and out-of-state placements, need an additional \$30,332,902 in the 05-07 biennium (HB 1012). The general fund obligation for this increased need is \$10,019,106. The money in the Health Care Trust Fund (\$16.9 million) more than covers this general fund obligation.

\$30,332,902 - Increased Need

\$20,313,796 - Federal Funds

\$10,019,106 - State General Funds

We support HB 1445 and the use of this money for nursing facility residents.

Long Term Care Facilities are Doing a Remarkable Job:

- ★ Average length of stay for last year's admissions - 96 days.
- ★ Almost 1 in 4 residents are discharged home (24%)
- ★ Almost 1 in 3 residents are going home or to a lower level of care (30%).

Attachments:

1. "Caring for North Dakota's Greatest Generation"
2. OMB Working Paper on DHS Budget.

Thank you for the opportunity to testify on HB 1445. Your favorable consideration of HB 1445 is deeply appreciated.

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 McVile. 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.
- ★ 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.

 **North Dakota
Long Term Care**
ASSOCIATION

- ★ 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 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.



**North Dakota
Long Term Care
ASSOCIATION**

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

Department of Human Services * Summary by Major Division, BL and ACC with FTEs and Funding Sources
2005 - 2007 Biennium Budget as submitted to OMB with OARs

Major Division1: 300 PROGRAM AND POLICY										To OMB plus OARs			
Budget Level: 300-10 LONG TERM CARE										To OMB plus OARs			
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**Testimony on HB 1445
Senate Appropriations
March 9, 2005**

**Pam Sharp, Director
Office of Management and Budget**

This bill was originally part of House Bill 1015, OMB's appropriation bill. The House Appropriations Committee made this section a separate bill.

This bill authorizes a transfer of \$16.9 million from the Health Care Trust Fund to the general fund during the 2005-07 biennium. This transfer is included in the Governor's budget.

The Health Care Trust Fund was established in the 1999-01 biennium. The federal funds were generated for the health care trust fund as a result of the Department of Human Services making government nursing facility funding pool payments to two government nursing facilities in the state - McVille and Dunseith.

The source of funds available for the health care trust fund has been phased out by the federal government. The last payment to the fund occurred in July 2004, and there will be no more payments.

During the 1999-01 biennium, \$45.4 million was received and the legislature provided spending authority from that fund in the amount of \$6.3 for the Department of Human Services.

During the 2001-03 biennium, \$33.8 million was received the legislature provided spending authority of \$39.8 million from that fund for the Department of Human Services.

During the current biennium, \$23 million was received, and rather than appropriate the money directly out of the fund, the 2003 Legislature directed that a transfer from the health care trust fund be made to the general fund. The amount of that transfer was \$35.9 million.

Following that lead of making a transfer to the general fund rather than appropriating the funds to DHS directly out of the fund, Governor Hoeven's budget provides for a \$16.9 million transfer from this fund. After that transfer is made, the balance in the fund will be approximately \$3.6 million. That \$3.6 million will be available for transfer during the 2007-09 biennium.