

**PRESENTATION TO  
LONG-TERM CARE INTERIM COMMITTEE  
NORTH DAKOTA LEGISLATIVE ASSEMBLY**

**RE: 2009 House Bill 1556**

**by  
Borgi Beeler, President/CEO  
Minot Vocational Adjustment Workshop**

**September 28, 2010**

Chairman Kreight, members of the committee, and representatives from the Department of Human Services: Thank you for the opportunity today to address the Long Term Care Committee. My name is Borgi Beeler, and I am the CEO of the Minot Vocational Adjustment Workshop. MVAW provides support services to approximately 220 adults with developmental disabilities – primarily in Minot, and also in Grand Forks, Belcourt, and Rolla.

I have participated in workgroup discussions for 2009 House Bill 1556 for the past several months, and I believe that the group, or more specifically the consultant, has constructed an accurate picture of the reimbursement system in North Dakota. The recommendations in the report are valid, and have the potential to improve the system. But let's back up a moment.

I personally have been part of services to people with disabilities in North Dakota for more than 25 years. It was exciting to be part of de-institutionalization in the 80s and to see the provider industry adapt to serving people with a wider variety of disabilities in the 90s. And of course the industry has changed worldwide as we have become more aware of issues regarding rights and choices and found ways to respectfully provide support without unnecessary restrictions. North Dakota has been at the front of quality service provision and has developed a reputation of high level of service. As an example, MVAW was the first US provider to be accredited under CQL's (the Council on Quality and Leadership) revolutionary 2005 quality standards.

Let me give you an example of how the industry has changed. The first time that CQL said providers should involve clients when selecting staff, we sort of chuckled. First of all, in an atmosphere of high turnover, we didn't always have a wide selection of applicants to choose from. Secondly, WE were in charge – not the clients. The idea just didn't make sense. But as time went on, our perspective changed. The phrase “person-centered services” became common. We realized that you and I have the opportunity to choose our own doctor, hair stylist, and plumber. Why shouldn't people enrolled in service programs have a voice in selecting staff to provide support? So now, we listen to a person's preferences and try to hire staff accordingly. If a person indicates that they don't want a particular person assigned to work with them, we try to honor that request. And when somebody really hits it off and responds to a particular employee, we try to schedule them together. Because I know an older woman that feels uncomfortable

having male staff provide personal care. And I know a couple guys in their twenties that don't like being accompanied to the grocery store by an older woman that looks like their mother. Some of us have gotten that from our own kids. It may seem like a little thing, but it's part of quality services. And it's just one example of how we have made small changes that can have a huge impact on quality.

We appreciate the support of the legislature – because adequate funding is a necessary part of quality service. Three years ago MVAW had 40 open positions, and we couldn't find staff to keep them filled. Now – we have maintained at less than ten open positions for the last year. We still have high turnover, but our current rate under 30% is a lot easier to handle than the 50% we were dealing with several years ago.

Back to House Bill 1556. There has been much discussion over the past several years regarding the DD reimbursement system. Before I became CEO of MVAW in 2007, I was CFO. I personally prepared cost reports and audit responses from 1986 through 2006. I am very familiar with the flaws of the current system, but I want you to understand that it does work. The Department has successfully managed the system for thirty years. During that time, providers were given the opportunity to develop and grow. Providers built programs that effectively serve people with disabilities. When problems occur – because of course nothing happens without having to deal with issues of some kind – the staff from the Developmental Disabilities Division work with providers to solve the problems and ensure that services continue without interruption.

The report from Burns & Associates recommends utilizing the Supports Intensity Scale (SIS) to quantify individual needs in order to set reimbursement levels and shifting to a prospective reimbursement system. That is a major change, designed to address the primary flaw of the current system – it is complex and time-consuming to manage. Right now, we don't have enough information to completely understand the impact of that change. Burns & Associates' report lists several payment models, but does not select a specific model or explain how each model would work.

There are two areas of concern: first, we need to ensure that sufficient funding is available to provide quality services. I don't know what impact the proposed change may have on the level of funding. I am told that funding may be shifted – that some providers may see reduced reimbursement based on the needs of people served. I also recall that Gretchen Engquist of Burns & Associates gave one example of a state that reduced total expenditures while increasing the number of people enrolled in programs. We want to be careful that expenditures are reduced because of elimination of unnecessary procedures – not because of reduced funding for services.

The second concern is related to basic economics and behavior. Those of you that have studied economics remember the idea that people make decisions based on perceived cost and benefit. Although I want to be careful not to say anything that implies that I don't trust the motivation and dedication of the provider group – none of us would be in the business if money was our primary goal – there are still some basic principles that apply. When you change the reimbursement system, you will change the incentives that affect

behavior. All of us understand that, and all of us work with it. The current system recognizes it, and includes audits and other safeguards that give the Department the opportunity to deal with any potential violations of the North Dakota Administrative Code. A prospective system will have different basic incentives that may require different safeguards.

And maybe I can mention a third thought: no system is going to be perfect. One thing I realized very quickly as CEO, and I'm sure that you face the same thing on a daily basis as state legislators: no matter what we do, somebody is not going to be happy.

I am not here today to oppose the change. Although I am not speaking for all providers, I think all would agree that an easier to manage reimbursement system would be a good thing. I am here today to urge that we move slowly and cautiously. Let's take the next step: select and design a prospective payment model. But we need to take enough time for careful study. We need to make sure that the payment model provides sufficient funding and avoids unintended consequences that would negatively impact the quality of services. And again, we appreciate very much the opportunity to be involved in the process, study any proposal, and provide input before a final plan is adopted.

Thank you for listening. I will be happy to answer any questions.



# Minot Vocational Adjustment Workshop

*Creating Opportunity - Experiencing Success*

<b>FUNDING SOURCES</b>	<b>Revenue Budget</b>	<b>Number of Employees</b>
<b>ND Department of Human Services</b>	12,350,000 61%	300
<b>AbilityOne Contracts at MAFB &amp; GFAFB</b>	4,500,000 22%	168 *
<b>Laundry, Recycling Center, Other Production Contracts/Sales</b>	2,500,000 12%	135 **
<b>US Department of Housing &amp; Urban Development</b>	210,000 1%	2
<b>Client Charges</b>	650,000 3%	
<b>Donations &amp; Investment Income</b>	150,000 1%	
	<b>20,360,000</b>	<b>605</b>

\* includes 108 employees with disabilities; direct labor hours must be at least 75% disabled

\*\* includes 110 employees with disabilities

## CURRENT TRAINING PROGRAMS

### Residential (\*Minot only, \*\*Minot and Rolla/Belcourt)

- \*\* Individualized Supported Living Arrangements (ISLA/SLA/FS) - support offered in apartments, serves 50 people
- \*\* Minimally Supervised Living Arrangement (MSLA) - apartment living with 24 hour supervision, 40 people  
building currently under construction in Belcourt will serve 8 additional people starting November 2010
- \* Transitional Care Living Arrangement (TCLF) - two 12 bed group homes, serves 24 people
- \* Congregate Care (CC) - one 12 bed group home, serves 12 people
- \* Intermediate Care Facility/Mental Retardation (ICF/MR) - two 11 bed group homes, serves 22 people

### Vocational (\*\*Minot and Rolla/Belcourt, \*\*\*Minot and Grand Forks)

- \*\* Day Supports - serves 121 people in a variety of locations
- \*\*\* Job Coaching - serves 82 people on various job sites (see below)  
includes Supported Employment (SEP), Extended Services (ESP), Vocational Development (VDP)

## EMPLOYMENT OPPORTUNITIES FOR PEOPLE WITH DISABILITIES

### Individual placement at local businesses

#### Federal AbilityOne Contracts

- Commissary - shelf stocking, custodial, warehouse (MAFB and GFAFB)
- Basewide Custodial - office buildings (MAFB and GFAFB)
- Food Services - bus tables, wash dishes, clean kitchen equipment and dining area (MAFB)
- Postal Service Center - customer service, forward mail, deliver mail to dormitories (MAFB and GFAFB)
- Switchboard - offices (MAFB)
- East Totten Trail and Douglas Creek - mowing and campground maintenance

#### Businesses

- Laundry - process linen for Trinity Hospital and Nursing Home
- Recycling Center - commercial pick-up and residential drop off facility  
process cardboard, newspaper, mixed paper, magazines, aluminum, tin  
confidential document destruction - pickup and empty bins at customer sites, shredding  
book processing - sorting, internet sales, ripping pages for processing as mixed paper
- Thrift Store (Belcourt)

#### Local Contracts/Sales

- custodial, cookies, buttons, misc