

2011 HOUSE HUMAN SERVICES

HB 1169

2011 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee Fort Union Room, State Capitol

HB 1169
January 18, 2011
Job #13001

☐ Conference Committee

Committee Clerk Signature

Vicki Crabtree

Explanation or reason for introduction of bill/resolution:

To change language in the bill.

Minutes:

Reference testimony #1 and #2

Chairman Weisz: Called the hearing to order on HB 1169.

Rep. Kreidt: Resides in New Salem and serves district 33 which is part of Mercer County and all of Oliver County and part of Morton County and introduced the bill and testified in support of HB 1169. I introduced this bill last session and it was 1307. This is regards to education expenses tuition, books and so forth for an individual who works in a nursing home, a CNA that wants to continue their education and become an LPN or an RN. The wording that was included in the bill last session was a little confusing. It wasn't to myself and the people in the industry, but to the department they had a little problem with it. To get the bill in workable fashion on line 21 we had to cross out part of that line. Where the problem came in, if you do the numbers there, \$3750 per individual amounts to \$15,000. The department was interpreting that the student had to incur \$30,000 in debt in order to be eligible for this. By removing that line it should take care of that situation.

Chairman Weisz: The way I read the bill now, you can deduct a 100% of their education expenses up to \$3750 per year.

Rep. Kreidt: That is correct.

Chairman Weisz: The original bill last session was designed let you deduct half of ...

Rep. Kreidt: Half of 15 so they somehow or other came up with \$30,000.

Chairman Weisz: You are telling me that the interpretation was you couldn't deduct any unless you reach that point?

Rep. Kreidt: They were saying that the student had to incur \$30,000 and then the \$15,000 would kick in. We don't want someone to go out there and incur \$30,000 in debt when not necessary in order for this to happen. We didn't envision that anything like this was going to happen when we put the bill together.

Shelly Peterson: Representing the ND Long Term Care Association testified in support of the bill. (See attached Testimony #1.)

Chairman Weisz: There seems to be supposedly some misunderstanding, but this committee well understood that we were only paying 50% regardless of what the total loan was that we didn't intend to allow 100% deduction if there was \$3750.

Shelly: What we are having difficulty with is just administratively documenting. Some thought they borrowed money from parents and it has to be a regular student loan. There was clarification necessary on that. Any interest rate you accumulate on that cannot be covered. We are finding under the old process where we had \$8000 it wasn't up to half. So it was clearer to I have a student loan of \$10,000 and will you come back and work for me if I cover that full student loan and help you repay it if you commit to work for me for four years. If they have a student loan of \$10,000 and we can pay 50%, the maximum is \$5,000 and we are finding we need to better entice and have more attractive feature in the student loan program.

Rep. Louser: In administering this payment, does the payment go back to the student or do you pay the school loan.

Shelly: If you make it to the student, it would be to the student and the school they are attending.

Rocky Zastful: President and CEO of the St. Aloisius Medical Center. I have no written testimony, however, I can attest to the difficulty of trying to recruit to nurses to rural ND. We have considerable problems with our nurse potential students having very little funds. Single families a lot of them and difficulty in meeting any of the costs that would help us tremendously to offer the \$15,000 which is the approximate cost of the practical nurse program. I have five CNA's currently in the program right now.

Chairman Weisz: Any more support? Any opposition?

LeeAnn Thiel: Administrator of Medicaid Payment Reimbursement Services of the Medical Services Division for DHS. I'm here to provide information on the fiscal note. (See attached Testimony #2.)

Rep. Porter: The impact of 1307 last session to today financially, what did it cost the state to implement that bill? If you were to do a fiscal note on that bill from last session, what would that fiscal note look like?

LeeAnn: January 11, 2011 was the first year that the new limits were put into place and there was about \$165,000 allowable educational expenses reported on the nurses facility cost report. That is spread across 80 some facilities.

Chairman Weisz: How much of that was general fund dollars?

LeeAnn Thiel: About \$85,000 of that was for the Medicaid residence and the balance for the private pay. About \$50,000 was Medicaid dollars and \$35,000 general funds.

Chairman Weisz: We will close the hearing on HB 1169.

2011 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee
Fort Union Room, State Capitol

HB 1169
January 19, 2011
Job #13115

☐ Conference Committee

Committee Clerk Signature

Vicky Crabtree

Minutes:

Chairman Weisz: Called the meeting to order on HB 1169.

Rep. Porter: If we are going to pass this out. It is imperative that Appropriation does see this even though it is not required to go. They should look at it and make sure everything comes back together. The only issue I have is that last session when we did this there wasn't a fiscal impact and now to fix it there's \$100,000 that comes into play. (Reads part of the bill.) They don't say in here anywhere that you have to spend \$30,000 to get this to kick in.

Chairman Weisz: I think long term care misunderstood what their own bill was because there is nothing in the language in the bill that would require you to spend \$30,000. They seem to think when they put the bill in that they were going to be able to get dollar for dollar up until \$15,000 and then if it went over that then it was up to 50% of \$30,000 which is \$15,000. The bill was very clear that it was half of your cost. That is what they asked for and what we gave them and now they are back in and the ink is hardly dry. And they say it is not working.

Rep. Porter: They are saying they want 100%.

Chairman Weisz: They seem to have the argument that it wasn't fair. If you have a student loan that incurs \$6,000 of expenses, why is it unfair to pay \$3,000 when someone else is paid \$7500 when they incurred \$15,000 in expenses? I was disappointed in their testimonies. I do have some concern that we are seeing all these nit picking bills that are chiseling away at it and they get the inflationary increase besides. They got huge increases last session. Do you want to wait on this? We can hold until all of the hearings. There is at least one more here. We will sit on this one until the other hearing and look at them both.

2011 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee Fort Union Room, State Capitol

HB 1169
January 25, 2011
Job #13388

☐ Conference Committee

Committee Clerk Signature

Vicky Crabtree

Minutes:

Chairman Weisz: Opened the meeting on HB 1169.

Rep. Devlin: I move a Do Pass.

Rep. Anderson: Second.

Chairman Weisz: We do have a \$70,000 fiscal note on that. It shows a \$126,000 impact for the Medicaid program. The following biennium it would bump it from \$56,000 to \$75,000 because you would have the full two years.

Rep. Hofstad: I'm still confused on the fiscal note because it seems to me we have incurred a fiscal note. Can you again explain that to me.

Chairman Weisz: The legislation we passed in 2009 and I think someone pulled that fiscal note that had a minimal if any real affect because they were already allowed a deduction for up to \$8,000 in expenses. The current limits are \$2,000 and \$8,000 respectively. So when we passed the bill it was going to allow up to 50% and that was the bill long term care had asked for. It really didn't have any affect. Now you are going from a 50% to 100% so you will pay 100% of the expense up to the maximum limit. It does have some fiscal effect because you will allow a greater amount. Do the freshman understand what this is doing on the allowable costs on the expense side?

Rep. Schmidt: Can you go over it again?

Chairman Weisz: Any provider can pay for whatever education expenses that want to. We aren't limiting that so they can currently pay for \$50,000 worth if they so desire. Of course they are limited in what they can show for allowable costs. So the current law, when they do all their expenses which determines then all the rates are going to get paid. Under current law if they spent \$7500 on a person they could apply \$3750 as an allowable expense. That goes to determine the rate that they get paid by the state. Under this procedure they could only have \$5,000 expense and still max out at the \$3750. This pays up to 100% up to \$3750 per year. You will notice on the fiscal note there is also a fiscal note for an affect for the private pay because the state increases the rate that is allowed is allowed to private pay, pay that same rate. The \$120,000, so that will affect the private pay also.

Rep. Holman: I'll just make a comment from administrators back in my home district. They like this because it enables them to grow their own so to speak. Enables them to find qualified people and advance their education and stabilize staff when staffing is sometimes difficult.

VOTE: 13 y 0 n

DO PASS CARRIED

Bill Carrier: Rep. Anderson

FISCAL NOTE

Requested by Legislative Council
01/07/2011

Bill/Resolution No.: HB 1169

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$70,085		\$93,448
Expenditures			\$56,423	\$70,085	\$75,230	\$93,448
Appropriations			\$56,423	\$70,085	\$75,230	\$93,448

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This Bill increases the amount of allowable annual education expenditures used in nursing home rates from the lesser of 1/2 of the individual's education expense or \$3,750 to an amount not to exceed \$3,750 annually per individual.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Increases in allowable expenses contained in Section 1 of the Bill would increase the daily rate paid to nursing homes by the Department for Medicaid clients and also would increase the daily rate for private pay individuals beginning January 1, 2012. It is estimated the Department's cost would increase by an additional \$126,508 for 18 months and the cost of private pay individuals would increase \$120,314 for 18 months.

Medicaid nursing home payments are subject to an Upper Payment Limit (UPL), based on a comparison to what Medicare would pay for similar services. The UPL is calculated for each category of facility (private, state government, and non-state government).

The North Dakota Medicaid payments for nursing homes have become increasingly close to the (UPL). This proposed increase to the Medicaid payments for nursing homes will impact the UPL and may disproportionately impact the UPL for the non-state government facilities.

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 increase in revenues in each biennium is the additional federal funding the state will receive due to the increased expenditures relating to allowable expenditures.

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.*

It is estimated that increasing the allowable expenditures used in setting nursing home rates will create additional

expenditures for the Department of Human Services in the amount of \$126,508 for the 11-13 biennium and \$168,678 for the 13-15 biennium. The general fund need for each biennium would be \$56,423 for the 11-13 biennium and 75,230 for the 13-15 biennium.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The Department will need an appropriation increase of 126,508 of which \$56,423 is general funds and 70,085 is federal fund for the 11-13 Biennium.

The Department will need an appropriation increase of 168,678 of which \$75,230 is general fund and 93,448 is federal funds for the 13-15 Biennium.

Name:	Debra A. McDermott	Agency:	Dept. of Human Service
Phone Number:	328-3695	Date Prepared:	01/11/2011

Date: 1-25-11
Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1169

House HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Devlin Seconded By Rep. Anderson

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ	✓		REP. CONKLIN	✓	
VICE-CHAIR PIETSCH	✓		REP. HOLMAN	✓	
REP. ANDERSON	✓		REP. KILICHOWSKI	✓	
REP. DAMSCHEN	✓				
REP. DEVLIN	✓				
REP. HOFSTAD	✓				
REP. LOUSER	✓				
REP. PAUR	✓				
REP. PORTER	✓				
REP. SCHMIDT	✓				

Total (Yes) 13 No 0

Absent _____

Floor Assignment Rep. Anderson

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

REPORT OF STANDING COMMITTEE

HB 1169: Human Services Committee (Rep. Weisz, Chairman) recommends **DO PASS**
(13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1169 was placed on the
Eleventh order on the calendar.

2011 HOUSE APPROPRIATIONS

HB 1169

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Human Resources Division Roughrider Room, State Capitol

HB 1169
February 8, 2011
14185

☐ Conference Committee

Committee Clerk Signature

Julia Zeigle

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 50-24.4-07 of the North Dakota Century Code, relating to nonallowable costs in nursing home ratesetting.

Minutes:

Chairman Pollert opened meeting. Clerk took role and quorum declared. Chairman Pollert opened hearing on HB 1169.

Representative Robin Weisz (chairman of House Human Services committee): 1169 is a correction of what we did last session. Last session, we allowed an expense deduction for the nursing homes for those who were helping to pay for educational costs for their employees so it would show up as an allowable deduction on the ratesetting. The current law was set up so it would allow a 50% reimbursement up to \$3750 and a maximum of \$15,000 over four years. It appeared that they misunderstood what it was they asked for last time because they were under the impression that they'd be able to get up to maximum of \$3750 and then 50% beyond that up to the \$15,000. This bill allows for 100% deduction up to \$3750 and the maximum of the \$15,000. If you spent \$2,000 a year for someone, they would be able to take a \$2,000 year expense deduction for that period of time. If they spent \$5,000 a year, they would have the ability to take the \$3750 up to four years for a maximum of \$15,000. The fiscal note is around \$56,000 of general funds, having to do with the additional that they'd be allowed to deduct.

Representative Kreidt: with the previous bill we did last session, students had to incur so much debt before they would be eligible to get the funding and that's where we were running into problems.

Representative Weisz: The current law would have said if you incurred \$30,000, you have gotten a maximum of \$15,000 but it didn't say you had to incur the \$30,000 before you get any deduction. Rather than the institution being able to pay 100%, they could end up incurring up to \$15,000 worth of debt over those four year period. This would allow them to pay the maximum, a full \$3750 up front.

Representative Kreidt: last session, when we had this bill come through committee, there were no appropriations incurred. Was there any discussion why we have the \$56,000? Is it because of increase utilization with the bill?

Representative Weisz: There was some discussion and basically you are correct in your assumption. Now that you are going to allow the max \$3750 we are going to make use of it,

particularly for those education expenses wouldn't be that great so now you can look at funding 100%. If you are already expending a few thousand, it will be funded 100% which will translate into increased utilization. We only have the fiscal note to work with.

Representative Kreidt: it's based on assumption.

Chairman Pollert: that assumption still has to go to the bottom line for the agency budget unless we pull the funding and say find it in your agency.

Representative Kreidt: you have to assume the long term care benefit, of the \$56,000. Especially in rural communities, to attract nursing personnel, this has been a mechanism that has really helped out over the years and we have more facilities starting to use this to the benefit of our residents. On the other side of the coin is the contract nursing which continues to expand because of the shortage of nursing personnel. This \$56,000 is well spent when we are spending over \$6M per year in contracted nursing throughout the state. This is proven to be a good program and with the adjustment in the wordage in 1169, it's made the program that much better and this is money well spent in the long run.

Vice Chairman Bellew: if we approve this, this is going to help the nursing homes with their nursing problems and the contract nursing part of the human services budget should be reduced by the same amount, so it should be a no net gain?

Representative Kreidt: I'm not saying we'll see a \$6M reduction, but it will allow facilities to have CNAs (who have increased potential) have their education paid for instance. If you were doing contract nursing in that facility, that individual could pick up the slack where you were contracting and fill the position with an in house person by going through that education.

Representative Weisz: if you don't assume they are going to take advantage of it and expend those dollars, then why would you pass the bill? You have to assume that when they took a look at the fiscal note you have to make the assumption that some are going to take advantage of it and it's going to have the fiscal note that you are seeing here.

Vice Chairman Bellew: this bill is for all nursing homes, not just for the rural nursing homes?

Representative Kreidt: any facility that wants to participate, can participate; not just the rural.

Chairman Pollert: is this for CNAs, LPNs, every person that this can apply to can apply?

Representative Weisz: that is correct; any of your nursing staff

Chairman Pollert: currently, nursing homes are doing this. This is going to raise to the cost to anyone in the nursing home, either Medicaid or a private pay

Representative Weisz: That is correct. It will increase the cost to everyone.

Representative Nelson: every dollar in that fiscal note is utilized and more; not only the net sum be zero, it'll be positive. There's nothing that adds to the cost of nursing homes more than contract nursing. Of course, this one program isn't going to fix that, but coupled with other educational opportunities and a stable workforce, you would see a reduction in the cost. You are looking at three times the per hour cost for a contract nursing facility to bring in someone than a CNA on staff.

Representative Nelson made a motion for do pass on HB 1169

Representative Metcalf seconded the motion for do pass on HB 1169

Chairman Pollert confirmed there was no further discussion

Voting took place and resulted in a 7 to 0 vote with a do pass on HB 1169.

Representative Kreidt will carry bill to full appropriations committee.

Chairman Pollert closed hearing on HB 1169.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB 1169
2/17/11
14650

☐ Conference Committee

Committee Clerk Signature

Meredith Traubert

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to relating to nonallowable costs in nursing home ratesetting.

Minutes:

You may make reference to "attached testimony."

Chairman Delzer: Opened discussion on 1169.

Representative Kreidt: This is a bill that was introduced last session. Department of Human Services had a problem with page 1 line 21. In order to get the bill into compliance, part of that line was removed, and added for each individual. This bill would allow allowable cost up to \$15,000 for educational expense for nursing or health care facilities to allow individuals to further their education. They thought the individual had to incur up to \$30,000 of expenses before they would allow the \$15,000 to kick in. This will correct that. This will allow facilities to expend \$3750 per year up to the \$15,000 to go ahead and educate individuals. It came out of our section 7-0 Do Pass.

Chairman Delzer: This allows them to receive repayment from the Department up to the \$15,000, over four years. How come it's only a \$120,000 Fiscal Note?

Representative Kreidt: This has been going on for a number of years, so it's been built into the department's budget over a period of years, probably going back up to 20 years. Last time we brought the bill forward so that would become full allowable cost, and there was no Fiscal Note attached. They thought now with the change in the language they would attach a Fiscal Note because there might be additional use.

Chairman Delzer: Why did you not fund this out of IDT?

Representative Kreidt: That small amount of money I thought the general fund might be able to handle. I move Do Pass.

Representative Metcalf: Second.

Chairman Delzer: Questions or discussion? If not, we'll call the roll for a Do Pass on 1169. Motion carries 19-1-1. Representative Kreidt will be the carrier.

Date: 2/8/11
Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. #B1169

House Appropriations Human Resources Division Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Nelson Seconded By Rep Metcalf

Representatives	Yes	No	Representatives	Yes	No
Chairman Chet Pollert	✓		Rep. Lee Kaldor	✓	
Vice Chairman Larry Bellew	✓		Rep. Ralph Metcalf	✓	
Rep. Gary Kreidt	✓				
Rep. Jon Nelson	✓				
Rep. Alon Wiedland	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Rep Kreidt to full committee

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

Date: 2/17
Roll Call Vote #: _____

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1169

House Appropriations Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep Kreidt Seconded By Rep Metcalf

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Representative Nelson	X	
Vice Chairman Kempenich	X		Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson	X		Representative Glassheim	X	
Representative Bellew	X		Representative Kaldor	X	
Representative Brandenburg	X		Representative Kroeber	X	
Representative Dahl			Representative Metcalf	X	
Representative Dosch	X		Representative Williams	X	
Representative Hawken	X				
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 19 No 1

Absent 1

Floor Assignment Rep Kreidt

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

REPORT OF STANDING COMMITTEE

HB 1169: Appropriations Committee (Rep. Delzer, Chairman) recommends **DO PASS**
(19 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). HB 1169 was placed on the
Eleventh order on the calendar.

2011 SENATE HUMAN SERVICES

HB 1169

2011 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee
Red River Room, State Capitol

HB 1169
March 14, 2011
Job Number 15361

☐ Conference Committee

Committee Clerk Signature *AMM*

Explanation or reason for introduction of bill/resolution:

Relating to nonallowable costs in nursing home ratesetting.

Minutes:

One written testimony

Chairman Senator Judy Lee opened the hearing on HB 1169.

Representative Kreidt, District 33, introduced HB 1169 and explained that this bill was introduced last session and explained why the words on line 29 had to be removed to make happen, what they want to happen in this bill. The small increase in the fiscal note is due to anticipated additional activity in regard to individuals applying for the funding to continue their education. The original intent of the bill was to allow facilities to provide dollars for continued education. He said that in order to better do this we have to remove the fourteen words requiring the individual to pay half of the education expense. This bill will contribute to the projected shortage of nurses in the future by helping individuals continue their education while working at a facility or returning to a facility. The facilities are allowed to recapture this in the year they extend the amount. He feels this is one of the most important bills in the Health Care Industry in the State of North Dakota.

Shelly Peterson, representing the North Dakota Long Term Care Association, testified in support of HB 1169 and the fiscal note. Written testimony #1

Senator Berry asked her to clarify allowable and nonallowable costs. What does that mean in terms of them being reimbursed?

Ms. Peterson said that means it is not reimbursed. There are about two or three pages of what are considered unallowable costs in a nursing facility. Since the law says we can only pay up to one half of the individual's education expense and then the other half, if the facilities choose to pay that goes into an unallowable column. It is not considered in their cost report and they don't get reimbursed by the Department of Human Services. She further explained the process. She said that North Dakota and Minnesota are the only two states that have equalization of rates.

Senator Lee asked her to explain what rate equalization is.

Ms. Peterson responded that rate equalization was passed in 1987. The law said that government will set the rates for people on Medicaid and in nursing facilities and government will set the rate for private pay. What was happening in all the states and in North Dakota was that when you went into a nursing facility the rate was established. If you were on Medicaid this was the rate and if you were private pay, you were paying more. In 1987 North Dakota passed a law that says Medicaid clients and private pay clients will be charged the same for the same care. She also explained that there were a number of levels of care in these facilities.

Senator Berry asked if there are all those different levels of care, how often are the clients reassessed.

Ms. Peterson said they are reevaluated at least every quarter and more if they have been hospitalized. The facility completes the assessment and the Department of Human Services establishes the rate.

Senator Lee commented that they have been including in their budgets every other year hiring reimbursement for workers so skilled care facilities can compete to keep their employees.

Senator Berry asked if there was a trend for rate equalization with North Dakota and Minnesota leading the trend.

Ms. Peterson said that there is not a trend. Minnesota did it first, North Dakota followed them and for twenty years no one else has followed. She said that Medicaid is in crises in other states. They say they don't have enough money and right or wrong the private payers will have to pay more. The only option ND has to get more money is to charge more for private rooms. She also, wanted the committee to know that the Veteran's Home does not have occupancy issues but they are in transition and moving to their new facility.

Neutral testimony

LeAnn Thiel, Department of Human Services, explained the fiscal note and what the cost increases would be to private pay individuals.

No opposing testimony.

Senator Lee closed the hearing on HB 1169.

Discussion followed on employees and the importance of the opportunity for career advancement.

Senator Berry moved a **Do Pass and rerefer to appropriations.**

Senator Mathern seconded the motion.

Roll call vote: 5-0-0. **Motion passed.** Carrier is **Senator Mathern.**

Date: 3-14-11

Roll Call Vote # _____

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1169

Senate HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☒ Rerefer to Appropriations ☐ Reconsider

Motion Made By Sen. Berry Seconded By Sen. Mathern

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee, Chairman	✓		Sen. Tim Mathern	✓	
Sen. Dick Dever	✓				
Sen. Gerald Uglem, V. Chair	✓				
Sen. Spencer Berry	✓				

Total (Yes) 5 No 0

Absent 0

Floor Assignment Senator Mathern

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

REPORT OF STANDING COMMITTEE

HB 1169: Human Services Committee (Sen. J. Lee, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1169 was rereferred to the Appropriations Committee.

2011 SENATE APPROPRIATIONS

HB 1169

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1169
March 21, 2011
Job # 15702

☐ Conference Committee

Committee Clerk Signature

Roxanne Woeste

Explanation or reason for introduction of bill/resolution:

A bill relating to non-allowable costs in nursing home rate-setting.

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg called the committee hearing to order on HB 1169.
Roxanne Woeste - Legislative Council; **Lori Laschkewitsch** - OMB.

Representative Kreidt, District 33, State Representative Bill Sponsor

Educational expenses for nurses in healthcare facilities throughout the state – those that have gone from a CNA, received the LPN degree and want to receive their RN degree. In New Salem, in the late 70s, we started providing educational opportunities to those who want to better themselves. In 2025, we're going to have a shortage of nurses – 275,000 that will be needed for the profession. This bill allows facilities to provide an educational expense for an individual up to \$15,000 that will be a recognized cost to the facility and at an annual expense of \$3750 which will provide tuition and books for that individual to continue their education. Why this bill came forward, on Line 21, Section 1, a change where part of sentence was crossed out and there was a misinterpretation by the Health Department in regards to how this money was going to be distributed. This changing on Line 21, now will get the bill in line to where the Health Department will accept it without any discrepancies for these individuals and for facilities to apply the funds. It passes out of the House unanimously. It went through Appropriations and came over to the Senate. There is a fiscal note. There was not a fiscal last session. The fiscal note is for \$56,000 for the biennium coming up. The reason for that is there thinking there would be possible increase in usage of the program. In a nutshell, that explains the bill. In facilities across the state we're spending about \$6 Million dollars for facilities that do not have nursing staff to contract with nurses and of course these contracts cost facilities triple of what it would if you could have a nurse in house. This does alleviate some of the problem by having these facilities do continue educating in house people to become nurses on their staff.

Chairman Holmberg: We have this bill and when I first looked at it, and looked at the fiscal note, I thought, well this is a bill that because of where Human Service is we should hear the bill and new then get your reaction, because you're the first guys that past this bill and the

fiscal impact is on the Human Service budget. Are you addressing the fiscal note in the Human Service budget? That would be nice for us to know too.

Representative Kreidt: Our division in Appropriations has the bill right now. Yes, we're just beginning to do amendments.

Chairman Holmberg: We'll hear the bill, and wait to hear back as to how you folks are handling it because if your side refused to put the money in on a bill you passed, then why would we want to pass it? **Representative Kreidt:** The reason that I haven't come forward in Appropriation is just what you stated. **Chairman Holmberg:** We will stay away, even if we decide we like the bill, we're not going to put the money in the bill. We will wait until Human Service takes care of it.

Senator Krebsbach: Is there uniformity into the way that institutions treat educational expenses for nurses? Does the nurse pay part of it? Does the hospital pay all it or the clinic or whatever, nursing home?

Representative Kreidt: We pay all of the expenses and sign an agreement with them that they will work for us for 3 years after they received their education. Then we discount so much of what we've given them for their educational expenses. At this point we have not had anyone that has left before the 3 year period was up. There is a provision in the contract we have as if they leave half way through we expect them to pay half for that back again. I think other facilities use a similar method, but at this point, we've never had to do that. If we would have that situation happen, we would give them a long time period to be able to repay that, you know we wouldn't go them like a sheriff would.

Shelly Peterson, North Dakota Long Term Care Association (Lobbyist # 054)

Testified in support of HB 1169.

At this point in time we have 44 out of 85 nursing facilities that do support individuals to continue their educational either becoming a LPN or RN. Last year on June 30, 2010 facilities had spent \$380,009.00. Of that amount \$171,000 was allowable and over \$70,000 was unallowable. It was unallowable because the current law says right now that you shall spend up to half of your educational expenses. So we had some CNA's that were expected to pay half off their educational costs and the facility can pay half. What happens is we have many single parents, single Moms that can't even qualify for a loan or get a loan and so the only way for them to continue in school is to support them. The bill would really help us secure staff for the future. Right now, the way the law reads, is when you give educational assistance to any individual, they must sign a contract and they must agree to work for you for four years(4). If they don't agree, if they don't complete that 4 years of employment, then we recapture the money and pay it back. This really is very helpful for securing staff for now and in the future.

Chairman Holmberg: You have no problem waiting until the House puts on the money. **Shelly Peterson:** No that sounds good.

Senator Christmann: What is our rule of thumb? How many residents are there? **Shelly Peterson:** There are about 6200 available nursing facilities beds probably filled about 5800 right now.

Chairman Holmberg: A number of years ago we went to the 4 year bachelor requirement for RN. And then we fought for 10-15 years to repeal it, and it finally was repealed. Now it's been repealed for a couple of years (4-6 years). One of the arguments for repealing it what would make available more qualified people to fill the positions in nursing homes, hospitals and those types of things. Can you give us just a very quick recap from your perspective as to did we do the right thing if our goal was to increase the number of nurses in the state?

Shelly Peterson: Absolutely you did the right thing. Because of that legislation, North Dakota through the community universities developed the Dakota Nursing Program. The Dakota Nursing Program provides a 2 year RN program and a 1 year LPN program and we have educated hundreds of individuals to become a nurse through that program. Some are continuing on for their baccalaureate degree, but absolutely you've opened up educational opportunities for many individuals in North Dakota. It was the right and continues to be the right thing to do.

Senator Kilzer: What is the total number of shortages for RNs, LPNs and CNAs for the 6300 beds that we have?

Shelly Peterson: We did a survey in October of 2010. Of the 58 nursing facilities that were reporting at that point in time, they had 524 open positions. Now they were all open positions so they were CNA's, RN's, LPN's, dietary, housekeeping. So when we did the equation to equate that to 85 facilities, we showed 768 open positions in the 85 nursing facilities in North Dakota. But we didn't ask which positions were the open ones. I know right now we have, our LPN turnover is at 32% at our RN turnover is at 40%. As Representative Kreidt indicated, facilities have spent or anticipated they will spend by June 30, \$6 Million dollars in contract nursing because they don't have sufficient nursing staff.

Senator Kilzer: Those percentages are annually? 32% LPN's and 40% are RNS. **Shelly Peterson:** Yes they are. **Senator Kilzer:** That seems like a pretty high percentage especially of RNS, 40% per year. **Shelly Peterson:** It is the worst we have ever been at. We've have a number of regulation changes with the MBS. We've had some long time nurses quit, we have a lot that are nearing retirement, so yes at this point in time we're having significant turnover. **Senator Kilzer:** Do they retire or go on to different job or to a different state, or do you know what happens to them? **Shelly Peterson:** Probably all of the above. Individual facilities would have that information but we didn't capture it.

Senator Robinson: The \$6M that they spent on contract nursing for what period of time?

Shelly Peterson: That was for the biennium. We asked the question. **Senator Robinson:** If given the average pay, if we work in a situation where they had the higher contract nursing, and we always hire some, but if we could have filled those, what type of differential are we looking at? I know that contract nursing is high.

Shelley Peterson: Generally our RN scale is at least double; so if we've could've filled those positions. **Senator Robinson:** 40-50%. **Shelly Peterson:** At least.

Chairman Holmberg: It is a bill that is pretty straight forward. I think I would just as soon just sit on it until the House puts cards on the table as far as funding it because I would not be very

excited about putting money in here when they've got the budget. We don't need a subcommittee on that either, it's pretty straight forward.

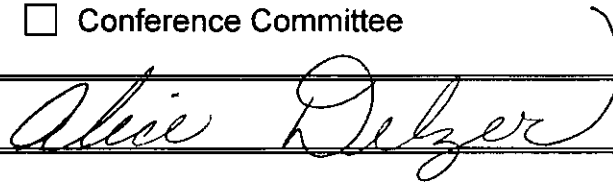
2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1169
03-30-2011
Job # 16179

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A ROLL CALL VOTE FOR A DO PASS RELATING TO NON-ALLOWABLE COSTS IN NURSING HOME RATE-SETTING.

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg called the committee to order in reference to HB 1169. Tad H. Torgerson, OMB and Sara Chamberlin, Legislative Council were also present.

Chairman Holmberg: The Human Services committee has agreed to put that money into the budget, so committee members, we need to pass the bill, but the money is in the budget.

Senator Robinson moved a Do Pass on HB 1169. Seconded by Senator Wardner.

Chairman Holmberg: I apologize? I just got the word that they put that money in, I like to give you a little more notice. Would you call the roll on a Do Pass on HB 1169.

A ROLL CALL VOTE WAS TAKEN ON A DO PASS ON HB 1169. YEA: 12; NAY: 0; ABSENT 1. (After the Hearing Senator Christmann came in and voted yea so the total yea vote is 13)

Chairman Holmberg: This goes back to Human Services. Senator Mathern will carry the bill.

The hearing was closed on HB 1169.

Date: 3-30-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1169

Senate APPROPRIATIONS Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Sen. Robinson Seconded By Senator Wardner

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	<i>absent</i>				
Senator Wardner	<i>voted</i>				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent ~~Sen Christmann~~ voted yes after hearing.

Floor Assignment Back to H services Matter

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

REPORT OF STANDING COMMITTEE

HB 1169: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS**
(13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1169 was placed on the
Fourteenth order on the calendar.

2011 TESTIMONY

HB 1169

Testimony on HB 1169
House Human Services Committee
January 18, 2011

Good Morning Chairman Weisz and members of the House Human Services Committee. My name is Shelly Peterson representing the North Dakota Long Term Care Association. We represent assisted living facilities, basic care facilities and nursing facilities in North Dakota. I am here to testify in support HB 1169.

In the 2009 legislative session you supported and passed HB 1307. Last session we reported to you that we were in a staffing crisis and HB 1307 would allow nursing facilities to increase the amount of money we could spend on individuals to obtain a nursing education. In the last session the maximum a nursing facility could spend to help an individual with their nursing education was \$8,000, not to exceed \$2,000 per year. Further the cost was not recognized in your cost report until the person came back to work for you in that nursing position. That meant facilities were spending lots of money and couldn't get it recognized in their rates for a number of years. With the financial issues facing facilities we asked you to recognize those costs in the rate year in which they spent the money. HB 1307 did the following:

1. Expanded the allowable education expense to a maximum of \$15,000 per person or \$3,750 per year for four years.
2. Allowed this education expense to be claimed the year in which you spent the funds.
3. Requires the person who receives the educational assistance to commit to a minimum of 1,664 hours of employment, for each year they received assistance.

HB 1307 also stated that the amount of education claimed by each individual had to be: "The lessor of one half of the individual's education expense." In 2009 we asked you to support this provision and today, through HB 1169 we are asking you to remove it.

The fourteen words we are asking you to remove have been nothing but a headache and administrative nightmare. These fourteen words require a student to go into debt \$30,000 in order to access \$15,000 from the nursing facility nursing loan or scholarship program. Students who scrimp, save and work themselves through school thus keeping their student loans down, might only have loans of \$15,000. A student with \$15,000 in loans will only have \$7,500 covered under this program. In order to get the full \$15,000, their student loans must total \$30,000. We don't want to encourage students to go into debt, we want to offer, to cover their education expenses up to \$15,000, without first requiring a debt of \$30,000.

HB 1169 allows us to do that.

Let me tell you why this educational assistance is so important. We do not have an adequate supply of nurses for the future. If we don't do something to entice our young adults to consider a nursing career and work in a nursing facility we will not have sufficient staff to care for our aging population.

Consider some of our staffing facts:

- Sufficient staffing is the number one concern facing long term care facilities.
- CNA turnover in nursing facilities is at 62%.
- Nursing turnover has increased significantly with LPNs at 32% and RNs at 40%.
- 34% of caregivers in long term care are age 50 or older.
- The oldest caregiver in long term care is a 97 year-old dietary aide.
- 8% of nursing facilities stopped admissions in 2010 because of insufficient staffing.
- 58 nursing facilities reported 524 open positions in October 2010. Applying the ratio to 85 facilities would show open positions at 768.
- Almost one out of four nursing facilities contracted with agencies in 2010 to deliver daily resident care. In the current biennium, it is estimated that \$6 million will be spent on contract staff.
- 14% of the long term care workforce is at or over retirement age.

Assisting with student loans and providing scholarships is an effective way to entice our youth to consider a career in nursing. Attached is a Department of Human Services report showing the facilities who are currently providing scholarships or loans. Today, over half the facilities (44 out of 85 facilities) are providing scholarships and loans.

In conclusion we urge your support of HB 1169. Thank you for your consideration of HB 1169. I would be happy to answer any questions you may have.

Shelly Peterson, President
North Dakota Long Term Care Association
1900 North 11th Street • Bismarck, ND 58501 • (701) 222-0660
Cell (701) 220-1992 • www.ndltca.org • E-mail: shelly@ndltca.org

BASED ON RATES SET BEGINNING JANUARY 1, 2011

AS OF		January 17, 2011		PAU					
	Comp No.	Provider Name	Location	Number	Sch S'1\$1\$19 Education Costs Per Employee	Sch S'1\$1\$23 Amount Reported	Sch S'1\$1\$24 Allowable Amount	Sch S'1\$1\$25 Unallowable Costs	Sch S'1\$1\$29 Repayment on Default
6	0110	Ashley Medical Center	Ashley	30188	1,455	1,455	728	(727)	0
7	0210	Missouri Slope Lutheran Care Center, Inc.	Bismarck	30004	0	0	0		0
8	0310	Medcenter One St. Vincent's Care Center	Bismarck	30005	1,500	500	250	(250)	0
9	0410	Towner County Medical Center	Cando	30379	8,689	0	1,000	1,000	0
10	0610	Golden Acres Manor Nursing Home	Carrington	30008	13,012	13,012	6,507	(6,505)	0
11	0710	Cooperstown Medical Center	Cooperstown	30095	1,676	0	0		0
12	0810	Heartland Care Center	Devils Lake	30010	34,625	1,173	6,329	5,156	0
13	0910	Jacobson Memorial Hospital Care Center	Elgin	30077	0	0	0		0
14	1010	Garrison Memorial Hospital	Garrison	30134	0	0	0		0
15	1110	Marian Manor Healthcare Center	Glen Ullin	30067	6,000	6,000	5,750	(250)	0
16	1310	St. Gerard's Community Nursing Home	Hankinson	30163	0	0	0		0
17	1410	Tri County Health Center	Hatton	30018	23,609	0	13,323	13,323	756
18	1710	Nelson County Health System Care Center	McVie	30384	0	0	0		0
19	2010	Trinity Nursing Home	Minot	30028	12,980	12,980	6,490	(6,490)	0
20	2210	MCO Mandan Care Center Off Collins	Mandan	30106	56,017	20,504	6,920	(13,584)	0
21	2310	Strasburg Care Center	Strasburg	30033	0	0	0		0
22	2410	Tioga Medical Center	Tioga	30176	5,500	5,500	2,817	(2,683)	0
23	2510	Prairieview Health Center	Underwood	30053	6,300	6,300	3,750	(2,550)	0
24	2610	Wishek Nursing Home	Wishek	30039	10,000	10,000	6,750	(3,250)	0
25	2710	Aneta Parkview Health Center	Aneta	30322	0	0	0		2,650
26	2810	Arthur Good Samaritan Center	Arthur	30058	0	0	0		13,202
27	2910	Baptist Home	Bismarck	30003	0	0	0		0
28	3010	Bottineau Good Samaritan Center	Bottineau	30118	0	0	0		0
29	3110	Southwest Healthcare Services	Bowman	30403	3,000	3,000	2,000	(1,000)	0
30	3210	Wedgewood Manor	Cavalier	30424	0	0	0		0
31	3310	Crosby Good Samaritan Center	Crosby	30122	3,335	3,335	1,668	(1,667)	0
32	3410	Devils Lake Good Samaritan Center	Devils Lake	30115	0	0	0		0
33	3510	St. Benedict's Health Center	Dickinson	30237	635	635	318	(317)	0
34	3610	St. Luke's Home	Dickinson	30011	750	750	375	(375)	0
35	3710	Dunseith Community Nursing Home	Dunseith	30052	0	0	0		0
36	3810	Prince of Peace Care Center	Ellendale	30012	3,700	3,700	1,850	(1,850)	0
37	3910	Maryhill Manor	Enderlin	30421	0	0	0		0
38	4010	Bethany Nursing Home	Fargo	30060	6,918	6,918	6,918		0
39	4210	Elim Home	Fargo	30051	3,500	3,500	3,078	(422)	300
40	4310	Rosewood on Broadway	Fargo	30420	0	0	0		0
41	4410	Villa Maria Healthcare	Fargo	30419	0	10,650	0	(10,650)	0
42	4510	Four Seasons Health Care Center, Inc.	Forman	30406	4,025	4,025	1,875	(2,150)	0
43	4610	Benedictine Living Center of Garrison	Garrison	30247	0	0	0		0
44	4710	Lutheran Sunset Home	Grafton	30016	0	0	0		0
45	4810	Ave Maria Village	Jamestown	30422	1,075	1,075	538	(537)	0
46	5010	Lakota Good Samaritan Nursing Home	Lakota	30097	0	0	0		0
47	5110	St. Rose Care Center	LaMoure	30119	2,000	2,000	1,000	(1,000)	0
48	5210	Maple Manor Care Center	Langdon	30083	0	0	0		0
49	5310	Larimore Good Samaritan Center	Larimore	30113	0	0	0		0
50	5510	Medcenter One Mandan	Mandan	30288	9,085	6,300	3,306	(2,994)	0
51	5610	Luther Memorial Home	Mayville	30024	3,363	3,363	1,683	(1,680)	0
52	5810	North Central Good Samaritan Center	Mohall	30173	1,000	1,000	500	(500)	0
53	5910	Mott Good Samaritan Nursing Center	Mott	30142	0	0	0		0
54	6010	Napoleon Care Center	Napoleon	30114	6,563	1,313	657	(656)	0
55	6110	Lutheran Home of the Good Shepherd	New Rockford	30029	4,500	4,500	2,250	(2,250)	0
56	6210	Elm Crest Manor	New Salem	30116	0	0	0		0
57	6410	Northwood Deaconess Health Center	Northwood	30031	16,569	4,163	4,163		0
58	6510	Oakes Manor Good Samaritan Center	Oakes	30124	10,000	10,000	5,000	(5,000)	4,222
59	6610	Osnabrock Good Samaritan Center	Osnabrock	30117	0	0	0		0
60	6710	Park River Good Samaritan Center	Park River	30154	3,500	3,500	1,750	(1,750)	0
61	6810	Rock View Good Samaritan Center	Parshall	30155	1,450	1,450	725	(725)	0
62	6910	Mountrail Bethel Home	Stanley	30032	3,000	3,000	1,500	(1,500)	0
73	7010	Sheyenne Care Center	Valley City	30418	4,496	3,436	0	(3,436)	0
84	7110	Souris Valley Care Center	Velva	30216	0	0	0		0

BASED ON RATES SET BEGINNING JANUARY 1, 2011

AS OF January 17, 2011

PAU

Comp No.	Provider Name	Location	Number	Sch S'1\$19 Education Costs Per Employee	Sch S'1\$23 Amount Reported	Sch S'1\$24 Allowable Amount	Sch S'1\$25 Unallowable Costs	Sch S'1\$29 Repayment on Default
65	7210 St. Catherine's Living Center	Wahpeton	30034	6,000	6,000	3,000	(3,000)	0
66	7310 Pembilier Nursing Center	Walhalla	30035	0	0	0		0
67	7410 McKenzie County Healthcare System	Watford City	30449	1,000	500	0	(500)	0
68	7610 Bethel Lutheran Nursing & Rehab	Williston	30038	699	699	350	(349)	0
69	7910 Knife River Care Center	Beulah	30002	0	0	0		0
70	8010 Heart of America Medical Center	Rugby	30135	0	0	0		0
71	8210 Parkside Lutheran Home	Lisbon	30109	4,000	0	500	500	0
72	8310 Rolette Community Care Center	Rolette	30466	0	0	0		0
73	8410 St. Aloisius Medical Center	Harvey	30129	8,662	8,662	4,331	(4,331)	0
74	8610 Hillsboro Medical Center	Hillsboro	30019	0	0	0		0
75	8710 Valley Eldercare Center	Grand Forks	30017	12,961	16,730	16,730		1,300
76	8810 Woodside Village	Grand Forks	30201	37,245	10,017	10,017		(150)
77	8910 Hill Top Home of Comfort, inc.	Killdeer	30271	0	0	0		0
78	9010 North Dakota Veterans Home	Lisbon	30293	14,448	4,865	2,435	(2,430)	0
79	9110 Manor Care of Fargo ND, LLC	Fargo	30478	16,671	32,732	32,732		0
80	9210 Manor Care of Minot ND, LLC	Minot	30479	0	0	0		0
81	9310 Western Horizons Living Center	Hettinger	30477	0	0	0		0
82	9410 Richardton Health Center	Richardton	30487	0	0	0		0
83	9510 Bethany on 42nd	Fargo	30492	0	0	0		0
84	9910 Eventide Hi-Acres	Jamestown	30498	0	0	0		0
85	1810 Dakota Alpha - HiT, Inc.	Mandan	30225	0	0	0		0
86	7010 Sheyenne Care Center - Geropsych	Valley City	30418	4,496	3,436	0	(3,436)	0
				380,009	242,678	171,863	(70,815)	22,280

#2

Testimony
House Bill 1169 – Department of Human Services
House Human Services Committee
Representative Robin Weisz, Chairman
January 18, 2011

Chairman Weisz, members of the Human Services Committee, I am LeeAnn Thiel, Administrator of Medicaid Payment and Reimbursement Services of the Medical Services Division for the Department of Human Services.

I am not here today to oppose or support HB 1169, but to provide information on the fiscal note. The fiscal impact was calculated based on the allowable education expense reported on the June 30, 2010 nursing facility cost reports. The \$126,528 impact to the Medicaid program and \$120,318 for private pay individuals for the 2011-2013 biennium is for 18 months. Nursing facility rates would be affected beginning January 1, 2012.

In 2009 HB 1307 increased the amount of allowable education expense that a nursing facility may include on its cost report to the lesser of \$3,750 or one-half of the allowable education expense per year or an aggregate of \$15,000 per individual. This bill removes that one-half provision and makes the allowable education expense limit \$3,750 per year per individual. The \$15,000 aggregate limit per individual is unchanged.

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

Testimony on HB 1169
Senate Human Services Committee
March 14, 2011

Good morning Chairman Lee and members of the Senate Human Services Committee. My name is Shelly Peterson representing the North Dakota Long Term Care Association. We represent assisted living facilities, basic care facilities and nursing facilities in North Dakota. I am here to testify in support HB 1169 and the fiscal note of \$56,423 in state general funds.

In the 2009 legislative session you supported and passed HB 1307. Last session we reported to you that we were in a staffing crisis and HB 1307 would allow nursing facilities to increase the amount of money we could spend on individuals to obtain a nursing education. In the last session the maximum a nursing facility could spend to help an individual with their nursing education was \$8,000, not to exceed \$2,000 per year. Further the cost was not recognized in a facilities cost report until the person came back to work for you in that nursing position. That meant facilities were spending lots of money and couldn't get it recognized in their rates for a number of years. With the financial issues facing facilities we asked you to recognize those costs in the rate year in which they spent the money. HB 1307 did the following:

1. Expanded the allowable education expense to a maximum of \$15,000 per person or \$3,750 per year for four years.
2. Allowed this education expense to be claimed the year in which you spent the funds.
3. Requires the person who receives the educational assistance to commit to a minimum of 1,664 hours of employment, for each year they received assistance.

HB 1307 also stated that the amount of education claimed by each individual had to be: "The lessor of one half of the individual's education expense." In 2009 we asked you to support this provision and today, through HB 1169 we are asking you to remove it.

The fourteen words we are asking you to remove have caused a financial stress and hardship for our existing long term care staff. These fourteen words require an individual to go into debt \$30,000 in order to access \$15,000 from the nursing facility nursing loan or scholarship program. Today the cost to achieve a nursing education is many times beyond the means of our existing staff. This money is key for us to grow our own nurses and assist them in returning to school. Many we are supporting today are single mothers, working for us and in school to attain their nursing education. Many aren't in a financial position to secure a loan and need our financial support to return to school.

This provision of requiring a person to pay ½ of their educational expenses was not in existing statute until we brought it in in 2009. We made a mistake and are now asking you to change it.

HB 1169 corrects this requirement of mandating a person contributes to pay for half their educational expense.

Let me share with you why this educational assistance is so important. We do not have an adequate supply of nurses for the future. If we don't do something to grow our own staff of nurses for the future, we will not have sufficient staff to care for our aging population.

Consider some of our staffing facts:

- In this biennium, nursing facilities will spend almost \$6 million dollars on contract agency staff.
- Sufficient staffing is the number one concern facing long term care facilities.
- CNA turnover in nursing facilities is at 62%.
- Nursing turnover has increased significantly with LPNs at 32% and RNs at 40%.
- 34% of caregivers in long term care are age 50 or older.
- The oldest caregiver in long term care is a 97 year-old dietary aide.
- 8% of nursing facilities stopped admissions in 2010 because of insufficient staffing.
- 58 nursing facilities reported 524 open positions in October 2010. Applying the ratio to 85 facilities would show open positions at 768.
- 14% of the long term care workforce is at or over retirement age.

Assisting with student loans and providing scholarships is an effective way to entice our staff to consider a career in nursing. Attached is a Department of Human Services report showing the facilities who are currently providing scholarships or loans. Today, over half the facilities (44 out of 85 facilities) are providing scholarships and loans.

In conclusion we urge your support of HB 1169. Thank you for your consideration of HB 1169. I would be happy to answer any questions you may have.

Shelly Peterson, President
North Dakota Long Term Care Association
1900 North 11th Street • Bismarck, ND 58501 • (701) 222-0660
Cell (701) 220-1992 • www.ndltca.org • E-mail: shelly@ndltca.org

BASED ON RATES SET BEGINNING JANUARY 1, 2011

AS OF February 7, 2011

PAU

Comp No.	Provider Name	Location	Number	Sch S' \$L\$19 Education Costs Per Employee	Sch S' \$L\$23 Amount Reported	Sch S' \$L\$24 Allowable Amount	Sch S' \$L\$25 Unallowable Costs	Sch S' \$L\$29 Repayment on Default
6 0110	Ashley Medical Center	Ashley	30188	1,455	1,455	728	(727)	0
7 0210	Missouri Slope Lutheran Care Center, Inc.	Bismarck	30004	0	0	0		0
8 0310	Medcenter One St. Vincent's Care Center	Bismarck	30005	1,500	500	250	(250)	0
9 0410	Towner County Medical Center	Cando	30379	8,689	0	1,000	1,000	0
10 0610	Golden Acres Manor Nursing Home	Carrington	30008	13,012	13,012	6,507	(6,505)	0
11 0710	Cooperstown Medical Center	Cooperstown	30095	1,676	0	0		0
12 0810	Heartland Care Center	Devils Lake	30010	34,625	1,173	6,329	5,156	0
13 0910	Jacobson Memorial Hospital Care Center	Elgin	30077	0	0	0		0
14 1010	Garrison Memorial Hospital	Garrison	30134	0	0	0		0
15 1110	Marian Manor Healthcare Center	Glen Ullin	30067	6,000	6,000	5,750	(250)	0
16 1310	St. Gerard's Community Nursing Home	Hankinson	30163	0	0	0		0
17 1410	Tri County Health Center	Hatton	30018	23,609	0	13,323	13,323	756
18 1710	Nelson County Health System Care Center	McVie	30384	0	0	0		0
19 2010	Trinity Nursing Home	Minot	30028	12,980	12,980	6,490	(6,490)	0
20 2210	MCO Mandan Care Center Off Collins	Mandan	30106	56,017	20,504	6,920	(13,584)	0
21 2310	Strasburg Care Center	Strasburg	30033	0	0	0		0
22 2410	Tioga Medical Center	Tioga	30176	5,500	5,500	2,817	(2,683)	0
23 2510	Prairieview Health Center	Underwood	30053	6,300	6,300	3,750	(2,550)	0
24 2610	Wishek Nursing Home	Wishek	30039	10,000	10,000	6,750	(3,250)	0
25 2710	Aneta Parkview Health Center	Aneta	30322	0	0	0		2,650
26 2810	Arthur Good Samaritan Center	Arthur	30058	0	0	0		13,202
27 2910	Baptist Home	Bismarck	30003	0	0	0		0
28 3010	Bottineau Good Samaritan Center	Bottineau	30118	0	0	0		0
29 3110	Southwest Healthcare Services	Bowman	30403	3,000	3,000	2,000	(1,000)	0
30 3210	Wedgewood Manor	Cavalier	30424	0	0	0		0
31 3310	Crosby Good Samaritan Center	Crosby	30122	3,335	3,335	1,668	(1,667)	0
32 3410	Devils Lake Good Samaritan Center	Devils Lake	30115	0	0	0		0
33 3510	St. Benedict's Health Center	Dickinson	30237	635	635	318	(317)	0
34 3610	St. Luke's Home	Dickinson	30011	750	750	375	(375)	0
35 3710	Dunseith Community Nursing Home	Dunseith	30052	0	0	0		0
36 3810	Prince of Peace Care Center	Ellendale	30012	3,700	3,700	1,850	(1,850)	0
37 3910	Maryhill Manor	Enderlin	30421	0	0	0		0
38 4010	Bethany Nursing Home	Fargo	30060	6,918	6,918	6,918		0
39 4210	Elim Home	Fargo	30051	3,500	3,500	3,078	(422)	300
40 4310	Rosewood on Broadway	Fargo	30420	0	0	0		0
41 4410	Villa Maria Healthcare	Fargo	30419	0	10,650	0	(10,650)	0
42 4510	Four Seasons Health Care Center, Inc.	Forman	30406	4,025	4,025	1,875	(2,150)	0
43 4610	Benedictine Living Center of Garrison	Garrison	30247	0	0	0		0
44 4710	Lutheran Sunset Home	Grafton	30016	0	0	0		0
45 4810	Ave Maria Village	Jamestown	30422	1,075	1,075	538	(537)	0
46 5010	Lakota Good Samaritan Nursing Home	Lakota	30097	0	0	0		0
47 5110	St. Rose Care Center	LaMoure	30119	2,000	2,000	1,000	(1,000)	0
48 5210	Maple Manor Care Center	Langdon	30083	0	0	0		0
49 5310	Larimore Good Samaritan Center	Larimore	30113	0	0	0		0
50 5510	Medcenter One Mandan	Mandan	30288	9,085	6,300	3,306	(2,994)	0
51 5610	Luther Memorial Home	Mayville	30024	3,363	3,363	1,683	(1,680)	0
52 5810	North Central Good Samaritan Center	Mohall	30173	1,000	1,000	500	(500)	0
53 5910	Mott Good Samaritan Nursing Center	Mott	30142	0	0	0		0
54 6010	Napoleon Care Center	Napoleon	30114	6,563	1,313	657	(656)	0
55 6110	Lutheran Home of the Good Shepherd	New Rockford	30029	4,500	4,500	2,250	(2,250)	0
56 6210	Elm Crest Manor	New Salem	30116	0	0	0		0
57 6410	Northwood Deaconess Health Center	Northwood	30031	16,569	4,163	4,163		0
58 6510	Oakes Manor Good Samaritan Center	Oakes	30124	10,000	10,000	5,000	(5,000)	4,222
59 6610	Osnabrock Good Samaritan Center	Osnabrock	30117	0	0	0		0
60 6710	Park River Good Samaritan Center	Park River	30154	3,500	3,500	1,750	(1,750)	0
61 6810	Rock View Good Samaritan Center	Parshall	30155	1,450	1,450	725	(725)	0
62 6910	Mountrail Bethel Home	Stanley	30032	3,000	3,000	1,500	(1,500)	0
63 7010	Shenoyne Care Center	Valley City	30418	4,496	3,436	0	(3,436)	0
64 7110	Souris Valley Care Center	Velva	30216	0	0	0		0

BASED ON RATES SET BEGINNING JANUARY 1, 2011

AS OF February 7, 2011

PAU

Comp No.	Provider Name	Location	Number	Sch S'/\$L\$19	Sch S'/\$L\$23	Sch S'/\$L\$24	Sch S'/\$L\$25	Sch S'/\$L\$29
				Education Costs Per Employee	Amount Reported	Allowable Amount	Unallowable Costs	Repayment on Default
65	7210 St. Catherine's Living Center	Wahpeton	30034	6,000	6,000	3,000	(3,000)	0
66	7310 Pembiller Nursing Center	Walhalla	30035	0	0	0		0
67	7410 McKenzie County Healthcare System	Watford City	30449	1,000	500	0	(500)	0
68	7610 Bethel Lutheran Nursing & Rehab	Williston	30038	699	699	350	(349)	0
69	7910 Knife River Care Center	Beulah	30002	0	0	0		0
70	8010 Heart of America Medical Center	Rugby	30135	0	0	0		0
71	8210 Parkside Lutheran Home	Lisbon	30109	4,000	0	500	500	0
72	8310 Rolette Community Care Center	Rolette	30466	0	0	0		0
73	8410 St. Aloisius Medical Center	Harvey	30129	8,662	8,662	4,331	(4,331)	0
74	8610 Hillsboro Medical Center	Hillsboro	30019	0	0	0		0
75	8710 Valley Eldercare Center	Grand Forks	30017	12,961	16,730	16,730		1,300
76	8810 Woodside Village	Grand Forks	30201	37,245	10,017	10,017		(150)
77	8910 Hill Top Home of Comfort, Inc.	Killdeer	30271	0	0	0		0
78	9010 North Dakota Veterans Home	Lisbon	30293	14,448	4,865	2,435	(2,430)	0
79	9110 Manor Care of Fargo ND, LLC	Fargo	30478	16,671	32,732	32,732		0
80	9210 Manor Care of Minot ND, LLC	Minot	30479	0	0	0		0
81	9310 Western Horizons Living Center	Hettinger	30477	0	0	0		0
82	9410 Richardton Health Center	Richardton	30487	0	0	0		0
83	9510 Bethany on 42nd	Fargo	30492	0	0	0		0
84	9910 Eventide Hi-Acres	Jamestown	30498	0	0	0		0
85	1810 Dakota Alpha - HIT, Inc.	Mandan	30225	0	0	0		0
86	7010 Sheyenne Care Center - Geropsych	Valley City	30418	4,496	3,436	0	(3,436)	0
				380,009	242,678	171,863	(70,815)	22,280