

Health Services Committee
September 26, 2012
Testimony by North Dakota Long Term Care Association
Regarding Availability of Basic Care Beds

Good morning Chairman Lee and members of the Health Services Committee. My name is Shelly Peterson, President of the North Dakota Long Term Care Association (NDLTCA). We wish to comment on the availability of basic care beds. We have one suggestion to increase the availability of basic care beds. I will share with you our suggestion for increasing basic care beds at the conclusion of my testimony. Today we represent 63 of 65 basic care facilities.

First I would like to review:

1. A Fact Sheet on Basic Care
2. A Statewide Map of the Location of Basic Care Facilities
3. A List of 9 Nursing Facilities currently setting 107 Nursing Facility Beds Aside.
4. A Legislative Change to Increase the Availability of Basic Care Beds.

We are currently surveying assisted living, basic care and nursing facility members and will have updated, comprehensive information on each type of service/living arrangement in preparation for the 2013 legislative session.

As we shared with you in our testimony on April 12, 2012, we believe the basic care moratorium should continue. Our basic care members also went on record in June 2012 to continue to support the moratorium, as well as, maintain the statute that allows an exception to the basic care moratorium. It was felt this exception should continue to be available. Under the exception process, basic care beds could be available to an area that can demonstrate that a need exists, as well as demonstrate that basic care beds within a 50 mile radius of an area have been at least 90% occupied for the past twelve month period.

Please see the basic care fact sheet. Map of basic care facilities.

Nursing Facility Bed Layaway Program

It is important to look at the nine nursing facility currently setting 107 nursing facility beds aside because at the end of their maximum set-aside period, those beds can be sold as basic care beds. Today, there is little demand or need for nursing facility beds, so I anticipate these beds and more anticipated to be set-aside, will be sold as basic care beds.

That will open up the availability of nursing facility, as well as basic care beds in the near future. Today I am aware of three entities interested in basic care beds. As well as one nursing facility recently announced they will be selling one nursing facility bed and ten basic care beds within the next year.

Please take a look at the spreadsheet on the bed layaway program. Nine nursing facilities are setting aside 107 beds. The first column shows the city of the nursing facility laying away beds, the next column is the name of the facility, and the next 3 columns represent the change in their bed count, followed by the date of the bed change and the next column the date the beds “expire” in the layaway program.

A nursing facility can lay beds away for a maximum of 24 months. At the end of the 24 month lay away period, the nursing facility has four options:

1. Relicense as nursing facility beds in the existing nursing facility.
2. License as basic care beds in the existing nursing facility
3. Sell as nursing facility beds
4. Sell as basic care beds.

If the nursing facility does not take any action at the end of the 24 month lay away period the beds cease to exist. After the 24 month period, if you sell the beds as basic or skilled, the new owner has an additional 24 months to relicense the beds in the new location.

The legislation we are suggesting relates to nursing facility beds and basic care beds that are transferred. The same legislation (HB 1325) that allowed the new nursing facility bed lay-away program, that I just described also unintentionally we believe put a new restriction in the law. In 2009, legislation was passed that

allowed a nursing facility to sell their beds as either nursing facility or basic care beds, to open up the market for basic care beds. In 2011, when we proposed the new nursing facility bed lay-away program, some new language eliminated the flexibility you granted in 2009. It is our desire to maintain maximum flexibility so that when a nursing facility sells or transfers beds, the new entity receiving them has the option to use the nursing facility beds they purchased as either a nursing facility or basic care bed. See the attached language we are proposing to eliminate in the 2013 legislative session.

This concludes my testimony and I'd be happy to answer any questions at this time.

Attachments:

- Fact Sheet on Basic Care
- A Statewide Map of the Location of Basic Care Facilities and list
- Listing of Nursing Facility Lay-Away Beds (107)
- Statute 23-16-01.1 (3) and (4) with the Language we want to Eliminate

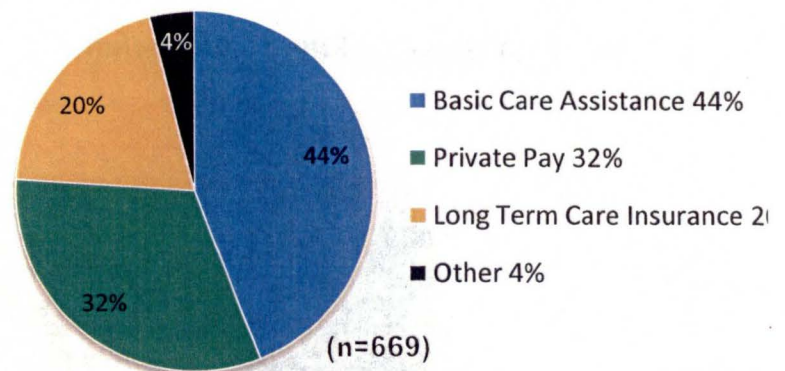
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Basic Care Facilities

Basic Care at a Glance:

- 65 licensed basic care facilities
- 1,777 licensed beds
- 2010 average daily rate is \$97
- 2010 average occupancy is 83%

Payment Source for Basic Care Bills



Basic Care Facts:

- A congregate residential setting with private and semi-private rooms where you receive 24-hour supervision with a comprehensive service plan to meet your needs.
- Basic care provides an all inclusive rate providing room, meals, personal care services, supervision, activities, transportation, medication administration, nursing assessment and care planning.
- Seventy percent of residents are female and the majority were living in their own home prior to admission.
- Cognitive decline is the top issue precipitating the need for placement.
- Current residents range in age from 23 to 104 years old, with the average age being 78.

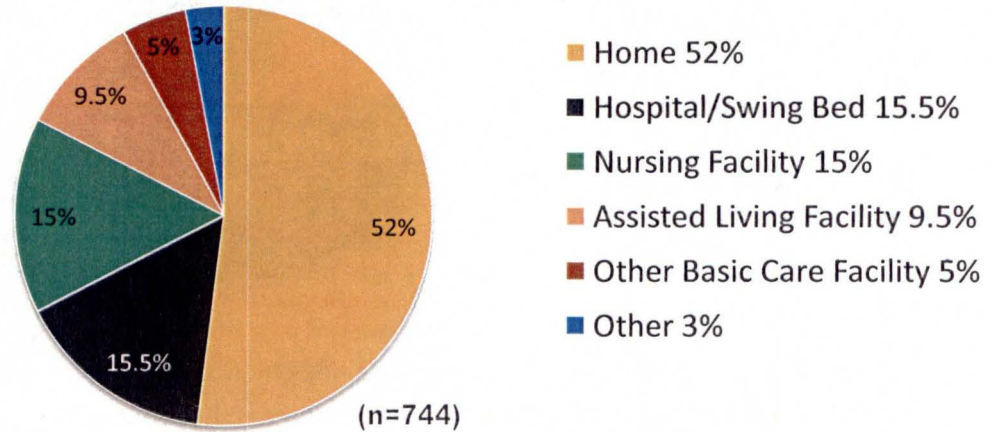
Care Needs of Basic Care Residents:

- 72% of residents have impaired mental status, ranging from early state dementia to significant mental health issues.
- 85% of residents need full assistance with medication administration.
- Over one-third of residents (35%) are receiving psychoactive drugs.
- Most residents are independent in dressing (60%), with less than 10% requiring extensive assistance (8.6%).
- 81% of residents need assistance in bathing.
- Most residents are fully independent in eating (88%), toileting (80%) and transferring (92%).
- 60% are ambulatory and do not need any staff assistance, 48% use a walker and very few use a wheelchair (7%).

Basic Care Facilities (continued)

When Individuals Move Into a Basic Care Facility, Where Did They Come From?

Living Arrangements Prior to Admission

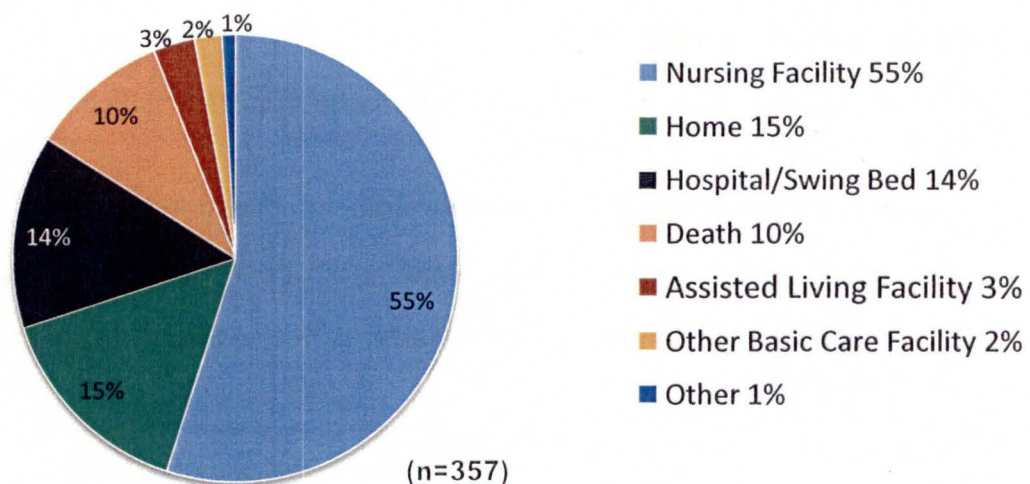


Top three reasons for basic care admission:

1. Cognitive decline
2. Progressive physical decline
3. Social isolation

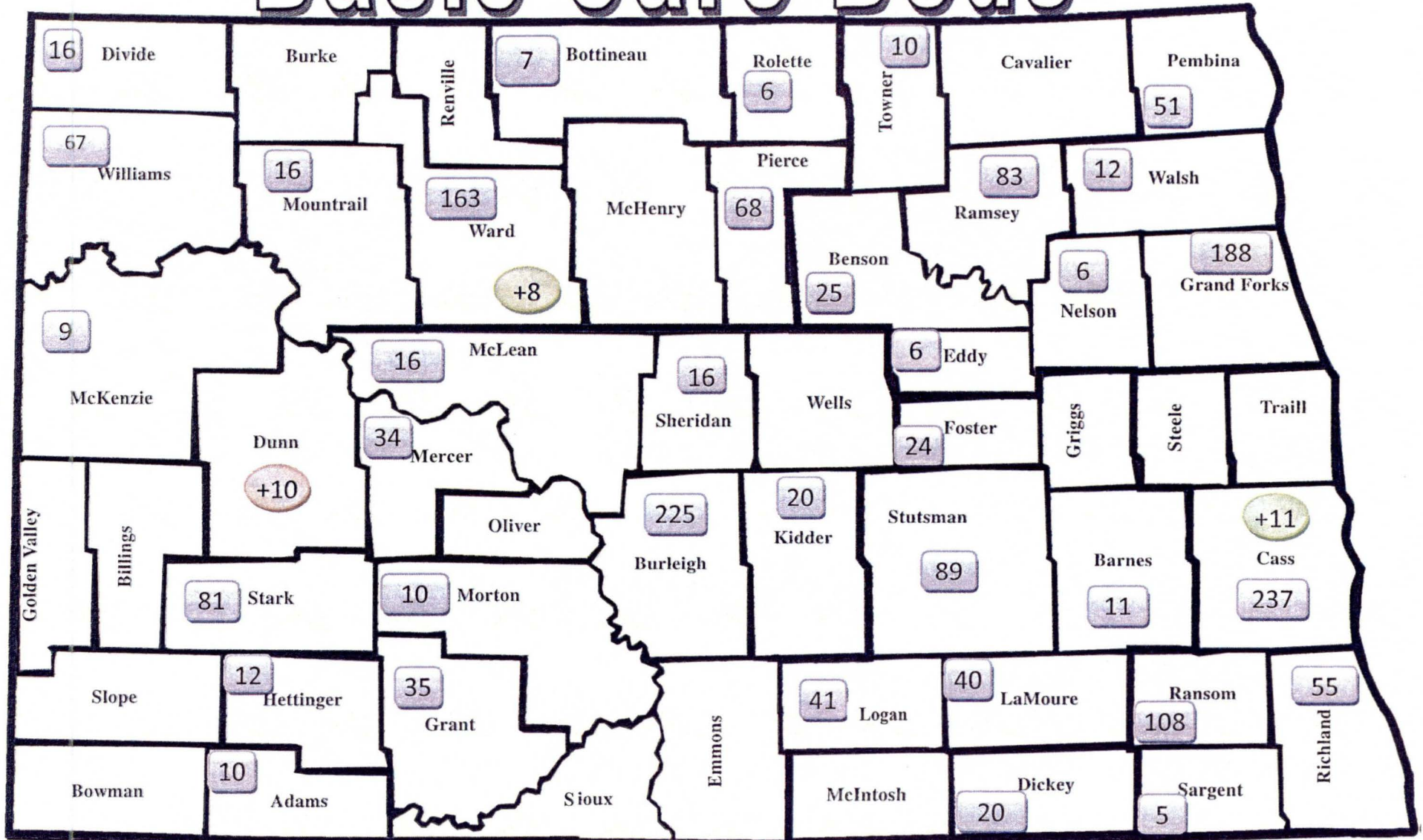
When Residents Move-Out, Where Do They Go?

Discharge Destination



Over half of residents discharged from a basic care facility are admitted to a skilled nursing facility. Generally medical needs, physical limitations and growing cognition issues necessitate the admission.

Basic Care Beds



Sixty-seven licensed basic care facilities as of September 24, 2012

Red Box – Number of basic care beds expected to increase based upon need application.

Purple Box – Number of licensed basic care beds as of September 24, 2012 (total licensed beds = 1,822).

Licensed Basic Care Facility Beds and Locations

City	County	Facility Name	Licensed Capacity 9/24/2012
Arthur	Cass	Prairie Villa	25
Bismarck	Burleigh	Baptist Home, Inc.	10
Bismarck	Burleigh	Edgewood Bismarck Senior Living	40
Bismarck	Burleigh	Edgewood Vista at Edgewood Village	49
Bismarck	Burleigh	Good Samaritan Society—Bismarck	18
Bismarck	Burleigh	Maple View East	20
Bismarck	Burleigh	Maple View North	28
Bismarck	Burleigh	The Terrace	40
Bismarck	Burleigh	Touchmark on West Century	20
Bottineau	Bottineau	Good Samaritan Society – Bottineau	7
Cando	Towner	St. Francis Residence	10
Carrington	Foster	Holy Family Villa	24
Crosby	Divide	Good Samaritan Society – Crosby	16
Devils Lake	Ramsey	Good Samaritan Society – Devils Lake	13
Devils Lake	Ramsey	Good Samaritan Society—Lake Country Manor	7
Devils Lake	Ramsey	Odd Fellows Home	43
Dickinson	Stark	Dickinson Country House LLC	30
Dickinson	Stark	Evergreen	51
Edgeley	LaMoure	Manor St. Joseph	40
Edmore	Ramsey	Edmore Memorial Rest Home	20
Elgin	Grant	Dakota Hill Housing	35
Ellendale	Dickey	Evergreen Place	20
Fargo	Cass	Bethany Towers	36
Fargo	Cass	Edgewood Vista at Edgewood Village	33
Fargo	Cass	Evergreens of Fargo	54
Fargo	Cass	Good Samaritan Society – Fargo	40
Fargo	Cass	Touchmark at Harwood Groves	25
Forman	Sargent	Four Seasons Healthcare Ctr Inc.	5
Gackle	Logan	Gackle Care Center	41
Grand Forks	Grand Forks	Maple View Memory Care Community	36
Grand Forks	Grand Forks	Parkwood Place	40
Grand Forks	Grand Forks	St. Anne's Guest Home	54
Grand Forks	Grand Forks	Tufte Manor	53
Hazen	Mercer	Senior Suites at Sakakawea	34
Hettinger	Adams	Western Horizons Care Center	10
Jamestown	Stutsman	Bethel 4 Acres Ltd	16
Jamestown	Stutsman	Rock of Ages, Inc.	53
Jamestown	Stutsman	Roseadele	20
Kenmare	Ward	Maple View of Kenmare	50
Lakota	Nelson	Good Samaritan Society - Lakota	6
Lisbon	Ransom	North Dakota Veterans Home	98

Licensed Basic Care Facility Beds and Locations

City	County	Facility Name	Licensed Capacity 9/24/2012
Lisbon	Ransom	Parkside Lutheran Home	10
Maddock	Benson	Maddock Memorial Home	25
Mandan	Morton	Dakota Pointe	10
McClusky	Sheridan	Sheridan Memorial Home	16
Minot	Ward	Edgewood Vista Memory Care	24
Minot	Ward	Edgewood Vista Minot Senior Living	31
Minot	Ward	Emerald Court	28
Minot	Ward	Maple View of Minot	30
Mott	Hettinger	Good Samaritan Society – Mott	12
Mountain	Pembina	Borg Pioneer Memorial Home	43
New Rockford	Eddy	Lutheran Home of the Good Shepherd	6
New Town	Mountrail	Lakeside Community Living Center	16
Northwood	Grand Forks	Northwood Deaconess Health Center	5
Park River	Walsh	Good Samaritan Society—Park River	12
Rolette	Rolette	Rolette Community Care Center	6
Rugby	Pierce	Haaland Estates – Basic Care	68
Steele	Kidder	Golden Manor Inc.	20
Valley City	Barnes	HI Soaring Eagle Ranch	11
Wahpeton	Richland	St. Catherine's Living Center	16
Wahpeton	Richland	The Leach Home	39
Walhalla	Pembina	Pembilier Nursing Center	8
Watford City	McKenzie	McKenzie Cty HC Systems	9
West Fargo	Cass	Eventide at Sheyenne Crossings	24
Williston	Williams	Bethel Lutheran Nrsng & Rehab Ctr	19
Williston	Williams	Kensington Williston LLC	48
Wilton	McLean	Redwood Village	16
TOTAL			1822

LONG TERM CARE FACILITY LAYAWAY PROGRAM
8-1-2011 through 7-31-2013

City	Facility	Bed Capacity	Net Change	Adjusted Bed Capacity	Date of Change	24 Months	Total Beds	25%	50%
Bottineau	Good Samaritan Society - Bottineau	75	-3	71	10/1/2011	10/1/2013	3	18	35
Bowman	Southwest Healthcare Services	66	-7	59	1/1/2012	1/1/2014	7	16	29
Harvey	St. Aloisius Medical Center Nursing Home	106	-11	95	10/1/2011	10/1/2013	11	26	47
Minot	Trinity Homes	292	-62	230	7/1/2012	7/1/2014	62	73	115
Rolette	Rolette Community Care Center	40	-4	36	10/1/2011	10/1/2013	4	10	18
Walhalla	Pembilier Nursing Center	32	-2	30	10/1/2011	10/1/2013	2	8	15
Wishek	Wishek Home for the Aged	70	-10	60	10/1/2011	10/1/2013	10	17	30
Glen Ullin	Marian Manor Healthcare Center	86	-5	81	1/1/2013	1/1/2015	5	21	40
Cando	Towner County Living Center	40	-3	37	10/1/2012	10/1/2014	3	10	18
Total			-107						

Bed Capacity = The number of licensed beds in the nursing facility prior to this action

Net Change = The number of beds placed into the bed layaway program on this date (see Date of Change)

Adjusted Bed Capacity = The number of licensed beds in the nursing facility after this date (see Date of Change)

Date of Change = Date the beds were placed in the bed layaway program

24 Months = The expiration date of the beds in the layaway program

Total Beds = The total number of beds in the bed layaway program for this facility

25% = A nursing facility may delicense a maximum of twenty-five percent of its licensed nursing facility bed capacity and place the beds into the layaway program

50% = The total delicensed nursing facility bed capacity that may be held for a nursing facility at no time may be greater than fifty percent of the number of currently licensed beds in the nursing facility

CHAPTER 23-16 LICENSING MEDICAL HOSPITALS

23-16-01. Licensure of medical hospitals and state hospitals.

After July 1, 1947, no person, partnership, association, corporation, limited liability company, county or municipal corporation, or agency thereof, which maintains and operates organized facilities for the diagnosis, treatment, or care of two or more nonrelated persons suffering from illness, injury, or deformity or where obstetrical or other care is rendered over a period exceeding twenty-four hours, may be established, conducted, or maintained in the state of North Dakota without obtaining annually a license therefor in the manner hereinafter provided in sections 23-16-02 and 23-16-03. Chiropractic hospitals, sanatoriums, and hospitals such as those for unmarried mothers maintained and operated by the department of human services are not required to obtain a license under this chapter.

In the case of emergency or transfer beds attached to and forming a part of a licensed medical doctor's office, the state department of health has the right of inspection, but no license may be required under the provisions of this chapter when the number of such beds does not exceed four.

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

1. Notwithstanding sections 23-16-06 and 23-16-10, except when a facility reverts basic care beds to nursing facility beds or relicenses nursing facility beds delicensed after July 31, 2011, nursing facility beds may not be added to the state's licensed bed capacity during the period between August 1, 2011, and July 31, 2013. A nursing facility may not delicense nursing facility bed capacity, relicense nursing facility bed capacity, convert licensed nursing bed capacity to basic care bed capacity, revert licensed basic care bed capacity back to nursing facility bed capacity, or otherwise reconfigure licensed nursing facility bed capacity more than one time in a twelve-month period.
2. Transfer of licensed nursing facility bed capacity from a nursing facility to another entity is permitted. The nursing facility may transfer the bed capacity either as nursing facility bed capacity or basic care bed capacity. Transferred bed capacity must become licensed by an entity ~~as the type of bed capacity originally~~ transferred within forty-eight months of transfer. Bed capacity transferred as basic care bed capacity may not be reverted to nursing facility bed capacity at any time. A receiving entity may transfer the received bed capacity to another entity within the forty-eight-month period originally established at the time the nursing facility first transferred the licensed nursing facility bed capacity. The subsequent receiving entity must license the received bed capacity within the forty-eight-month period originally established at the time of the first transfer.
3. A nursing facility may convert licensed nursing facility bed capacity to basic care. If the converted beds remain in the same facility and are not transferred, the beds may revert to nursing facility status after one year of licensure as basic care beds.
4. Nursing facility beds that are converted to basic care may be transferred as basic care beds. However, upon the transfer, the basic care beds may not be relicensed as nursing facility beds.
5. If an Indian tribe acquires nursing facility beds, the tribal facility must meet state licensing requirements for those beds within forty-eight months of acquisition. A tribal facility may seek to participate in the medical assistance programs. Medical assistance payments may only be made to a medicaid certified tribal facility that agrees to participate and adhere to all federal and state requirements of the medical assistance program, including participation, screening, ratesetting, and licensing requirements.
6. A nursing facility, upon prior written notice to the state department of health, may delicense a maximum of twenty-five percent of its licensed nursing facility bed capacity and have the delicensed nursing facility held for a period of twenty-four months. The total delicensed nursing facility bed capacity that may be held for a nursing facility at no time may be greater than fifty percent of the number of currently licensed beds in the nursing facility. Delicensed nursing facility bed capacity in excess of fifty percent of

the nursing facility's licensed capacity may not be held and is not eligible for the provisions of subsection 7. Delicensed bed capacity not sold or relicensed at the conclusion of the twenty-four-month holding period ceases to exist.

7. During the twenty-four-month holding period established at the time of delicensure, delicensed nursing facility bed capacity that is being held for the nursing facility may be:
 - a. Relicensed by the nursing facility. Relicensing of nursing facility bed capacity may not occur for twelve months from the time of delicensure.
 - b. Transferred to another entity as nursing facility bed capacity or basic care bed capacity. The receiving entity must license the transferred bed capacity as the type of bed capacity transferred within the forty-eight-month period originally established at the time of delicensure. Bed capacity transferred as basic care bed capacity may not be reverted to nursing facility bed capacity at any time. A receiving entity may transfer the received bed capacity to another entity within the forty-eight-month period originally established at the time of delicensure. The subsequent receiving entity must license the received bed capacity within the forty-eight-month period originally established at the time of delicensure.
 - c. Licensed as basic care beds by the same facility. If the licensed basic care beds remain in the same facility and are not transferred, the beds may be reverted to licensed nursing facility bed capacity after twelve months.

23-16-02. Existing medical hospitals.

Institutions subject to this chapter which are already in operation at the time of enactment of this chapter must be given a reasonable time, not to exceed one year from the date of the enactment of this chapter, within which to comply with the rules, regulations, and minimum standards provided for herein.

23-16-03. Application for license - License fee.

Applicants for license shall file applications under oath with the state department of health upon forms prescribed. Applications must be signed by the owner, or in the case of a corporation by two of its officers, or in the case of a county or municipal unit by the head of the governmental department having jurisdiction over it. Applications must set forth the full name and address of the owner of the institution for which license is sought, the names of the persons in control thereof, and such additional information as the state department of health may require, including affirmative evidence of ability to comply with such minimum standards, rules, and regulations as may be lawfully prescribed pursuant to this section. An application for a license for facilities not owned by the state or its political subdivisions must be accompanied by the following fees:

1. For each licensed acute care bed, ten dollars.
2. For each licensed skill care bed, ten dollars.

License fees collected pursuant to this section must be deposited in the state department of health services operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

23-16-04. Licenses.

Licenses issued hereunder expire one year after date of issuance or upon such uniform dates annually, as the health council may prescribe by rule. Licenses must be issued only for the premises and persons named in the application and are not transferable or assignable. Licenses must be posted in a conspicuous place on the licensed premises.

23-16-05. Inspections, consultations, and approval of plans.

The state department of health shall make or cause to be made such inspections as may be prescribed by regulation. The health council may prescribe by regulations that any licensee or prospective applicant desiring to make a substantial alteration or addition to its facilities or to construct new facilities shall, before commencing such alteration, addition, or new construction,