



ND House Bill 1012

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Northland PACE Statement

- In response to North Dakota HB 1012, specific to budget detail for PACE Program payment rate reductions, Northland PACE opposes the proposed HB 1012 budget detail specific to the PACE program and would like to further propose alternative appropriations

Problem Statement

- ND Department of Human Services proposes under HB 1012 a cost-based reduction payment change to the PACE program of 4.0% during 2021-2023 biennium
- Reduction change based on previous year profit margin at the time of reporting to DHS
- Cumulative sustained earnings not considered in determining rate change.

Problem Statement

- PACE program payment model is much different than that of long-term care.
- PACE receives capitated payment to manage and coordinate healthcare services to those needing nursing home level of care in their homes and in the community
- PACE does not receive payment/funding for property/facilities

Problem Statement

- Proposed cost-based payment change and normalization plan jeopardizes operational and PACE program growth and expansion
- PACE program is responsible for building financial reserve to self-fund expansion and investments
- Directly negates goals to expand healthcare options for those that wish to receive care at home

Proposed Alternative

- Northland PACE proposes the alternative to the currently proposed DHS cost-based payment rate reflective of profit margin to be rather based on MDS assessment model.
- Each enrolled participant is nursing home level of care screened, each with unique measurable and defined care needs.

Proposed Alternative

- Proposed alternatives could include:
 - PACE specific MDS rates or
 - Establish % of average 40 rates per facility in particular zip codes
 - Northland PACE and DHS to partner in establishing MDS assessed model