



Senate Bill 2012

House Appropriations – Human Resources Subcommittee
Representative Jon Nelson, Chairman

LeeAnn Thiel, Medical Services & Nancy Nikolas Maier, Adult and Aging Services
Long Term Care | March 21, 2023

NORTH
Dakota
Be Legendary.

Health & Human Services

Long Term Care (LTC) ND Century Code Chapters

Chapter	Chapter Name
50-10.2	Rights of Health Care Facility Residents
50-21	Nursing Homes and Basic Care Facilities
50-24.4	Nursing Home Rates
50-06.2	Comprehensive Human Services Programs
50-24.5	Aid to Aged, Blind, and Disabled Persons
50-24.7	Expanded Service Payments to the Aged and Disabled
50-11	Foster Care Homes for Children and Adults
50-30	Nursing Facility Alternative Funding



Long Term Care: What services are covered

- Nursing facility services
- Basic care facility services
- Program of All-Inclusive Care for the Elderly (PACE)
- HCBS services
 - Medicaid Aged & Disabled Waiver
 - Medicaid State Plan- Personal Care Services (MSP-PC)
 - SPED (Service Payments for the Elderly and Disabled)
 - Ex-SPED (Expanded Service Payments for the Elderly and Disabled)
- Children's waivers services
 - Children's Medically Fragile waiver
 - Children's Hospice waiver
 - Autism waiver

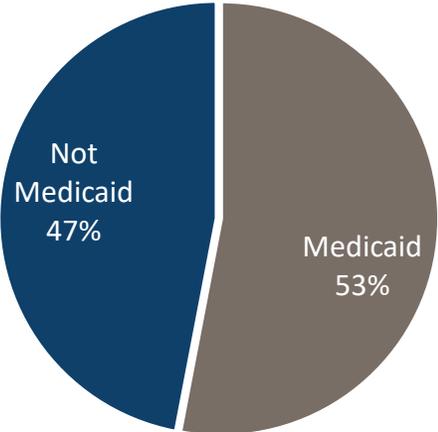


Who We Serve in the LTC Continuum: Institutional Care

5,207

Nursing
Facility
licensed beds

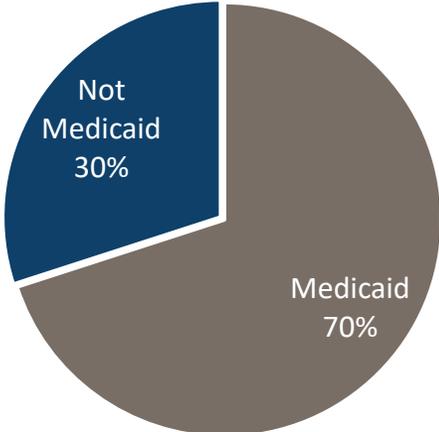
Approximately 53% of Nursing Facility residents have Medicaid coverage



1,339

Basic Care Facility
licensed beds enrolled
with Medicaid

Approximately 70% of Basic Care residents have Medicaid coverage



Long Term Care Walkthrough

	2021-2023 Legislatively Approved Budget	Funding Shift One-Time Funding	Cost to Continue	FMAP	Total Changes	To Governor	Inflation (4/3)	Pers Needs Allow, HCBS Svc	Medicall y Fragile Waiver	Increase Home Delvrd Meals & Autism Waiver/ Elim Autism Vouch	Executive Changes	To Chamber 1	Inflation (4/4)	Reduce Family Home Care Rate	Remove Basic Care Inflation	Chamber 1 Changes	To Chamber 2
Institutional																	
Nursing Facilities	616,449,930		113,161,848		113,161,848	729,611,778	-	3,439,800	-	-	3,439,800	733,051,578					733,051,578
Basic Care	50,893,290		6,885,002		6,885,002	57,778,292	-	-	-	-	-	57,778,292					57,778,292
Home and Community Based Svc																	
Pace Pymt All-Incl Care Eldrly	33,601,989		(5,532,163)		(5,532,163)	28,069,826	-	-	-	-	-	28,069,826					28,069,826
Aged & Disabled Waiver	46,820,167		2,936,921		2,936,921	49,757,088	-	2,093,584	-	-	2,093,584	51,850,672					51,850,672
SPED	20,397,226		(3,938,190)		(3,938,190)	16,459,036	-	6,520,000	-	138,150	6,658,150	23,117,186		(1,462,500)		(1,462,500)	21,654,686
Expanded SPED	1,958,865		(702,250)		(702,250)	1,256,615	-	-	-	-	-	1,256,615					1,256,615
Personal Care Services	33,605,508		(1,500,636)		(1,500,636)	32,104,872	-	100,000	-	-	100,000	32,204,872					32,204,872
Targeted Case Management	157,824		742,102		742,102	899,926	-	-	-	-	-	899,926					899,926
Children's Med Fragile Waiver	398,028		5,949		5,949	403,977	-	-	392,422	-	392,422	796,399					796,399
Children's Hospice Waiver	73,605		0		0	73,605	-	-	-	-	-	73,605					73,605
Autism Waiver	1,955,531		81,668		81,668	2,037,199	-	-	-	8,776,756	8,776,756	10,813,955					10,813,955
Autism Voucher	300,000		-		-	300,000	-	-	-	(300,000)	(300,000)	-					-
Provider Inflation			-		-	-	10,506,185				10,506,185	10,506,185	988,349		(3,511,657)	(2,523,308)	7,982,877
Total	806,611,963		112,140,250		112,140,250	918,752,213	10,506,185	12,153,384	392,422	8,614,906	31,666,897	950,419,110	988,349	(1,462,500)	(3,511,657)	(3,985,808)	946,433,302
General Fund	396,106,321	1,000,000	52,743,861	8,628,268	62,372,128	458,478,449	6,173,513	9,750,819	186,400	4,007,109	20,117,841	478,596,290	580,129	(1,462,500)	(2,391,028)	(3,273,399)	475,322,891

LTC Unit and Cost Comparison

12 month Average to Executive Budget Request (EBR) 2023 - 2025 Biennium

Program	12 Month Average in Units (April 2021 - March 2022)	Monthly average units for EBR 2023-2025	Change from EBR to 12 mo Avg units	12 Month Average in Cost per Unit (April 2021 - March 2022)	Monthly average cost per unit for EBR 2023-2025	Change from EBR to 12 mo Avg cost per unit	Monthly average units for first 15 months of 21-23	Monthly average cost per unit for first 15 months of 21-23
NURSING FACILITIES	79,061	79,061	0	\$277.98	\$386.33	\$108.35	79,360	\$292.94
BASIC CARE	45,577	46,177	600	\$48.21	\$52.13	\$3.92	46,160	\$49.50
AGED & DISABLED WAIVER	33,934	49,480	15,546	\$32.64	\$43.66	\$11.02	39,008	\$35.70
PACE PYMT ALL-INCL CARE ELDRLY	171	245	74	\$4,764.25	\$4,773.78	\$9.53	179	\$4,772.75
SPED	60,072	62,076	2,004	\$10.40	\$15.52	\$5.12	64,127	\$10.75
EXPANDED SPED	4,126	4,126	0	\$12.01	\$12.69	\$0.68	4,131	\$12.22
PERSONAL CARE SERVICES	202,497	193,870	(8,627)	\$6.50	\$6.92	\$0.42	204,154	\$6.52
TARGETED CASE MANAGEMENT	1,698	1,699	1	\$17.29	\$22.07	\$4.78	2,344	\$17.88
CHILDREN'S MED FRAGILE WAIVER	61	93	32	\$268.88	\$356.81	\$87.93	61	\$258.12
CHILDREN'S HOSPICE WAIVER	0	1	1	\$0.00	\$3,066.88	\$3,066.88	-	\$0.00
AUTISM VOUCHER	12	0	(12)	\$651.30	\$0.00	(\$651.30)	12	\$657.38
AUTISM WAIVER	1,283	27,746	26,463	\$12.41	\$16.24	\$3.83	903	\$16.09

Included in 2023-25 Engrossed SB 2012

Increase Personal Needs Allowance for members in nursing facilities, basic care facilities, and intermediate care facilities.

- Would enable members to retain more of their income to use for personal needs such as clothing and recreation.
- All members would receive a \$35 increase per month.

Total	General	Federal
\$3,439,800	\$1,913,100	\$1,526,700



Children's Waiver Services



- Medically Fragile waiver
 - Currently 25 slots
 - 15 on wait list
- Children's Hospice waiver
 - 30 slots
 - No wait list
- Autism waiver
 - Currently 150 slots
 - 84 on wait list

Included in 2023-25 Engrossed SB 2012

Increase benefit level and number of slots for the Medicaid Children's Medically Fragile Waiver

- Currently the annual cap for waiver expenditures per child is \$18,966. This annual cap has not been increased since 2008.
- This request would increase the annual cap to \$25,300.
- This request would also double the number of waiver slots from 25 to 50.

Total	General	Federal
\$392,422	\$186,400	\$206,022



Included in 2023-25 Engrossed SB 2012

Enhance Medicaid Children's Autism Waiver and sunset Autism Voucher program

- Streamline children's autism services offered through HHS
- Add 195 additional waiver slots to cover the children who had been receiving voucher services as well as to address the waiver wait list
- Waiver would be enhanced with the addition of tutoring as a waiver service
- Increase age limit from 16 years to 18 years (proposed amendment to SB2012)

Total	General	Federal
\$8,476,756	\$3,868,959	\$4,607,797



Additional LTC budget request

Funding for nursing facility value-based payment program

Total	General	Federal
\$12,000,000	\$6,000,000	\$6,000,000

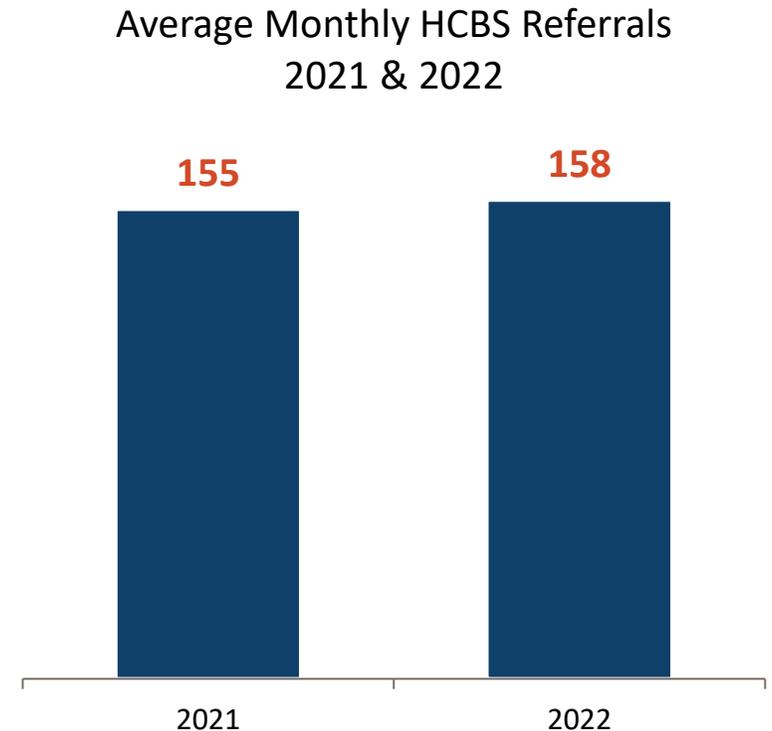
- HHS has worked closely with nursing facility stakeholders to design a value-based payment program.
- The item was inadvertently omitted from the executive budget request; it should have been included in the base budget.



Who We Serve in the LTC Continuum: Home and Community Based Services (HCBS)

There is a growing demand for Home and Community Based Services.

- HCBS services for older adults and adults with physical disability
 - Medicaid Aged & Disabled Waiver
 - Medicaid State Plan- Personal Care Services (MSP-PC)
 - SPED (Service Payments for the Elderly and Disabled)
 - Ex-SPED (Expanded Service Payments for the Elderly and Disabled)



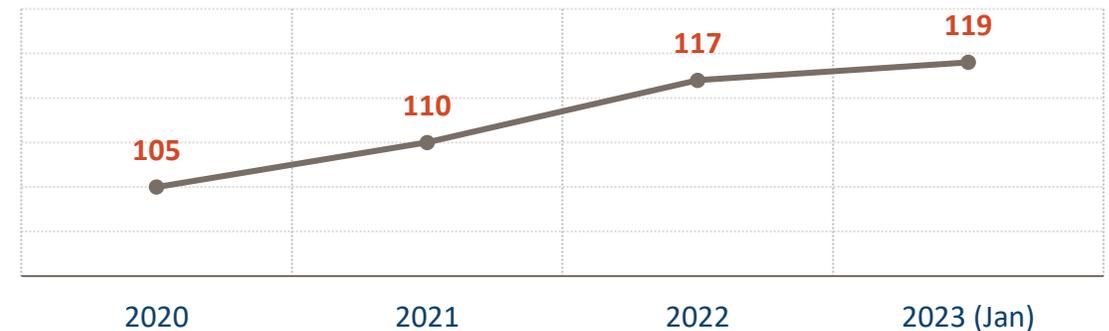
More North Dakotans are choosing home-based community care options every year

- ✓ Since the pandemic, the **demand** for in-home and community-based services has continued to **increase**
- ✓ Increased demand has increased the **average weighted caseload** per HCBS Case Manager
- ✓ **Many HCBS participants have complex needs** (medical and behavioral health needs) that increase the amount of time it takes to provide quality case management services
- ✓ Increased **need** for **additional** HCBS case management **staff**

Unduplicated HCBS Recipients



Average Weighted Caseload per Case Manager



ADULT & AGING SERVICES

Individuals receiving HCBS services (Dec 2022)

3,158

Number of unduplicated recipients supported by HCBS in CY2022

36% ↑

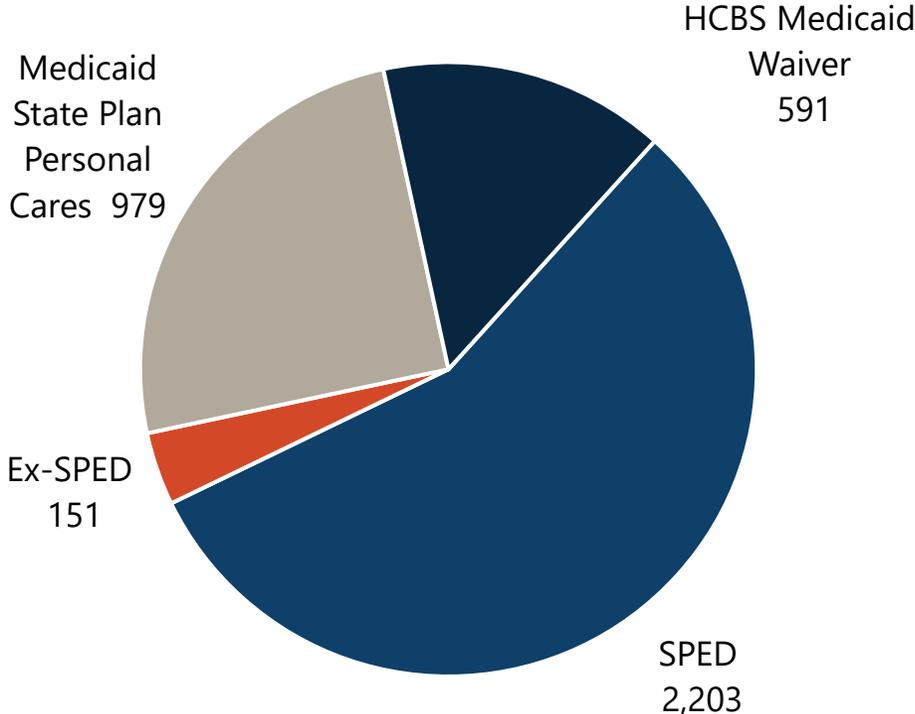
increase since 2020

- Primarily serves older adults and individuals with physical disabilities
- Recipients must be both functionally and financially eligible
- May have client cost share based on income
- Federal and state funds
- Recipients range in age from 15-104 yrs old



The number of ND residents **age 65+** will increase by **53%** from 2010-2029

Individuals Receiving HCBS in Dec 2022



Source: DHS HCBS Caseload Data Nov 2022

ND's older adult and adults with physical disability population –Who we serve

Types of Disability



Mobility: Serious difficulty walking or climbing stairs



Cognition: Serious Difficulty concentrating, remembering, or making decisions



Independent living: Serious difficulty doing errands alone such as visiting a doctor's office



Hearing: Deafness or serious difficulty hearing



Vision: Blind or serious difficulty seeing

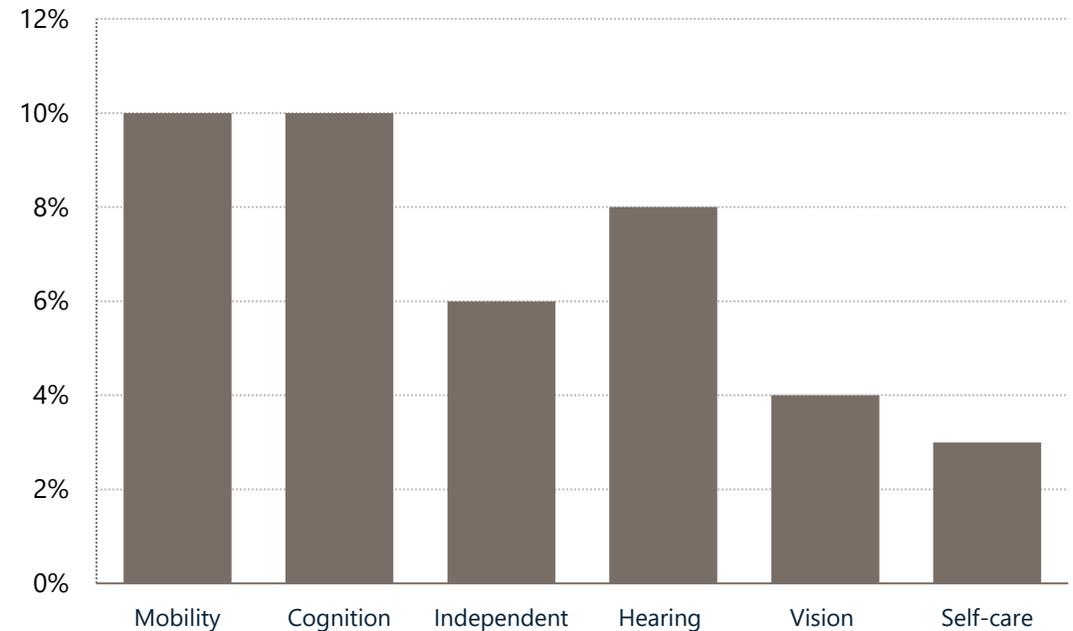


Self-care: Difficulty dressing or bathing



16% of ND's population is 65+

Percentage of adults in ND with select functional disability types



Source: 2022 CDC Disability Impacts ND

ADULT & AGING SERVICES

Types of SUPPORT SERVICES available via HCBS

- Adult Day Care
- **Adult Foster Care**
- Adult Residential Care
- Attendant Care
- Case Management
- Chore Service
- Community Support Services / Residential Habilitation
- Community Transition Services
- **Companionship**
- Emergency Response System
- Environmental Modification
- Extended Personal Care
- Emergency Response System
- Environmental Modification
- **Family Home Care** & Family Personal Care
- **Home-Delivered Meals**
- Homemaker Services
- Non-Medical Transportation
- Personal Care Services
- Respite Care
- Specialized Equipment
- Supervision
- Supported Employment
- Transitional Care

Included in 2023-25 Engrossed SB 2012

Increase staff capacity to deliver HCBS case management and implement DOJ Settlement Agreement

Includes funds to hire 11 FTE to meet demand and strengthen the HCBS delivery system.

- *7 FTE HCBS Case Management 457/HSZ budget (EBR request was for 10 FTE)*
- 1 FTE Aging Services Generalist
- 2 FTE provider navigators
- 1 FTE quality assurance

Total	General	Other
\$1,597,591	\$247,780	\$1,349,811
\$783,430		\$783,430

**Funding for 3 HCBS case managers included in EBR but not included in Engrossed SB 2012*

US Department of Justice Settlement Agreement requires the State to provide for a sufficient number of case managers to meeting with eligible individual's face-to face and develop a person-centered plan (PCP). HCBS Case Managers are also required to provide for all necessary services described in the PCP.



Implementing the Settlement Agreement between U.S. DOJ & State of North Dakota

PURPOSE is to ensure that ND will **meet Americans with Disabilities Act (ADA) requirements** by providing services, programs, and activities for individuals with physical disabilities in the most integrated setting appropriate to their needs.

Effective Dec. 14, 2020

Agreement will terminate eight years after effective date if Parties agree that the state has attained substantial compliance with all provisions and maintained that compliance for a period of one year.



WHO ARE WE TRYING TO REACH?

Defining Target Population

Basic Eligibility

- Individual with physical disability
- Over age 21
- Eligible or likely to become eligible to receive Medicaid long-term services and supports (LTSS)
- Is likely to require LTSS for at least 90 days.



IF in skilled nursing setting

- Receive Medicaid-funded nursing facility services AND
 - Likely to require long term services and supports
- Receive nursing facility services AND
 - Likely to become eligible for Medicaid within 90 days, have submitted a Medicaid application, and have approval for a long-term nursing facility stay

IF in hospital or home setting

- Referred for a nursing facility level of care determination AND
 - Likely to need services long term
- Need services to continue living in the community AND
 - Currently have a HCBS Case Manager or have contacted the ADRL

Adult & Aging Services: Who provides care?

Qualified Service Providers (QSPs)

Agency and individual independent contractors who enroll to provide various HCBS

1,156

Qualified Service Providers (QSPs)

137

Agency QSPs

1,019

Individual QSPs

What motivates individual QSPs to enroll as a provider?

- Someone important to them needed care

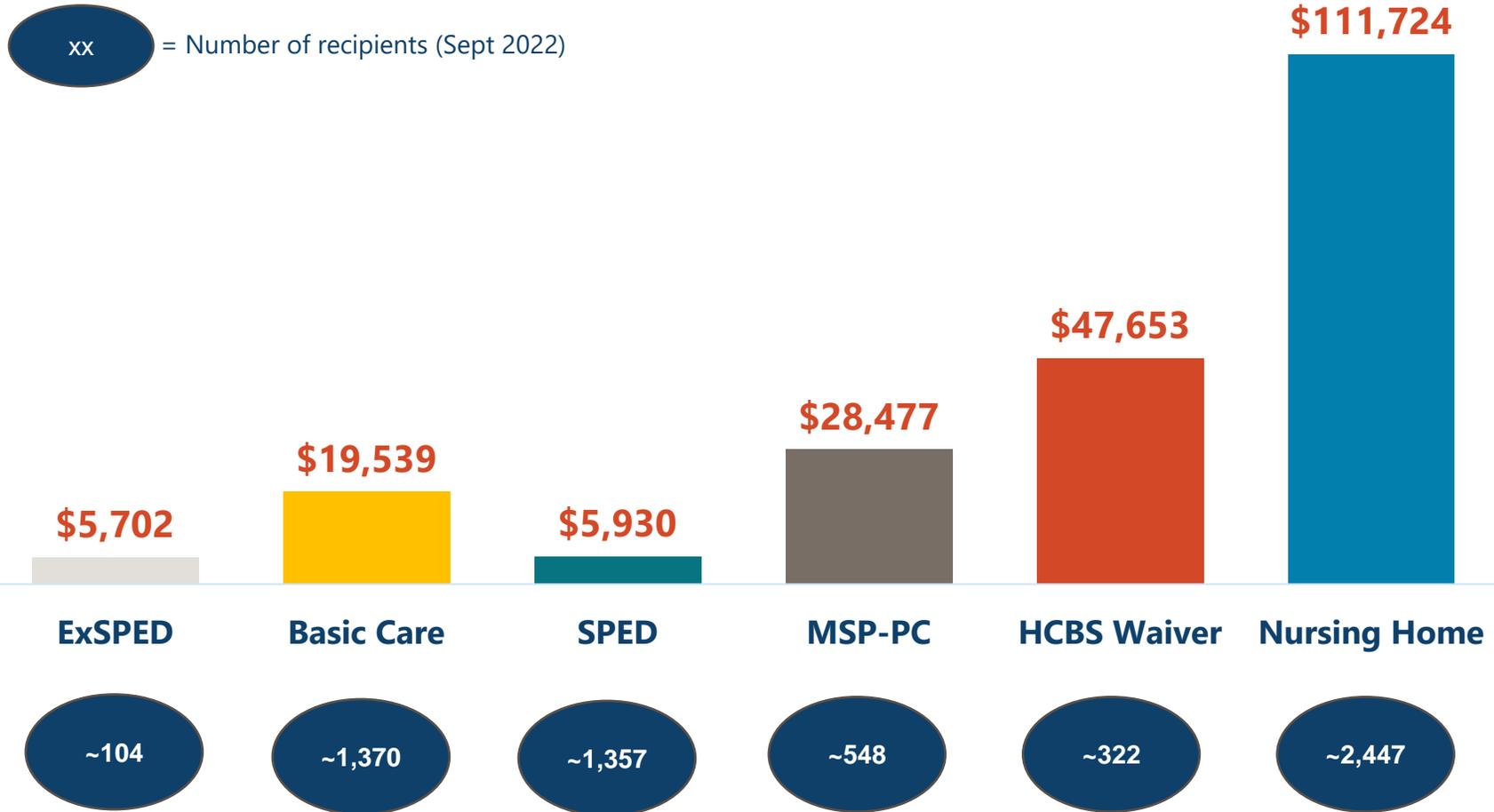
What would make it easier to stay a QSP?

- Higher rate for services provided

UND Independent QSP Survey June 2022

Average Annual Cost by Type of Service in LTC Continuum

(Analysis of Sept 2022 claims data)

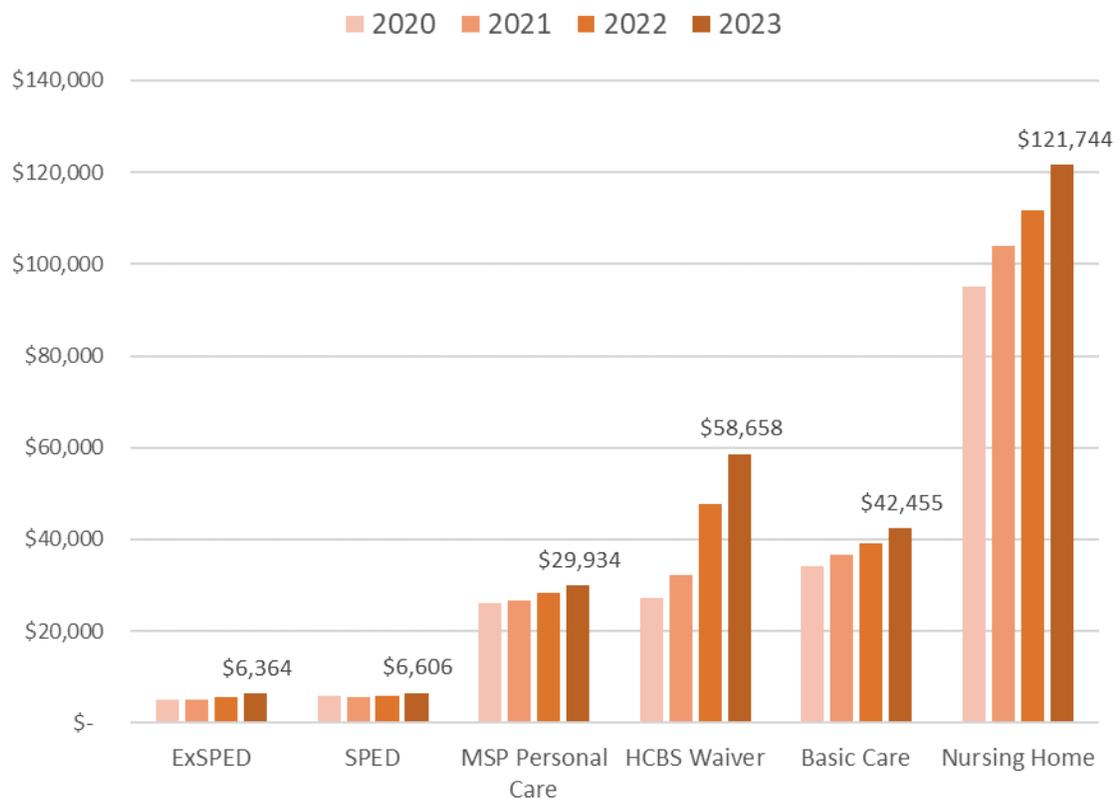


Eligibility criteria evaluate both a person’s functional and financial needs.

- Ex-SPED is the in-home alternative to Basic Care
- HCBS waiver and MSP-PC are in-home alternatives to Nursing Homes
- SPED assists people with higher asset levels (up to \$50,000)

LTC Services Comparison – Average annual cost per person 2020-2023

Average cost of care per individual served by type of service in LTC continuum



Average cost per person by type of service by year

	2020	2021	% chg 2020-21	2022	% chg 2021-22	2023	% chg 2022-23
ExSPED	\$ 5,004	\$ 5,071	1%	\$ 5,702	12%	\$ 6,364	12%
SPED	\$ 5,836	\$ 5,767	-1%	\$ 5,930	3%	\$ 6,606	11%
MSP Personal Care	\$ 26,165	\$ 26,591	2%	\$ 28,477	7%	\$ 29,934	5%
HCBS Waiver	\$ 27,231	\$ 32,111	18%	\$ 47,653	48%	\$ 58,658	23%
Basic Care	\$ 34,055	\$ 36,761	8%	\$ 39,249	7%	\$ 42,455	8%
Nursing Home	\$ 95,100	\$ 104,063	9%	\$ 111,724	7%	\$ 121,744	9%

Notes:

Data is based on paid date.

2020-2022 based on actual paid claims; 2023 is projected.

Included in 2023-25 Engrossed SB 2012

Increase quality of HCBS by reimbursing for QSP Agency on-call staff

- More HCBS recipients are needing 24-hour support to live safely in their home or community.
- US DOJ Settlement Agreement requires that Aging Services staff complete a health and safety plan that identifies back-up QSPs for HCBS recipients.
- Request appropriation to reimburse Agency QSPs to pay for dedicated on-call staff to assist members in the event of an emergency or “no-show” staffing issues.
- Funds would allow QSP agencies to designate and pay on call staff at night, weekends, and on holidays which will increase the safety and quality of HCBS.



Total	General	Federal
\$351,000	\$351,000	\$0

Included in 2023-25 Engrossed SB 2012

Reimburse one additional Home-delivered meal per day under HCBS waiver, SPED and Ex-SPED

- Food insecurity and poor nutrition can lead to poor health outcomes and nursing home placement.
- Currently allow reimbursement for one meal per day.
- Two meals per day would will help ensure better nutrition for HCBS recipients and reduce the need to find homemaking staff to provide meal preparation.



Total	General	Federal
\$138,150	\$138,150	\$0

Included in 2023-25 Engrossed SB 2012

Add companionship to SPED and Ex-SPED

- Social Isolation is a driver of poor health outcomes that can lead to nursing home placement.
- Companionship services are currently available in the HCBS Medicaid waiver and under the Older Americans Act for those 60+.
- Individuals under age 60 that don't qualify for the HCBS Medicaid waiver cannot access this service.
- Funding companionship will allow eligible individuals to access up to 15 hours per month of companionship services based on their therapeutic needs.



Total	General	Federal
\$280,000	\$280,000	\$0

Included in 2023-25 Engrossed SB 2012

Allow bed hold days for community support and residential habilitation

- Allow Agency QSPs enrolled to provide this service to bill up to 30 bed hold days per year, per member.
- HCBS Medicaid waiver eligible individuals must meet a nursing facility level of care and may have unstable Medical conditions, so hospitalizations are common.
- Allowing bed hold days would ensure individuals can keep their HCBS provider when hospitalized for short periods or during a rehab stay.



Total	General	Federal
\$182,910	\$86,882	\$96,028

Included in 2023-25 Engrossed SB 2012

Increase rates for adult foster care and family home care

- Increase the Adult Foster Care rate from up to \$96.18 to \$150.00 per day and the Family Home Care rate from \$48.12 to \$80.00 per day.
- Incentivize 24-hour support opportunities for individuals who need this level of care.
- Increasing these rates will allow more eligible individuals to access a shared living environment that can meet their intermittent care needs.



Total	General	Federal	Senate Bill
\$7,799,674	\$7,019,837	\$779,837	EBR 2012
\$6,337,174*	\$5,557,337	\$779,837	ENG 2012

*Senate reduced FHC from \$80 per day to \$72.50

Included in 2023-25 Engrossed SB 2012

Base rate for incentive to provide care to individuals with lower-level needs

- Create a higher base rate for the first hour of personal care or homemaker as an incentive for providers to serve individuals who only need a few hours of care each day or each week.
 - For example, individuals who only need help when they get up and when they go to bed.
- Pay time and a half of the regular agency and individual QSP rate
- Some QSPs will not serve individuals unless they are guaranteed a certain number of hours that will cover the expense of staff time and travel to the client.
- Serving people early, when they first start to need help because of age related functional impairments will help people stay healthier and avoid more costly levels of care.



Total	General	Federal
\$100,000	\$100,000	\$0
\$3,953,520	\$2,277,228	\$1,676,292

**Note: This item was included in the Executive Budget Request but at a placeholder amount as the actual amount was unknown at that time.*

Additional LTC budget request

Offer higher acuity rates for individuals with complex medical or behavioral health needs

Total	General	Federal
\$ 1,999,399	1,614,478	\$385,522

- US DOJ Settlement Agreement required the State to conduct a rate study. Results were received November 2022 after budget was built.
- Recommendations from the study include paying a higher acuity rate to providers willing to serve individuals with complex needs.
- Currently pay the same rate for services regardless of difficulty of care factors.
- Higher rates would provide an incentive to serve individuals with higher level need.



Simplifying the service array

Create a personal care with supervision service in the HCBS waiver

Total	General	Federal
\$ 0	\$12,500,755 – HCBS waiver (\$12,500,755) – MSP-PC	\$13,538,405 - HCBS waiver (\$13,538,405) – MSP-PC

- US DOJ Settlement Agreement required the State to conduct a rate study. Results were received November 2022 (after 2023-25 executive budget was built).
- Recommendations from the study include simplifying the service array to reduce the administrative burden (billing & documentation) for providers.
- This proposal creates a new service (“personal care with supervision”) which would allow existing Medicaid members to move from Medicaid State Plan Personal Care (MSP-PC) to the HCBS waiver.
- Currently personal care and supervision must be billed separately. Creating a personal care with supervision service would combine these two services into one creating an easier way to document and bill for providers.



LTC: Overview of Budget Changes

By detailed expense

Description	2023 - 2025 Budget Base	Increase / (Decrease)	2023 - 2025 Executive Budget	Increase / (Decrease)	Engrossed SB 2012
511x Salaries - Regular	\$ -	\$ -	\$ -	\$ -	\$ -
512x Salaries - Other	-	-	-	-	-
513x Salaries Temp	-	-	-	-	-
514x Salaries Overtime	-	-	-	-	-
516x Salaries Benefits	-	-	-	-	-
Total Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
52x Travel	-	-	-	-	-
53x Supply	-	-	-	-	-
54x Postage & Printing	-	-	-	-	-
55x Equipment under \$5,000	-	-	-	-	-
56x Utilities	-	-	-	-	-
57x Insurance	-	-	-	-	-
58x Rent/Leases - Bldg/Equip	-	-	-	-	-
59x Repairs	-	-	-	-	-
61x Professional Development	-	-	-	-	-
62x Fees - Operating & Professional	-	-	-	-	-
67x Expenses	-	-	-	-	-
53x Supplies	-	-	-	-	-
60x IT Expenses	-	-	-	-	-
68x Land, Building, Other Capital	-	-	-	-	-
69x Over	-	-	-	-	-
69x Equipment Over \$5,000	-	-	-	-	-
71x Grants, Benefits, & Claims	807,135,162	143,807,148	950,942,310	(3,985,808)	946,956,502
72x Transfers	-	-	-	-	-
Total Operating	\$ 807,135,162	\$ 143,807,148	\$ 950,942,310	\$ (3,985,808)	\$ 946,956,502
Total	\$ 807,135,162	\$ 143,807,148	\$ 950,942,310	\$ (3,985,808)	\$ 946,956,502

LTC: Overview of Budget Changes by Funding Source

Description	2023 - 2025 Budget Base	Increase / (Decrease)	2023 - 2025 Executive Budget	Increase / (Decrease)	Engrossed SB 2012
General Fund	\$ 396,629,520	\$ 82,489,970	\$ 479,119,490	\$ (3,273,399)	\$ 475,846,091
Federal Funds	409,193,642	62,317,178	471,510,820	(712,409)	470,798,411
Other Funds	1,312,000	(1,000,000)	312,000	-	312,000
Total Funds	\$ 807,135,162	\$ 143,807,148	\$ 950,942,310	\$ (3,985,808)	\$ 946,956,502

Summary of LTC Items included in Engrossed SB 2012

	General	Federal	TOTAL
Increase personal needs allowance for members in nursing facilities, basic care facilities, and intermediate care facilities (ICF)	\$3,439,800	\$1,913,100	\$1,526,700
Increase benefit level and number of slots for the Medicaid Children's Medically Fragile waiver	\$186,400	\$206,022	\$392,422
Enhance Medicaid Children's Autism waiver and sunset Autism Voucher program	\$3,868,959	\$4,607,797	\$8,476,756
Increase quality of HCBS by reimbursing for QSP Agency on-call staff	\$351,000	\$0	\$351,000
Reimburse one additional home delivered meal per day under the HCBS waiver, SPED, and Ex-SPED	\$138,150	\$0	\$138,150
Add companionship to SPED and Ex-SPED	\$280,000	\$0	\$280,000
Allow bed hold days for community support and residential habilitation	\$86,882	\$96,028	\$182,910
Increase rates for adult foster care and family home care	\$7,019,837	\$779,837	\$7,799,674
Base rate for incentive to provide care to individuals with lower-level needs *	\$100,000	\$0	\$100,000

**Note: This item was included in the Executive Budget Request but at the incorrect dollar amount (see adjustment on additional request summary)*

Summary of Additional LTC Budget Requests

	General	Federal	TOTAL
Nursing Facility Value-based payment program	\$6,000,000	\$6,000,000	\$12,000,000
Offer higher acuity rates for individuals with complex medical or behavioral health needs	\$1,614,478	\$385,522	\$1,999,399
Base rate for incentive to provide care to individuals with lower-level needs *	\$2,277,228	\$1,676,292	\$3,953,520
TOTAL	\$9,891,706	\$8,061,814	\$17,952,919

**Note: This item was included in the Executive Budget Request but at the incorrect dollar amount (\$100,000); this summary reflects adjusted request.*

LTC: Legislative Bills and their potential budget impact

- **SB 2335** – establishes a cross-disability council, amends developmental disability definition, limited funding
- **SB 2276** – allow parents as paid caregivers
- **SB 2283** – Basic care rebasing, 6% / 4% provider inflation, \$10 per day for 2023 & 2024





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