Legislative Forums

95th Session
South Dakota Legislature

December 2019

South Dakota
Association of Healthcare Organizations

Advancing Healthy Communities

Budget Overview: Economic Assumptions

- US real GDP growth forecast: 2.3% in 2019 and 2.0% in 2020
- SD forecast is more conservative; consistent with views of the SD Council of Economic Advisors
- Continued low inflation
- Uncertain outlook for agriculture sector in 2020

Budget Overview: Ongoing Expense

- No discretionary inflation increases
- K-12 enrollment increases and Special Education allocation rebase
- Mandatory medical provider inflation and consumer expansion
- State government workforce benefit enhancements

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Budget Overview: $870K Rural Recruitment

For the Recruitment Assistance Program (RAP), 6 healthcare providers who signed contracts in state fiscal year 2018 are scheduled to complete and be paid for their 3-year contracts during state fiscal year 2021.

6 Providers Completed Contract
2 Physicians-Mobridge, Custer
2 Dentist-Martin, Faith
2 Nurse Practitioners/Physician Assistants- Viborg and Flandreau

For the Rural Healthcare Facility Recruitment Assistance Program (RHFRAP), 50 healthcare providers who signed contracts in state fiscal year 2018 are scheduled to complete and be paid for their 3-year contracts during state fiscal year 2021.

50 Providers Completed Contract	
1 Dietitian	6 Physical Therapist
5 LPNs	2 Radiologic Technologists
2 Medical Laboratory Scientists	30 RNs
2 Occupational Therapist	1 Speech Therapist

Communities: Alcester, Armour, Bowdle, Bristol, Britton, Chamberlain, Dell Rapids, Faulkton, Garretson, Gettysburg, Gregory, Hot Springs, Lemmon, Madison, Martin, Miller, Mobridge, Parkston, Philip, Redfield, Scotland, Sisseton, Sturgis, Viborg, Wagner, Webster, Wessington Springs, Wilmot

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Budget Overview: $99K Rural Residency

Expansion requested for year 3 of the residency track

$99,038 general funds, $145,911 federal fund expenditure authority

3 year ramp up- 2 students added each year – Year 2 has 4 students

Drs. Gene Campbell (left) and Abby Serpan (right) are the first two doctors to begin the final stage of their training as physicians in the Rural Family Residency Program

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Acute Care Focus

Medicaid Rates:

- Medicaid rates were cut by 11.48% in FY2012 Budget for hospitals
- Medicaid rates in South Dakota are approximately 60% of Medicare rates.

  For comparison: all Medicaid rates in North Dakota are at or above Medicare rates.

  - More than 119 Rural Hospitals have closed since 2010
  - 161 Rural Hospitals have closed since 2005
  - 674 additional rural hospitals are vulnerable and at risk of closure

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Post-Acute Focus

1. Increase **provider rates** to align with our surrounding states and close the gap between Medicaid and private pay rates.
2. Continue to implement and leverage the Healthcare Solutions Federal 100% **FMAP** Indian Health Services reimbursement in non-IHS facilities via care coordination agreements.
3. Support and educate post-acute members on the 700 pages of federal **regulations** for nursing homes, home health and hospice.

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Post-Acute Focus

1.Guide and inform members on the South Dakota Department of Health **survey activity** and statement of **deficiencies.**

2.Advocate for more home and community-based services (HCBS), particularly in rural areas.

3.Innovation Grants

- 56 grant proposals submitted
- 25 out of a 104 facilities awarded for innovation grant funding
- Grant awardees amount range from $454k to multiple facilities and low of $4,465

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Post-Acute Provider Concerns

- $42.76 per resident per day **shortfall** – resulting in significant private pay rate increases to break even.
- **Workforce** challenges with high turn-over (42%), low wages ($12.47) and competition. This hands-on patient care cannot be replaced with a kiosk or machine, it requires a skilled, compassionate human being.
- Most nursing facilities in South Dakota are **40 years old** and cannot accommodate the bariatric and behavioral health residents seeking care.
- Providers feel pressure to accept **high-risk residents** and face the threat of non-payment and risk of Civil Monetary Penalty (CMP).

Telemedicine

- Continued support for use of telemedicine in both rural and urban areas across South Dakota to increase access to quality health care services, reduce travel and support the rural workforce.
  - Reduce the cost and risk of unnecessary patient transfers
  - Avoid expensive ER visits by promoting low-cost virtual visits
  - Eliminate patient travel time and personal expense by treating residents where they live
- Reimburse providers (MD and APP) for visits via telemedicine.
- Support Remote Patient Monitoring as a way to keep patients in their home and not at a higher level care facility.

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Telemedicine Task Force

The task force will send three draft pieces of legislation in December to the Legislature's Executive Board, which will decide what bills will be submitted when the Legislative session opens in January 2020.

- One bill would set the parameters for telehealth, permitting interactive audio-video, asynchronous (store-and-forward) and remote patient monitoring platforms while banning phone, fax, text and mail as the sole method of telehealth contact. It would also define the originating site as "where a patient is located at the time health care services are delivered," and enable providers to use telehealth to prescribe controlled substances to new patients, as long as certain conditions are met.
- The second proposed bill would enable care providers to use telemedicine – specifically a real-time audio-visual platform – to conduct a mental health examination of a patient detained or placed on an emergency intervention. It would also enable mobile crisis teams to use telemedicine to supervise certain patients.
- The third proposed bill would expand the state's resource information system – called the 211 services – to the entire state, giving residents on-demand access to "resources for a person in a crisis or disaster; resources for social services, human services, legal assistance, financial assistance, or for other related needs; and assistance for mental health, physical health, or substance abuse."

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Proposed Video Monitoring Bill

A resident or resident's authorized representative of a nursing home or assisted living facility may conduct video monitoring in accordance with this Act.

- Consent is required from resident and resident's roommate if applicable - Audio is prohibited
- Minnesota Supreme Court decision
- Video recording device must be approved
- Facility must post a notice to visitors
- Facility is NOT civilly or criminally liable for a violation of any person's right to privacy arising out of any video monitoring
- Resident shall pay for all of the costs for the device
- No person may access or disseminate a video recording without written consent of the resident
- Recording may be admitted into evidence if the monitoring was conducted in accordance with this act and the contents have not been edited or artificially enhanced and the recording indicates a date and time the events occurred

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Federal Issues

- 340B
- CNA Lock Out – Nursing Home Workforce Quality Act (H.R. 4468)
- Surprise Billing
- Drug Pricing

Thank You

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