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EXHIBIT 6  
DATE 3-10-05  
HB 704

## HB 704 DPHHS TIME FRAMES

The Dept. of Public Health and Human Services inspects all nursing homes at least once a year. The inspection is called a "survey". Federal guidelines require the state to provide the survey results to the nursing homes within 10 working days. If a facility disagrees with the survey findings, the federal government requires the state to offer the nursing home a "dispute resolution process".

DPHHS, is not meeting the 10-day requirement for survey results and is taking 4 to 5 months to notify facilities of dispute resolution results.

This legislation does 2 things:

1. It requires the department to meet the 10-day requirement for survey results; and
2. It requires the results of all "informal dispute resolutions" to be provided within 45 days after the dispute process is complete.

The survey process is extremely important to facilities. What is written in facilities' survey reports and the ability to resolve disputes in a timely way affects:

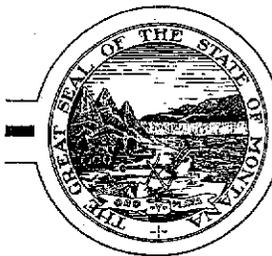
- the facility's reputation in the community
- the facility's ability to receive payment from Medicaid and Medicare
- the facility's liability insurance rates
- the facility's ability to correct deficiencies in a timely fashion and assure high quality care for their residents

At the hearing, DPHHS agreed that the time frames in this bill are reasonable. They also gave an example of receiving an \$11,000 sanction from the federal government for being late on a survey report. The federal government pays 87% of the cost of the staff that are used to do this work and the state may be at risk for additional sanctions.

This is a simple bill providing reasonable time lines for completing important work.

Please vote "do pass" on HB 704.

DEPARTMENT OF  
PUBLIC HEALTH AND HUMAN SERVICES  
DIVISION OF QUALITY ASSURANCE



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Testimony of the Department of Public Health  
and Human Services  
Before the House Human Services Committee  
February 18, 2005

RE: HB 704 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING TIMEFRAMES FOR THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES FOR DECISIONS ON SURVEYS AND INFORMAL DISPUTE RESOLUTION FOR LONG-TERM CARE FACILITIES; AMENDING SECTION 53-6-109, MCA; AND PROVIDING AN EFFECTIVE DATE."

The Quality Assurance Division of the Department of Public Health and Human Services has responsibility for both the Informal Dispute Resolution (or IDR) and the Medicare/Medicaid survey and certification process that are addressed in HB 704. We conceptually support the timeframes that are outlined in this bill. We would be unable to meet these time frames, however, without additional resources. We have prepared a fiscal note for this bill that asks for additional resources. I don't believe that you have the note before you today as it is still winding its way through the approval process. Our request is for 4.00 FTE. Two FTE are needed to perform the IDR functions required on page 2, lines 2-4 of the bill. Two additional FTE are required to perform the survey form quality assurance function outlined on page 2, lines 12-14 of the bill. The general fund cost for all of these FTE is only \$29,643 in SFY 2006 and \$28,155 in SFY 2007. Survey related activities are funded at a 12.5% general fund and 87.5% federal fund matching rate.

I wanted you to have a clearer idea about the areas addressed in HB 704, so I have prepared two handouts. The white handout is a copy of an Informal Dispute Resolution hearing decision. An Informal Dispute Resolution hearing can be requested by a nursing facility if they disagree with survey and certification findings made by the Department. A hearing officer who is independent of the survey process conducts the hearing. These hearings can be quite complex and often involve multiple issues that must be decided. Each issue may require research into federal and state regulations, nursing home industry standards, and medical standards of practice.

The second handout, on colored paper, is the actual survey form, which is called a 2567. This contains the information about any deficient practices that were found when the Department performed an on-site inspection of the nursing facility. This form must be posted at the nursing facility and be available for public review. The federal government also publishes results of the survey on a nationally available web page. Thus, accuracy is critical to both providers and the Department.

I will be available and would be happy to answer any questions that you might have about the IDR or survey process.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mary E. Dalton".

Mary E. Dalton, Administrator  
Quality Assurance Division