

Fifty-fifth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1039**

Introduced by

Legislative Council

(Budget Committee on Home and Community Care)

(Representatives Price, Boucher, Coats)  
(Senators Thane, Sand, Lindaas)

1 A BILL for an Act to amend and reenact subsection 4 of section 50-24.4-10 of the North Dakota  
2 Century Code, relating to nursing home rates.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Subsection 4 of section 50-24.4-10 of the 1995  
5 Supplement to the North Dakota Century Code is amended and reenacted as follows:

6 4. The department shall establish limits on actual allowable historical operating cost  
7 per diems based on cost reports of allowable operating costs for the reporting year  
8 that begins July 1, 1987, taking into consideration relevant factors including  
9 resident needs, nursing hours necessary to meet resident needs, size of the  
10 nursing home, and the costs that must be incurred for the care of residents in an  
11 efficiently and economically operated nursing home. The limits established by the  
12 department may not be less, in the aggregate, than the sixtieth percentile of total  
13 actual allowable historical operating cost per diems for each group of nursing  
14 homes established under this chapter based on cost reports of allowable operating  
15 costs in the previous reporting year. The limits established under this subsection  
16 remain in effect until the department establishes a new base period. Until the new  
17 base period is established, the department shall adjust the limits annually using the  
18 appropriate economic change indices established in subsection 5. In determining  
19 allowable historical operating cost per diems for purposes of setting limits and  
20 nursing home payment rates, the department shall divide the allowable historical  
21 operating costs by the actual number of resident days, except that where a nursing  
22 home is occupied at less than ninety percent of licensed capacity days, the  
23 department may establish procedures to adjust the computation of the per diem to  
24 an imputed occupancy level at or below ninety percent. To encourage the

1           development of home and community-based services as an alternative to nursing  
2           home care, the department may waive the imputed occupancy level requirements  
3           for a nursing home that the department determines to be providing significant  
4           home and community-based services. The department shall establish efficiency  
5           incentives as appropriate. The department may establish efficiency incentives for  
6           different operating cost categories. The department shall consider establishing  
7           efficiency incentives in care-related cost categories. The department may combine  
8           one or more operating cost categories and may use different methods for  
9           calculating payment rates for each operating cost category or combination of  
10          operating cost categories.