

Fifty-eighth  
Legislative Assembly  
of North Dakota

**ENGROSSED HOUSE BILL NO. 1164**

Introduced by

Human Services Committee

(At the request of the Department of Human Services)

1 A BILL for an Act to create and enact chapter 50-32 of the North Dakota Century Code, relating  
2 to licensing of assisted living facilities; to amend and reenact subsection 8 of section 23-09-01  
3 and sections 50-24.5-01 and 50-24.5-02 of the North Dakota Century Code, relating to assisted  
4 living facilities; to repeal section 50-24.5-02.1 of the North Dakota Century Code, relating to  
5 registration of assisted living facilities; and to provide a penalty.

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

7 **SECTION 1. AMENDMENT.** Subsection 8 of section 23-09-01 of the North Dakota  
8 Century Code is amended and reenacted as follows:

9 8. "Lodging establishment" includes every building or structure, or any part thereof,  
10 which is kept, used, maintained, or held out to the public as a place where sleeping  
11 accommodations are furnished for pay to four or more transient guests. The term  
12 does not include a facility providing personal care services directly or through  
13 contract services as defined in section 23-09.3-01 or ~~50-24.5-01~~ 50-32-01.

14 **SECTION 2. AMENDMENT.** Section 50-24.5-01 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16 **50-24.5-01. Definitions.** In this chapter, unless the context otherwise requires:

17 1. ~~"Activities of daily living" means bathing, dressing, toileting, transferring, eating,~~  
18 ~~bed mobility, medication management, and personal hygiene.~~  
19 2. "Aged" means at least sixty-five years of age.  
20 3. ~~"Assisted living facility" means any building or structure containing a series of living~~  
21 ~~units operated as one business entity to provide services for five or more~~  
22 ~~individuals who are aged or disabled adults and who are not related by blood or~~  
23 ~~marriage to the owner or manager of the entity and which is kept, used,~~  
24 ~~maintained, advertised, or held out to the public as a place that makes available~~

~~individualized support services to accommodate an individual's needs and abilities to maintain as much independence as possible. It does not include a facility that is licensed as a basic care facility or a congregate housing facility.~~

4. 2. "Blind" has the same meaning as the term has when used by the social security administration in the supplemental security income program under title XVI of the Social Security Act [42 U.S.C. 1381 et seq.].

~~5.~~ 3. "Congregate housing" means housing shared by two or more individuals not related to each other which is not provided in an institution.

~~6.~~ 4. "County agency" means the county social service board.

~~7.~~ 5. "Department" means the department of human services.

~~8.~~ 6. "Disabled" has the same meaning as the term has when used by the social security administration in the supplemental security income program under title XVI of the Social Security Act [42 U.S.C. 1381 et seq.].

~~9.~~ 7. "Eligible beneficiary" means a resident of this state who:

- a. (1) Is aged; or
- (2) Is at least eighteen years of age and is disabled or blind;
- b. Has applied for and is eligible to receive benefits under title XIX of the Social Security Act [42 U.S.C. 1396 et seq.], provided that an individual who was eligible to receive benefits under title XVI of the Social Security Act [42 U.S.C. 1381 et seq.] and who was receiving benefits under title XVI before January 1, 1995, is not ineligible because that individual is not eligible to receive benefits under title XIX;
- c. Based on a functional assessment, is not severely impaired in any of the activities of daily living of toileting, transferring to or from a bed or chair, or eating and:
  - (1) Has health, welfare, or safety needs, including a need for supervision or a structured environment, which require care in a licensed adult family foster care home or an assisted living facility; or
  - (2) Is impaired in three of the following four instrumental activities of daily living: preparing meals, doing housework, taking medicine, and doing laundry; and

d. Is determined to be eligible pursuant to rules adopted by the department.

~~40. "Individualized support services" means services designed to provide assistance to adults who may have physical or cognitive impairments and who require at least a moderate level of assistance with one or more activities of daily living.~~

~~44.~~ 8. "Institution" means an establishment that makes available some treatment or services beyond food or shelter to five or more individuals who are not related to the proprietor.

~~42. "Instrumental activities of daily living" means activities to support independent living including housekeeping, shopping, laundry, transportation, and meal preparation.~~

~~43.~~ 9. "Living independently" includes living in congregate housing. The term does not include living in an institution.

~~44. "Living unit" means a portion of an assisted living facility occupied as the living quarters of an individual who has entered into a lease agreement with the assisted living facility.~~

~~45.~~ 10. "Proprietor" means an individual responsible for day-to-day administration and management of a facility.

~~46.~~ 11. "Qualified service provider" means a county agency or independent contractor who agrees to meet standards for services and operations established by the department.

~~47. "Related by blood or marriage to the owner or manager" means an individual who is a spouse or former spouse of the owner or manager or is a parent, stepparent, grandparent, stepgrandparent, child, stepchild, grandchild, stepgrandchild, brother, sister, half brother, half sister, stepbrother, or stepsister of the owner or manager or the owner or manager's spouse or former spouse.~~

~~48.~~ 12. "Related to the proprietor" means an individual who is a proprietor's spouse or former spouse, or a parent, stepparent, grandparent, stepgrandparent, child, stepchild, grandchild, stepgrandchild, brother, sister, half-brother, half-sister, stepbrother, or stepsister of a proprietor or proprietor's spouse or former spouse.

1     ~~49.~~ 13.    "Remedial care" means services that produce the maximum reduction of an  
2                   eligible beneficiary's physical or mental disability and the restoration of an eligible  
3                   beneficiary to the beneficiary's best possible functional level.

4             ~~20.~~   ~~"Tenant" means an adult individual who has entered into a lease agreement with~~  
5             ~~an assisted living facility.~~

6     ~~24.~~ 14.    "Would be eligible to receive the cash benefits except for income" refers to an  
7                   individual whose countable income, less the cost of necessary remedial care that  
8                   may be provided under this chapter, does not exceed an amount equal to the cash  
9                   benefit under title XVI of the Social Security Act [42 U.S.C. 1381 et seq.] which the  
10                  individual would receive if the individual had no income, plus sixty dollars.

11            **SECTION 3. AMENDMENT.** Section 50-24.5-02 of the North Dakota Century Code is  
12   amended and reenacted as follows:

13            **50-24.5-02. Powers and duties of the department.** The department shall:

- 14            1.   Administer aid to vulnerable aged, blind, and disabled persons and supervise and  
15               direct county agencies in the administration of aid to vulnerable aged, blind, and  
16               disabled persons.
- 17            2.   Supplement, within the limits of legislative appropriation, the income of an eligible  
18               beneficiary receiving necessary adult family foster care services to the extent that  
19               the eligible beneficiary lacks income sufficient to meet the cost of that care  
20               provided at rates determined by the department.
- 21            3.   Supplement, within the limits of legislative appropriation, the income of an eligible  
22               beneficiary receiving necessary basic care services to the extent that the eligible  
23               beneficiary lacks income sufficient to meet the cost of that care, provided at rates  
24               determined by the department.
- 25            4.   Pay qualified service providers at rates determined by the department, within the  
26               limits of legislative appropriation, for the provision of the following services  
27               provided to an eligible beneficiary to the extent that the eligible beneficiary lacks  
28               income sufficient to meet the cost of these services:
  - 29               a.   Homemaker services;
  - 30               b.   Chore services;
  - 31               c.   Respite care;

- d. Home health aide services;
- e. Case management;
- f. Family home care;
- g. Personal attendant care;
- h. Adult family foster care;
- i. Adaptive assessment; and
- j. Other services the department determines to be essential and appropriate to sustain an individual in the individual's home and community and to delay or prevent institutional care.

5. Establish, maintain, and ensure the enforcement of standards for congregate housing as may be appropriate to the needs of the residents of congregate housing who are receiving services under this chapter. The standards must govern matters such as admission policy, safety, sanitation, and protection of civil rights.

6. Establish an individualized care rate for each eligible beneficiary receiving adult family foster care services or assisted living services.

7. Issue payment to basic facilities and adult family foster care facilities for services provided to an eligible beneficiary.

8. Take action and give directions necessary to implement this chapter.

~~9. Establish a method to receive complaints related to assisted living facilities and to forward the complaints to the appropriate agency for investigation.~~

**SECTION 4.** Chapter 50-32 of the North Dakota Century Code is created and enacted as follows:

**50-32-01. Definitions.** In this chapter, unless the context otherwise requires:

1. "Assisted living facility" means a building or structure containing a series of living units operated as one entity to provide services for five or more individuals who are not related by blood, marriage, or guardianship to the owner or manager of the entity and which is kept, used, maintained, advertised, or held out to the public as a place that provides or coordinates individualized support services to accommodate the individual's needs and abilities to maintain as much independence as possible. An assisted living facility does not include a facility that

1           is a congregate housing facility, licensed as a basic care facility, or licensed under  
2           chapter 23-16 or 25-16.

3           2. "Department" means the department of human services.

4           3. "Entity" means an individual, institution, organization, limited liability company, or  
5           corporation, whether or not organized for profit.

6           4. "Individualized support services" means services provided to individuals who may  
7           require assistance with the activities of daily living of bathing, dressing, toileting,  
8           transferring, eating, medication management, and personal hygiene.

9           5. "Living unit" means a portion of an assisted living facility occupied as the living  
10          quarters of an individual who has entered into a lease agreement with the assisted  
11          living facility.

12          6. "Related by blood or marriage to the owner or manager" means an individual who  
13          is a spouse or former spouse of the owner or manager or is a parent, stepparent,  
14          grandparent, stepgrandparent, child, stepchild, grandchild, stepgrandchild, brother,  
15          sister, half-brother, half-sister, stepbrother, or stepsister of the owner or manager  
16          or the owner or manager's spouse or former spouse.

17          **50-32-02. Licensing of assisted living facilities - Penalty.**

18          1. An entity may not keep, operate, conduct, manage, or maintain an assisted living  
19          facility or use the term "assisted living" in its advertising unless it is licensed by the  
20          department.

21          2. An assisted living facility shall pay to the department an annual license fee of  
22          seventy-five dollars for each facility. License fees collected under this section  
23          must be deposited in the department's operating fund in the state treasury. An  
24          expenditure from the fund is subject to appropriation by the legislative assembly.

25          3. An assisted living facility shall apply annually to the department for a license. After  
26          the fifty-ninth day following the notification of noncompliance with annual licensing,  
27          the department may assess a fine of up to fifty dollars per day against an entity  
28          that provides assisted living services or uses the term assisted living in its  
29          marketing without a license approved by the department. Fines collected under  
30          this section must be deposited in the department's operating fund in the state

1           treasury. An expenditure from the fund is subject to appropriation by the legislative  
2           assembly.

3           4.   Religious orders providing individualized support services to vowed members  
4           residing in the order's retirement housing are not subject to this chapter.

5           **50-32-03. Powers and duties of the department.** The department shall:

6           1.   Take action and give directions necessary to implement this chapter.

7           2.   Establish a method to receive complaints related to assisted living facilities and to  
8           forward the complaints to the appropriate agency for investigation.

9           3.   Establish rules governing the licensing of assisted living facilities to regulate the  
10          application for, approval, denial, revocation, and requirements of a license.

11          **50-32-05. Assisted living facility health services.** An entity may provide health  
12          services to individuals residing in an assisted living facility owned or operated by that entity.  
13          For purposes of this section, health services means services provided to an individual for the  
14          purpose of preventing disease and promoting, maintaining, or restoring health or minimizing the  
15          effects of illness or disability.

16          **SECTION 5. REPEAL.** Section 50-24.5-02.1 of the North Dakota Century Code is  
17          repealed.