

Sixty-second
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1423

Introduced by

Representatives Kreidt, Heller, Kempenich, J. Nelson

Senators Bowman, Christmann

1 A BILL for an Act to create and enact a new section to chapter 50-24.5 of the North Dakota
2 Century Code, relating to compensation for top management personnel of a basic care facility.

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

4 **SECTION 1.** A new section to chapter 50-24.5 of the North Dakota Century Code is created
5 and enacted as follows:

6 **Compensation for top management personnel of a basic care facility.**

7 The department shall include in the ratesetting system for basic care facilities a limitation on
8 compensation for top management personnel which includes:

9 1. Compensation on an annual basis for top management personnel of a basic care
10 facility must be limited to, prior to allocation, the greatest of:

11 a. The highest market-driven compensation of an administrator employed by a
12 freestanding, not-for-profit basic care facility during the report year;

13 b. The limit set under this subsection for the previous rate year adjusted by the
14 increase, if any, in the consumer price index, urban wage earners and clerical
15 workers, all items, United States city average;

16 c. Sixty-one thousand twenty-six dollars; or

17 d. If the basic care facility is combined with a nursing facility or a hospital or is an
18 entity of a chain organization that has a licensed nursing facility or hospital, the
19 compensation limit for top management personnel as determined by rule adopted
20 by the department except the allocation of the compensation to the basic care
21 facility may not exceed the greatest of subdivision a, b, or c.

22 2. Compensation for top management personnel employed for less than one year must
23 be limited to an amount equal to the limitation described in subsection 1, divided by

three hundred sixty-five, times the number of calendar days the individual was
employed.

3. Compensation, which is limited to costs otherwise allowable under rules adopted by
the department, includes:

a. Salary for managerial, administrative, professional, and other services;

b. Amounts paid for the personal benefit of the individual, such as housing
allowance, and flat-rate automobile allowance;

c. The cost of assets and services the individual receives from the provider;

d. Deferred compensation, pensions, and annuities;

e. Supplies and services provided for the personal use of the individual;

f. The cost of a domestic or other employee who works in the home of the
individual; or

g. Life and health insurance premiums paid for the individual and medical services
furnished at facility expense.

4. The increase in the consumer price index means the percentage by which that
consumer price index for the month of March, as prepared by the United States
department of labor, exceeds that index for the month of March of the preceding year.