

Sixty-fourth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1359

Introduced by

Representatives Kreidt, Hofstad, Kempenich, J. Nelson

Senator Unruh

1 A BILL for an Act to create and enact section 50-24.4-02.3 of the North Dakota Century Code,
2 relating to basic care payment rates; and to provide an appropriation.

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

4 **SECTION 1.** Section 50-24.4-02.3 of the North Dakota Century Code is created and
5 enacted as follows:

6 **50-24.4-02.3. Basic care payment rates.**

- 7 1. The department shall establish, by rule, procedures for determining rates for the care
8 of residents of basic care facilities that qualify as vendors of an aged, blind, and
9 disabled persons program and for implementing provisions of this chapter. The
10 procedures must be based on methods and standards that the department finds are
11 adequate to recognize the costs that must be incurred for the care of residents in
12 efficiently and economically operated basic care facilities.
- 13 2. The department shall identify costs that are recognized for establishing payment rates.
- 14 3. The department shall establish limits on actual allowable historical operating cost
15 per diem based on cost reports of allowable operating costs. For the rate year
16 beginning July 1, 2016, the department annually shall establish limits for cost
17 categories using the costs reports submitted by all participating basic care providers
18 for the report year preceding the rate year. The limits may not fall below the direct care
19 rate established for the ninety-fifth percentile facility and the indirect care rate
20 established for the ninetieth percentile facility.
- 21 4. The department shall establish, by rule, limitations on compensation recognized in the
22 historical base for top management personnel, prior to allocation, which may not be
23 less than the compensation limit established, by rule, for top management personnel
24 of nursing facilities provided for in section 50-24.4-06.

- 1 5. For purposes of determining rates, the department shall:
- 2 a. Include allowable bad debt expenses in an amount not to exceed one hundred
- 3 eight days of resident care in the aggregate for any one individual; and
- 4 b. Include allowable bad debt expenses in the property cost category in the report
- 5 year in which the bad debt is determined to be noncollectable with no likelihood
- 6 of future recovery.
- 7 6. The department shall provide, by rule, for payment of rates paid by the aged, blind,
- 8 and disabled persons program for a maximum of thirty days per occurrence for leave
- 9 days for a resident who is in a licensed health care facility when the resident is
- 10 expected to return to the facility.

11 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the general

12 fund in the state treasury, not otherwise appropriated, the sum of \$628,000, or so much of the

13 sum as may be necessary, to the department of human services for the purpose of

14 implementing section 1 of this Act, for the period beginning July 1, 2016, and ending June 30,

15 2017.