

Fifty-fifth
Legislative Assembly
of North Dakota

ENGROSSED 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 in coordination with home and
5 community-based service providers to avoid duplicating existing services. The
6 department shall establish efficiency incentives as appropriate. The department
7 may establish efficiency incentives for different operating cost categories. The
8 department shall consider establishing efficiency incentives in care-related cost
9 categories. The department may combine one or more operating cost categories
10 and may use different methods for calculating payment rates for each operating
11 cost category or combination of operating cost categories.