

FIRST ENGROSSMENT
with Senate Amendments

Sixty-first
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1307

Introduced by

Representatives Kreidt, Bellew, Heller, Uglem, Wieland

Senator Dever

1 A BILL for an Act to amend and reenact section 50-24.4-07 of the North Dakota Century Code,
2 relating to nonallowable costs in nursing home ratesetting.

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

4 **SECTION 1. AMENDMENT.** Section 50-24.4-07 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **50-24.4-07. Nonallowable costs.**

7 1. The following costs may not be recognized as allowable: political contributions;
8 salaries or expenses of a lobbyist, as defined in section 54-05.1-02, for lobbying
9 activities; advertising designed to encourage potential residents to select a
10 particular nursing home; fines and penalties; legal and related expenses for
11 unsuccessful challenges to decisions by governmental agencies; memberships in
12 sports, health, or similar social clubs or organizations; and costs incurred for
13 activities directly related to influencing employees with respect to unionization.
14 The department ~~shall~~ by rule shall exclude the costs of other items or services not
15 directly related to the provision of resident care.

16 2. Nonallowable costs include the education expense unless:

- 17 a. The education was provided by an accredited academic or technical
- 18 educational facility;
- 19 b. The education expense was for materials, books, or tuition;
- 20 c. The facility claims the education expense, annually, in an amount not to
- 21 exceed the lesser of one-half of the individual's education expense or three
- 22 thousand seven hundred fifty dollars; and
- 23 d. The amount of education expense claimed for an individual does not exceed
- 24 fifteen thousand dollars in the aggregate.

- 1 3. The education expense may be claimed the year in which it is expended.
- 2 4. For any individual who receives education assistance, the facility shall enter a
3 contract with the individual which stipulates a minimum commitment to work for the
4 facility as well as a repayment plan if the individual does not fulfill the contract
5 obligations.
- 6 5. An individual who receives education assistance shall commit to a minimum of one
7 thousand six hundred sixty-four hours of employment after completion of the
8 educational program for each year education assistance was provided by the
9 facility.
- 10 6. The facility shall report the education expense separately on the facility's cost
11 report. The expense is allowed as a passthrough and is limited only by the fifteen
12 thousand dollar maximum per individual.
- 13 7. If an individual defaults on a contract and education expenses for the individual
14 have previously been claimed in any report year, the facility shall report the
15 amount of repayment on the facility's cost report in the report year in which the
16 default occurs.