

**FIRST ENGROSSMENT  
with Senate Amendments**

Sixty-first  
Legislative Assembly  
of North Dakota

**ENGROSSED HOUSE BILL NO. 1303**

Introduced by

Representatives Kreidt, Bellew, Heller, Uglem, Wieland

Senator Dever

1 A BILL for an Act to amend and reenact section 50-24.4-06 of the North Dakota Century Code,  
2 relating to factors considered in determining nursing home rates.

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

4 **SECTION 1. AMENDMENT.** Section 50-24.4-06 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **50-24.4-06. Rate determination.**

7 1. The department shall determine prospective payment rates for resident care costs.  
8 The department shall develop procedures for determining operating cost payment  
9 rates that take into account the mix of resident needs and other factors as  
10 determined by the department.

11 2. The department shall establish, by rule, limitations on compensation recognized in  
12 the historical base for top management personnel. Compensation for top  
13 management personnel must be categorized as a general and administrative cost  
14 and is subject to any limits imposed on that cost category.

15 3. For purposes of determining rates, the department shall:  
16 a. Include, contingent upon approval of the medicaid state plan by the centers  
17 for medicare and medicaid services, allowable bad debt expenses in an  
18 amount not to exceed one hundred eighty days of resident care per year or  
19 an aggregate of three hundred sixty days of resident care for any one  
20 individual; and

21 b. Include allowable bad debt expenses in the property cost category in the  
22 report year in which the bad debt is determined to be uncollectible with no  
23 likelihood of future recovery.