

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~~
3 ~~facility; for an Act to create and enact a new section to chapter 50-24.5 of the North Dakota~~
4 ~~Century Code, relating to rulemaking authority with respect to the compensation for top~~
5 ~~management personnel of a basic care facility; and to declare an emergency.~~

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

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

9 ~~Compensation for top management personnel of a basic care facility.~~

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

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

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

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

19 ~~c. Sixty one thousand twenty six dollars; or~~

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

1 ~~2. Compensation for top management personnel employed for less than one year must~~
2 ~~be limited to an amount equal to the limitation described in subsection 1, divided by~~
3 ~~three hundred sixty five, times the number of calendar days the individual was~~
4 ~~employed.~~

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

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

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

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

11 ~~d. Deferred compensation, pensions, and annuities;~~

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

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

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

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

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

22 **Compensation for top management personnel - Department to adopt rules.**

23 The department of human services has the authority to create rules related to the
24 compensation for top management personnel of a basic care facility combined with a hospital.

25 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.