

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~~50-24.5-02 of the North Dakota
2 | Century Code, 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~~50-24.5-02 of the North Dakota Century Code is created
5 | and enacted as follows:

6 | **50-24.4-02.350-24.5-02. 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 establish the direct care rate limit by taking the highest rate and~~
- 8 ~~lowest rate from the cost reports submitted for the report year preceding the rate year,~~
- 9 ~~and multiplying the averaged amount by eighty-five percent. The department shall~~
- 10 ~~establish the indirect care rate limit by taking the highest rate and lowest rate from the~~
- 11 ~~cost reports submitted for the report year preceding the rate year, and multiplying the~~
- 12 ~~averaged amount by eighty percent.~~
- 13 ~~4. The department shall provide, by rule, for payment of rates paid by the aged, blind,~~
- 14 ~~and disabled persons program for a maximum of ~~thirty~~twenty days per occurrence for~~
- 15 ~~leave days for a resident who is in a licensed health care facility when the resident is~~
- 16 ~~expected to return to the facility.~~

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

18 fund in the state treasury, not otherwise appropriated, the sum of ~~\$628,000~~\$300,000, or so

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

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

21 2017.