Sixty-seventh Legislative Assembly of North Dakota

HOUSE BILL NO. 1065

Introduced by

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Human Services Committee

(At the request of the Department of Human Services)

- 1 A BILL for an Act to amend and reenact subsection 3 of section 50-24.4-10 of the North Dakota
- 2 Century Code, relating to nursing home's operating costs.

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

- SECTION 1. AMENDMENT. Subsection 3 of section 50-24.4-10 of the North Dakota
 Century Code is amended and reenacted as follows:
 - The department shall establish limits on actual allowable historical operating cost per diems based on cost reports of allowable operating costs taking into consideration relevant factors including resident needs, nursing hours necessary to meet resident needs, size of the nursing home, and the costs that must be incurred for the care of residents in an efficiently and economically operated nursing home. For the rate year beginning 2006, the department shall establish limits for cost categories using the June 30, 2003, cost report year as the base period. The limits may not fall below the median of the most recent cost report. Until a new base period is established, the department shall adjust the limits annually by the inflation rate for nursing home services used to develop the legislative appropriation for the department. In determining allowable historical operating cost per diems for purposes of setting limits and nursing home payment rates, the department shall divide the allowable historical operating costs by the actual number of resident days, except that when a nursing home is occupied at less than ninety percent the published rate of licensed capacity days, the. Annually, the department may establish procedures to adjust the computation of the indirect care cost per diem to an imputedshall set the minimum occupancy level at or below ninety percentrate and publish the rate for the next year on or before January first of each year. To encourage the development of home and community-based services as an alternative to nursing home care, the department

Sixty-seventh Legislative Assembly

may waive the imputed occupancy level requirements for a nursing home that the
department determines to be providing significant home and community-based
services in coordination with home and community-based service providers to avoid
duplicating existing services. The department shall establish efficiency incentives for
indirect care costs. The department may establish efficiency incentives for different
operating cost categories. The department shall consider establishing efficiency
incentives in care-related cost categories.