

Introduced by

Senators Cleary, Dever, Lee

Representatives Beltz, Ista, McLeod

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 adult residential facility payment rates; to amend and reenact section  
3 50-24.5-01 of the North Dakota Century Code, relating to the definition of adult residential  
4 facility; and to provide an appropriation.

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

6 **SECTION 1. AMENDMENT.** Section 50-24.5-01 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **50-24.5-01. Definitions.**

9 In this chapter, unless the context otherwise requires:

- 10 1. "Adult residential facility" means a licensed basic care facility, specializing in the care  
11 of individuals eligible for services under a medical assistance home and community-  
12 based waiver or similar program with chronic moderate to severe memory loss or  
13 significant emotional, behavioral, or cognitive impairment, which provides therapeutic,  
14 social, and recreational programming and assistance with activities of daily living and  
15 instrumental activities of daily living.
- 16 2. "Aged" means at least sixty-five years of age.
- 17 ~~2-3.~~ "Blind" has the same meaning as the term has when used by the social security  
18 administration in the supplemental security income program under titles II and XVI of  
19 the Social Security Act [42 U.S.C. 401-434 and 42 U.S.C. 1381 et seq.].
- 20 ~~3-4.~~ "Congregate housing" means housing shared by two or more individuals not related to  
21 each other which is not provided in an institution.
- 22 ~~4-5.~~ "Department" means the department of health and human services.

- 1     ~~5-6.~~ "Disabled" has the same meaning as the term has when used by the social security  
2           administration in the supplemental security income program under titles II and XVI of  
3           the Social Security Act [42 U.S.C. 401-434 and 42 U.S.C. 1381 et seq.].
- 4     ~~6-7.~~ "Eligible beneficiary" means a resident of this state who:
- 5           a. (1) Is aged; or  
6                 (2) Is at least eighteen years of age and is disabled or blind;
- 7           b. (1) Has applied for and is eligible to receive and receives benefits under title  
8                 XIX of the Social Security Act [42 U.S.C. 1396 et seq.], and who has applied  
9                 for and is receiving benefits, if the individual is eligible to receive benefits,  
10                under titles II and XVI of the Social Security Act [42 U.S.C. 401-434 and  
11                42 U.S.C. 1381 et seq.]; or  
12                (2) Has applied for and is eligible to receive and receives benefits under section  
13                50-24.1-37 for long-term services and supports pursuant to an asset test  
14                established under title XIX of the Social Security Act [42 U.S.C. 1396  
15                et seq.] and section 50-24.1-02;
- 16          c. Meets the requirements of section 23-09.3-08.1;
- 17          d. Based on a functional assessment, is not severely impaired in any of the  
18               activities of daily living of toileting, transferring to or from a bed or chair, or eating  
19               and:  
20               (1) Has health, welfare, or safety needs, including a need for supervision or a  
21               structured environment; or  
22               (2) Is impaired in three of the following four instrumental activities of daily living:  
23               preparing meals, doing housework, taking medicine, and doing laundry; and
- 24          e. Is determined to be eligible pursuant to rules adopted by the department.
- 25     ~~7-8.~~ "Human service zone" means a county or consolidated group of counties  
26           administering human services within a designated area in accordance with an  
27           agreement or plan approved by the department.
- 28     ~~8-9.~~ "Institution" means a facility licensed under chapter 23-09.3.
- 29     ~~9-10.~~ "Living independently" includes living in congregate housing. The term does not  
30           include living in an institution.

- 1 ~~40.11.~~ "Personal needs allowance" means an amount retained by the eligible beneficiary to  
2 cover the costs of clothing and other personal needs.
- 3 ~~44.12.~~ "Proprietor" means an individual responsible for day-to-day administration and  
4 management of a facility.
- 5 ~~42.13.~~ "Remedial care" means services that produce the maximum reduction of an eligible  
6 beneficiary's physical or mental disability and the restoration of an eligible beneficiary  
7 to the beneficiary's best possible functional level.
- 8 ~~43.14.~~ "Would be eligible to receive the cash benefits except for income" refers to an  
9 individual whose countable income, less the cost of necessary remedial care that may  
10 be provided under this chapter, does not exceed an amount equal to the cash benefit  
11 under titles II and XVI of the Social Security Act [42 U.S.C. 401-434 and  
12 42 U.S.C. 1381 et seq.] which the individual would receive if the individual had no  
13 income, plus the amount allowed as the personal needs allowance.

14 **SECTION 2.** A new section to chapter 50-24.5 of the North Dakota Century Code is created  
15 and enacted as follows:

16 **Adult residential facility payment rates - Report.**

- 17 1. The department shall determine rates for the care of residents of adult residential  
18 facilities which are sufficient to assure there are enough providers available to meet  
19 demand.
- 20 2. The department shall increase rates for inflation for the year beginning:  
21 a. July 1, 2025, by four percent; and  
22 b. July 1, 2026, by three percent.
- 23 3. The department shall require an adult residential facility to submit simplified cost  
24 reports by October 31, 2025, which the department shall use to pay the facility its  
25 current costs beginning January 1, 2026.
- 26 4. Beginning January 1, 2026, a five percent operating margin must be included in adult  
27 residential facility rates.
- 28 5. The department shall require adult residential facilities to submit simplified cost reports  
29 by December 31, 2026, which the department shall use to provide a rate recalculation  
30 beginning July 1, 2027.

1       **SECTION 3. APPROPRIATION - DEPARTMENT OF HEALTH AND HUMAN SERVICES -**  
2 **ADULT RESIDENTIAL FACILITY RATE ADMINISTRATION.** There is appropriated out of any  
3 moneys in the general fund in the state treasury, not otherwise appropriated, and from special  
4 funds derived from federal funds and other income, the sum of \$2,200,000, or so much of the  
5 sum as may be necessary, to the department of health and human services for the purpose of  
6 administering adult residential facility rates, for the biennium beginning July 1, 2025, and ending  
7 June 30, 2027.