

**SECOND ENGROSSMENT
with Conference Committee Amendments**

Fifty-seventh
Legislative Assembly
of North Dakota

REENGROSSED HOUSE BILL NO. 1196

Introduced by

Representatives Devlin, Boucher, Severson

Senators Andrist, Fischer, Solberg

1 A BILL for an Act to provide for a long-term care nursing scholarship and loan repayment grant
2 program; to create and enact a new subsection to section 21-10-06 of the North Dakota
3 Century Code, relating to funds under the management of the state investment board; to
4 amend and reenact sections 6-09.16-01, 6-09.16-02, 6-09.16-03, 6-09.16-04, 6-09.16-05,
5 6-09.16-06, 23-09.3-01.1, 23-16-01.1, 50-24.4-30, 50-30-01, 50-30-02, and 50-30-04 of the
6 North Dakota Century Code, relating to the nursing facility alternative loan fund, the moratorium
7 on the expansion of basic care bed capacity, the moratorium on the expansion of long-term
8 care bed capacity, the government nursing facility funding pool, and nursing facility loans; to
9 provide for a transfer from the nursing facility alternative grant fund; to provide a statement of
10 legislative intent; to provide for a legislative council study; to provide an appropriation; to
11 provide a continuing appropriation; and to declare an emergency.

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

13 **SECTION 1. AMENDMENT.** Section 6-09.16-01 of the 1999 Supplement to the North
14 Dakota Century Code is amended and reenacted as follows:

15 **6-09.16-01. ~~(Effective through June 30, 2001)~~ Definitions.** Terms defined in chapter
16 50-30 have the same meaning when used in this chapter.

17 **SECTION 2. AMENDMENT.** Section 6-09.16-02 of the 1999 Supplement to the North
18 Dakota Century Code is amended and reenacted as follows:

19 **6-09.16-02. ~~(Effective through June 30, 2001)~~ Revolving Long-term care facility**
20 **loan fund - ~~Appropriation~~ Continuing appropriation.** A revolving loan fund must be
21 maintained in the Bank of North Dakota for the purpose of making loans to nursing facilities,
22 basic care facilities, or assisted living facilities,~~or other entities providing alternatives to nursing~~
23 ~~facility care, to encourage and support conversion of nursing facilities~~ for renovation projects.

1 All moneys transferred into the fund, interest upon moneys in the fund, and collections of
2 interest and principal on loans made from the fund are hereby appropriated for disbursement
3 pursuant to the requirements of this chapter.

4 **SECTION 3. AMENDMENT.** Section 6-09.16-03 of the 1999 Supplement to the North
5 Dakota Century Code is amended and reenacted as follows:

6 **6-09.16-03. (~~Effective through June 30, 2001~~) Nursing Long-term care facility**
7 **alternative loan fund.**

8 1. There is hereby created a nursing long-term care facility ~~alternative~~ loan fund. The
9 fund ~~shall include~~ consists of revenue transferred from the North Dakota health
10 care trust fund, interest upon moneys in the fund, and collections of interest and
11 principal on loans made from the fund.

12 2. The Bank of North Dakota shall administer the loan fund. Funds in the loan fund
13 may be used for:

14 a. Loans as provided in this chapter and as approved by the department under
15 chapter 50-30; and

16 b. The costs of administration of the fund; ~~and~~

17 e. ~~Repayment of federal funds if the United States department of health and~~
18 ~~human services determines that funds were inappropriately claimed under~~
19 ~~section 50-24.4-30.~~

20 3. Any money in the fund not required for use under subsection 2 must be transferred
21 to the North Dakota health care trust fund.

22 **SECTION 4. AMENDMENT.** Section 6-09.16-04 of the 1999 Supplement to the North
23 Dakota Century Code is amended and reenacted as follows:

24 **6-09.16-04. (~~Effective through June 30, 2001~~) Loan application - How made.** All
25 applications for loans under this chapter must be made to the department. The department
26 may approve the applications of qualified applicants ~~who~~ that propose projects that conform to
27 requirements established under chapter 50-30. ~~Applications approved by the department must~~
28 ~~be forwarded to the Bank of North Dakota. Upon~~ The Bank of North Dakota shall review and
29 approve or reject all loan applications forwarded to the Bank by the department. For
30 applications approved by the Bank and upon final approval of the application by the Bank of

1 ~~North Dakota~~ department, loans may be made from the ~~revolving~~ long-term care facility loan
2 fund in accordance with ~~the provisions of~~ this chapter.

3 **SECTION 5. AMENDMENT.** Section 6-09.16-05 of the 1999 Supplement to the North
4 Dakota Century Code is amended and reenacted as follows:

5 **6-09.16-05. (~~Effective through June 30, 2001~~) Amount of loans - Terms and**
6 **conditions.** Loans in an amount not exceeding ~~eighty~~ ninety percent of project costs may be
7 made by the Bank of North Dakota from the fund maintained pursuant to this chapter. Such
8 loans must bear interest at a rate ~~determined by the Bank of North Dakota to be two~~
9 ~~percentage points less than the market rate for similar commercial loans, provided that no loan~~
10 ~~may bear interest at a rate less than one-half of one~~ two percent, ~~or more than seven percent,~~
11 of the outstanding principal balance of the loan. In consideration of the making of a loan under
12 this chapter, each borrower shall execute a contract with the department to operate the project
13 in accordance with standards established under chapter 50-30. The contract must also provide
14 that if the use of the project is discontinued or diverted to purposes other than those provided in
15 the loan application without written consent of the department, the full amount of the loan
16 provided under this chapter immediately becomes due and payable. The Bank of North Dakota
17 may annually deduct, as a service fee for administering the ~~revolving~~ loan fund maintained
18 under this chapter, one-half of one percent of the principal balance of the outstanding loans
19 from the ~~revolving~~ fund.

20 **SECTION 6. AMENDMENT.** Section 6-09.16-06 of the 1999 Supplement to the North
21 Dakota Century Code is amended and reenacted as follows:

22 **6-09.16-06. (~~Effective through June 30, 2001~~) Powers of Bank of North Dakota.**
23 The Bank of North Dakota may do all acts or things necessary to negotiate loans and preserve
24 security under this chapter, including the power to take such security as deemed necessary, to
25 exercise any right of redemption, and to bring suit in order to collect interest and principal due
26 the ~~revolving~~ loan fund under mortgages, contracts, and notes executed to obtain loans under
27 the provisions of this chapter. If the applicant's plan for financing provides for a loan of funds
28 from sources other than the state of North Dakota, the Bank of North Dakota may take a
29 subordinate security interest. The bank may recover from the ~~revolving~~ loan fund amounts
30 actually expended by it for legal fees and to effect a redemption.

1 **SECTION 7.** A new subsection to section 21-10-06 of the 1999 Supplement to the
2 North Dakota Century Code is created and enacted as follows:

3 Health care trust fund.

4 **SECTION 8. Long-term care nursing scholarship and loan repayment grant**
5 **program.**

- 6 1. The state health council, in cooperation with the North Dakota long term care
7 association, shall administer the long-term care nursing scholarship and loan
8 repayment grant program. The purpose of the program is to provide matching
9 funds to nursing facilities for the facilities to use in recruiting and retaining nurses
10 by providing scholarships to nursing facility staff and other individuals to obtain a
11 nursing education and by assisting in the repayment of student loans for licensed
12 nurses employed in a nursing facility. The state health council shall adopt rules
13 necessary to administer the program, including rules establishing criteria regarding
14 eligibility for and distribution of program grants.
- 15 2. An applicant for a program grant shall establish that the applicant:
- 16 a. Is a licensed nursing facility;
- 17 b. Has available matching funds equal to the amount of the grant request; and
- 18 c. Meets the eligibility criteria established by rule.
- 19 3. An eligible applicant may receive a program grant not exceeding five thousand five
20 hundred dollars in the first year of the biennium. Any funds appropriated by the
21 legislative assembly for the grant program which are remaining after the first year
22 of the biennium may be distributed to eligible applicants in the second year of the
23 biennium in any amount determined by the state health council.

24 **SECTION 9. AMENDMENT.** Section 23-09.3-01.1 of the 1999 Supplement to the
25 North Dakota Century Code is amended and reenacted as follows:

26 **23-09.3-01.1. Moratorium on expansion of basic care bed capacity.**

- 27 1. Except when ~~existing beds are converted for use by~~ a nursing facility that converts
28 licensed nursing facility bed capacity to basic care bed capacity or the alzheimer's
29 and related dementia ~~population under the pilot projects provided for in~~
30 established under section 50-06-14.4 requests licensure of the facility's existing
31 beds as basic care bed capacity, or unless the applicant demonstrates to the

- 1 department and to the department of human services that a need for additional
2 basic care bed capacity exists, the department may not issue a license under this
3 chapter for any additional bed capacity above the state's gross licensed capacity of
4 one thousand four hundred seventy-one beds, adjusted by any reduction in beds
5 before July 31, ~~1999~~ 2001, during the period between August 1, ~~1999~~ 2001, and
6 July 31, ~~2004~~ 2003.
- 7 2. Transfers of existing beds from one municipality to another municipality must be
8 approved if the licensing requirements are met, during the period August 1, ~~1999~~
9 2001, to July 31, ~~2004~~ 2003, only to the extent that for each bed transfer approved
10 the total number of licensed beds in the state is reduced by the same number
11 transferred. Existing licensed beds released by a facility ~~which are not~~
12 immediately and transferred to another facility ~~may not be banked for future~~
13 ~~transfer to another facility~~ must become licensed within twenty-four months of
14 transfer.
- 15 3. Transfer of existing beds from one municipality to a tribal reservation during the
16 period August 1, 2001, to July 31, 2003, may occur, only to the extent that the
17 facility transferring beds reduces the facility's licensed capacity by an amount
18 equal to twice the number of beds transferred. A tribal facility may seek to
19 participate, within twenty-four months of any transfer of beds, in the basic care
20 assistance program. Basic care assistance payments may only be made to a tribal
21 facility that agrees to participate and adhere to all federal and state requirements
22 of the basic care assistance program including participation, screening, ratesetting,
23 and licensing requirements.
- 24 4. Not more than once in a twelve-month period, a nursing facility may convert
25 licensed nursing facility bed capacity to basic care bed capacity or may convert
26 basic care bed capacity licensed after July 1, 2001, as nursing facility capacity to
27 licensed nursing facility bed capacity. At least ninety days before the conversion,
28 the facility shall notify the state department of the facility's intent to convert bed
29 capacity. The converted beds must be located in the same block of rooms within
30 the facility.

1 **SECTION 10. AMENDMENT.** Section 23-16-01.1 of the 1999 Supplement to the North
2 Dakota Century Code is amended and reenacted as follows:

3 **23-16-01.1. Moratorium on expansion of long-term care bed capacity.**

- 4 1. Notwithstanding sections 23-16-06 and 23-16-10, except when existing beds are
5 converted for use by the alzheimer's and related dementia population under the
6 projects provided for in section 50-06-14.4 or when a nursing facility converts basic
7 care bed capacity licensed after July 1, 2001, as nursing facility capacity to nursing
8 facility bed capacity, the state department of health may not issue a license for any
9 additional bed capacity above the state's gross licensed capacity of seven
10 thousand one hundred forty beds, adjusted by any reduction in beds before
11 July 31, ~~1999~~ 2001, during the period between August 1, ~~1999~~ 2001, and July 31,
12 ~~2004~~ 2003.
- 13 2. Transfers of existing beds from one municipality to another municipality must be
14 approved if the department of health licensing requirements are met, during the
15 period August 1, ~~1999~~ 2001, to July 31, ~~2004~~ 2003, only to the extent that for each
16 bed transfer approved the total number of licensed beds in the state is reduced by
17 the same number transferred. Existing licensed beds released by a facility ~~which~~
18 ~~are not immediately~~ and transferred to another facility ~~may not be banked for~~
19 ~~future transfer to another facility~~ must become licensed within twenty-four months
20 of transfer.
- 21 3. Transfer of existing beds from one municipality to a tribal reservation during the
22 period August 1, 2001, to July 31, 2003, may occur, only to the extent that the
23 facility transferring beds reduces the facility's licensed capacity by an amount
24 equal to twice the number of beds transferred. A tribal facility may seek to
25 participate, within twenty-four months of any transfer of beds, in the medical
26 assistance program. Medical assistance payments may only be made to a
27 medicaid-certified tribal facility that agrees to participate and adhere to all federal
28 and state requirements of the medical assistance program including participation,
29 screening, ratesetting, and licensing requirements.
- 30 4. Not more than once in a twelve-month period, a nursing facility may convert
31 licensed nursing facility bed capacity to basic care bed capacity or may convert

1 basic care bed capacity licensed after July 1, 2001, as nursing facility capacity to
2 licensed nursing facility bed capacity. At least ninety days before the conversion,
3 the facility shall notify the state department of health of the facility's intent to
4 convert bed capacity. The converted beds must be located in the same block of
5 rooms within the facility.

6 **SECTION 11. AMENDMENT.** Section 50-24.4-30 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **50-24.4-30. (~~Effective through June 30, 2001~~) Government nursing facility funding**
9 **pool –Appropriations.**

- 10 1. For purposes of this section:
- 11 a. "Fiscal period" means a twelve-month period determined by the department;
12 and
- 13 b. "~~Governmental~~ Government nursing facility" means ~~any~~ a nursing home
14 administered by any political subdivision of this state for which a rate is set
15 under this chapter.
- 16 2. The department shall establish a pool consisting of an amount annually calculated
17 by multiplying the total of all resident days of all nursing homes during the fiscal
18 period during which a resident was eligible for and received benefits under chapter
19 50-24.1 times an amount that does not exceed the amount that can reasonably be
20 estimated to be paid under payment principles established under title XVIII of the
21 Social Security Act [42 U.S.C. 1395; et seq.], reduced by the payment rates set for
22 each such resident, for each such day, during the fiscal period.
- 23 3. In addition to any payment made pursuant to a rate set under this chapter, and
24 notwithstanding any other provision of this chapter, the department shall pay to
25 each ~~governmental~~ government nursing facility an amount determined by:
- 26 a. Dividing that facility's total inpatient days for the fiscal period by the total
27 inpatient days of all ~~governmental~~ government nursing facilities for the fiscal
28 period; and
- 29 b. Multiplying a decimal fraction determined under subdivision a times the pool
30 amount determined under subsection 2.

- 1 4. Each ~~governmental~~ government nursing facility, ~~immediately upon~~ within one
2 business day of receiving a payment under subsection 3, shall remit the amount of
3 that payment, less a ~~ten~~ fifty thousand dollar transaction fee, to the state treasurer
4 for credit to:
- 5 a. The North Dakota health care trust fund in an amount equal to the federal
6 medical assistance percentage for the fiscal period times the total remittance
7 to the state treasurer, less ~~ten~~ fifty thousand dollars; and
- 8 b. The general fund for all remaining amounts. The amounts deposited in the
9 general fund are to be considered the first moneys spent pursuant to
10 legislative appropriations for medical assistance or medical assistance-related
11 expenses.
- 12 5. A government nursing facility is not entitled to receive transaction fees totaling
13 more than fifty thousand dollars during any calendar year. Each government
14 nursing facility shall use its transaction fee revenues for long-term care-related
15 services.
- 16 6. Notwithstanding any other provision of this code, or of any ordinance or code
17 governing the operation of a ~~governmental~~ government nursing facility, a
18 ~~governmental~~ government nursing facility is ~~authorized~~ entitled to receive and,
19 upon receipt, is required to remit payments provided under this section.
- 20 ~~6.~~ 7. No payment is required under this section for any period in which the funds
21 otherwise appropriated under subdivision b of subsection ~~7~~ 8 are unavailable due
22 to action by the secretary of the United States department of health and human
23 services.
- 24 ~~7.~~ 8. The department of human services, subject to legislative appropriation, may make
25 the payments described in subsection 3 for the pool amount annually determined
26 under subsection 2, as follows:
- 27 a. From special funds derived from federal funds and other income, the pool
28 amount determined under subsection 2 reduced by the amount determined
29 under subdivision b; and
- 30 b. From the general fund, the "state percentage" as that term is used in defining
31 the term "federal medical assistance percentage" for purposes of title XIX of

1 the Social Security Act [42 U.S.C. 1396; et seq.], multiplied times the pool
2 amount determined under subsection 2.

3 **SECTION 12. AMENDMENT.** Section 50-30-01 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **50-30-01. (~~Effective through June 30, 2001~~—See notes) Definitions.** For purposes
6 of this chapter:

- 7 1. ~~"Alternative to nursing facility care" means services described in the home and~~
8 ~~community-based services waiver for aged persons under medical assistance.~~
- 9 2. ~~"Assisted living facility" has the meaning provided in section 50-24.5-01, but if the~~
10 ~~term is not defined in that section, the term means a facility that:~~
- 11 a. ~~Makes response staff available at all times;~~
- 12 b. ~~Provides housing and:~~
- 13 ~~(1) Congregate meals;~~
- 14 ~~(2) Kitchen facilities in each resident's living quarters; or~~
- 15 ~~(3) Any combination of congregate meals and kitchen facilities in each~~
16 ~~resident's living quarters sufficient to assure each resident adequate~~
17 ~~access to meals;~~
- 18 e. ~~Assures provision of:~~
- 19 ~~(1) Personal care, therapeutic care, and social and recreational~~
20 ~~programming;~~
- 21 ~~(2) Supervision, safety, and security;~~
- 22 ~~(3) Medication services; and~~
- 23 ~~(4) Transportation services;~~
- 24 d. ~~Fosters dignity, respect, and independence by allowing, to the maximum~~
25 ~~extent feasible, each resident to determine the resident's service providers,~~
26 ~~routines of care provision, and service delivery; and~~
- 27 e. ~~Services five or more adult residents, unrelated to the proprietor, on a~~
28 ~~specified premises not licensed under chapter 23-20 or 25-16, which meets~~
29 ~~the requirements of the national fire protection association 101 Life Safety~~
30 ~~Code, as applicable.~~
- 31 3. "Basic care facility" has the meaning provided in section 23-09.3-01.

- 1 4. ~~"Conversion" means:~~
- 2 a. ~~The remodeling of existing space and, if necessary, the construction of~~
- 3 ~~additional space required to accommodate basic care facility services,~~
- 4 ~~assisted living facility services, or other alternatives to nursing facility care; or~~
- 5 b. ~~New construction of a basic care facility, assisted living facility, or other~~
- 6 ~~alternative to nursing facility care if existing nursing facility beds are no longer~~
- 7 ~~licensed and the department determines that new construction is more cost~~
- 8 ~~effective than the conversion of existing space.~~
- 9 5. ~~2.~~ "Department" means the department of human services.
- 10 6. ~~3.~~ "Medical assistance" means a program established under title XIX of the Social
- 11 Security Act [42 U.S.C. 1396; et seq.] and chapter 50-24.1.
- 12 7. ~~4.~~ "Nursing facility" has the same meaning as provided in section 50-24.4-01 for the
- 13 term "nursing home".

14 **SECTION 13. AMENDMENT.** Section 50-30-02 of the North Dakota Century Code is

15 amended and reenacted as follows:

16 **50-30-02. ~~(Effective through June 30, 2001—See notes)~~ North Dakota health care**

17 **trust fund created - Appropriation Uses - Continuing appropriation.** There is hereby

18 created in the state treasury a special fund known as the North Dakota health care trust fund.

19 The fund ~~shall include~~ consists of revenue received from ~~governmental~~ government nursing

20 facilities for remittance to the fund under section 50-24.4-30. The department shall administer

21 the fund and shall adopt procedures for participation by ~~governmental~~ government nursing

22 facilities. ~~All moneys designated for the fund from whatever source derived must be deposited~~

23 ~~with the state treasurer in the North Dakota health care trust fund.~~ The state treasurer

24 investment board shall invest ~~such funds in interest bearing accounts, as designated by the~~

25 ~~department~~ moneys in the fund in accordance with chapter 21-10, and the interest income

26 earned must be deposited in the North Dakota health care trust fund. All moneys deposited in

27 the North Dakota health care trust fund are available to the department, ~~subject to legislative~~

28 ~~appropriation, for disbursement pursuant to the requirements of this chapter.;~~

- 29 1. Transfer to the long-term care facility loan fund, as authorized by legislative
- 30 appropriation, for making loans pursuant to the requirements of this chapter.

- 1 2. Payment, as authorized by legislative appropriation, of costs of other programs
- 2 authorized by the legislative assembly.
- 3 3. Repayment of federal funds, which are appropriated and may be spent if the
- 4 United States department of health and human services determines that funds
- 5 were inappropriately claimed under section 50-24.4-30.

6 **SECTION 14. AMENDMENT.** Section 50-30-04 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **50-30-04. ~~(Effective through June 30, 2001 – See notes) Department to award~~**
9 **~~grants or make loan guarantees~~ Long-term care facility loans.**

- 10 1. The department may ~~award grants from the nursing facility alternative grant fund or~~
11 approve loans from the nursing long-term care facility alternative loan fund
12 established under chapter 6-09.16 for ~~capital or one-time expenditures, including~~
13 ~~startup and training expenses and operating losses for the first year:~~
 - 14 a. ~~To any renovation projects involving a nursing facility which has been~~
15 approved for at least three years as a provider under the medical assistance
16 program to convert all or a portion of the facility licensed to provide such care
17 to a, basic care facility, or assisted living facility, ~~or other alternative to nursing~~
18 ~~facility care; or~~
 - 19 b. ~~To any other entity meeting conditions established by the department to~~
20 develop a basic care facility, assisted living facility, or other alternative to
21 nursing facility care.
- 22 2. ~~A nursing facility or other entity may be eligible for a grant or loan only if the basic~~
23 ~~care facility, assisted living facility, or other alternative to nursing facility care is~~
24 located in an underserved area as determined by the department.
- 25 3. ~~To be eligible for a grant or loan under this section, the nursing facility or other~~
26 entity approved by the department shall provide at least twenty percent of the total
27 cost of any conversion. ~~The department shall establish policies and procedures for~~
28 certification of the required matching funds. ~~The department's share of the total~~
29 ~~cost of~~ An approved loan for any conversion is limited to project may not exceed
30 one million dollars or ~~eighty~~ ninety percent of the project cost, whichever is less.

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- 1 4. ~~The department shall annually establish a calendar for receiving and evaluating~~
2 ~~proposals and awarding grants or approving loans.~~
- 3 5. ~~No grant or loan application may be approved by the department unless the~~
4 ~~applicant can demonstrate that:~~
- 5 a. ~~Conversion of the nursing facility or portion of the facility to a basic care~~
6 ~~facility, assisted living facility, or other alternative to nursing facility care may~~
7 ~~offer efficient and economical care to individuals requiring long-term care~~
8 ~~services in the area;~~
- 9 b. ~~Basic care, assisted living services, or other alternatives to nursing facility~~
10 ~~care are unlikely to be available in the area for individuals eligible for services~~
11 ~~under the medical assistance program; and~~
- 12 e. ~~The resulting reduction in the availability of nursing facility service is not~~
13 ~~expected to cause undue hardship on those individuals requiring nursing~~
14 ~~facility services.~~
- 15 3. The department shall give preference for loan approval to an applicant that is
16 converting nursing facility bed capacity to basic care bed capacity.
- 17 6- 4. ~~No grant may be awarded or loan~~ may be approved unless the applicant agrees:
18 a. ~~To maintain a minimum occupancy rate by individuals eligible for~~
19 ~~supplemental security income benefits provided under title XVI of the Social~~
20 ~~Security Act [42 U.S.C. 1382, et seq.]; and~~
- 21 b. ~~To refund to repay to the nursing facility alternative grant fund or the nursing~~
22 long-term care facility alternative loan fund, on an amortized basis, the
23 amount outstanding balance of the grant or loan and any accrued interest if
24 ~~the applicant or its successor in interest ceases to operate a basic care~~
25 ~~facility, assisted living facility, or other alternative to nursing facility care~~ the
26 project or facility financed by the loan proceeds during the ten-year period
27 ~~after the date the applicant began operation of its~~ the project or ~~facility as a~~
28 ~~basic care facility, assisted living facility, or other alternative to nursing facility~~
29 ~~care ceases to maintain the agreed minimum occupancy rate or fails to~~
30 ~~commence operations within a reasonable time.~~

1 ~~7.~~ 5. In addition to other remedies provided by law or contract, the department may
2 deduct the amount of any refund due from a recipient of ~~grant or a~~ loan ~~guarantee~~
3 ~~funds~~ from any money owed by the department to such recipient or the recipient's
4 successor in interest.

5 **SECTION 15. NURSING FACILITY ALTERNATIVE GRANT FUND - TRANSFER -**
6 **GRANTS ADMINISTRATION.** The state treasurer shall transfer any remaining balance in the
7 nursing facility alternative grant fund on June 30, 2001, to the health care trust fund. The
8 department of human services may continue making grant payments relating to grants
9 approved during the 1999-2001 biennium under the nursing facility alternative grant fund. The
10 department may spend moneys in the health care trust fund pursuant to legislative
11 appropriations for the purpose of making these grant payments, for the biennium beginning
12 July 1, 2001, and ending June 30, 2003.

13 **SECTION 16. NURSING FACILITY ALTERNATIVE LOANS - 1999-2001 BIENNIUM -**
14 **INTEREST RATE ADJUSTMENT.** The Bank of North Dakota and the department of human
15 services shall adjust the rate of interest charged on nursing facility alternative loans approved
16 during the biennium beginning July 1, 1999, and ending June 30, 2001, to a rate equivalent to
17 two percent effective July 1, 2001, taking into consideration any grants approved in conjunction
18 with the loan.

19 **SECTION 17. LEGISLATIVE INTENT - HEALTH CARE TRUST FUND USES.** It is the
20 intent of the fifty-seventh legislative assembly that the June 30, 2003, unobligated balance in
21 the health care trust fund and any investment earnings on that amount during the 2003-05
22 biennium not be appropriated but be retained in the fund to be used to continue, for periods
23 subsequent to the 2003-05 biennium, the increased funding levels authorized in this Act for the
24 2001-03 biennium.

25 **SECTION 18. APPROPRIATION - GOVERNMENT NURSING FACILITY FUNDING**
26 **POOL.** The funds provided in this section, or so much of the funds as may be necessary, are
27 appropriated out of any moneys in the general fund in the state treasury, not otherwise
28 appropriated, and from special funds derived from federal funds, to the department of human
29 services for the purpose of making government nursing facility funding pool payments under
30 section 50-24.4-30, for the biennium beginning July 1, 2001, and ending June 30, 2003.

1	Total all funds	\$38,750,000
2	Less estimated income	<u>27,100,000</u>
3	Total general fund appropriation	\$11,650,000

4 **SECTION 19. ADDITIONAL GOVERNMENT NURSING FACILITY FUNDING POOL**

5 **PAYMENTS - CONTINUING APPROPRIATION - GENERAL FUND REPAYMENT.** Any

6 estimated income in excess of the \$27,100,000 appropriated in section 18 of this Act which
7 becomes available based on the calculation provided for in section 50-24.4-30 is appropriated
8 and may be spent by the department of human services for the purpose of making the
9 additional government nursing facility fund pool payments for the biennium beginning July 1,
10 2001, and ending June 30, 2003. Any additional state matching funds required are
11 appropriated and may be spent from the general fund by the department of human services for
12 the purpose of making the additional payments, for the biennium beginning July 1, 2001, and
13 ending June 30, 2003. Any general fund amounts spent pursuant to this section must be
14 returned to the general fund within two days.

15 **SECTION 20. APPROPRIATION - 1999-2001 BIENNIUM GOVERNMENT NURSING**

16 **FACILITY TRANSACTION FEE.** There is appropriated out of any moneys in the health care
17 trust fund in the state treasury, not otherwise appropriated, the sum of \$800,000, or so much of
18 the sum as may be necessary, to the department of human services for the purpose of making
19 an additional transaction fee payment to the government nursing facilities, for the period
20 beginning with the effective date of this Act and ending June 30, 2001. Notwithstanding section
21 50-24.4-30, the department of human services shall make a transaction fee payment of
22 \$400,000 to the government nursing facility in Dunseith and a transaction fee payment of
23 \$400,000 to the government nursing facility in McVille by June 30, 2001. The additional
24 payment relates to government nursing facility funding pool payments made before the
25 effective date of this Act. Each government nursing facility shall use its transaction fee revenue
26 for long-term care-related services.

27 **SECTION 21. APPROPRIATION - ADMINISTRATIVE COSTS.** There is appropriated

28 out of any moneys in the health care trust fund in the state treasury, not otherwise
29 appropriated, the sum of \$71,158, or so much of the sum as may be necessary, to the
30 department of human services for the purpose of defraying the administrative costs associated

1 with the intergovernmental transfer program, for the biennium beginning July 1, 2001, and
2 ending June 30, 2003.

3 **SECTION 22. APPROPRIATION - LONG-TERM CARE FACILITY LOANS.** There is
4 appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise
5 appropriated, the sum of \$12,000,000, or so much of the sum as may be necessary, to the
6 department of human services for the purpose of making transfers to the long-term care facility
7 loan fund for loans approved under chapter 50-30, for the biennium beginning July 1, 2001, and
8 ending June 30, 2003. Of this amount, up to \$4,960,000 may be used for commitments made
9 during the biennium beginning July 1, 1999, and ending June 30, 2001.

10 **SECTION 23. APPROPRIATION - NURSING HOME BED REDUCTION.** There is
11 appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise
12 appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, to the
13 department of human services for the purpose of providing incentives to nursing homes to
14 reduce licensed nursing facility bed capacity for the biennium beginning July 1, 2001, and
15 ending June 30, 2003. The department of human services may pay incentives of up to \$15,000
16 per bed to a nursing facility that reduces all of its licensed bed capacity, up to \$12,000 per bed
17 to a nursing facility that reduces its licensed nursing facility bed capacity by at least eight beds
18 and incentives of up to \$8,000 per bed to a nursing facility that reduces its licensed nursing
19 facility bed capacity by fewer than eight beds. An incentive may not be paid for nursing facility
20 bed capacity that is temporarily converted to basic care bed capacity. The department shall
21 establish rules that allow nursing facilities to make offers to reduce licensed nursing facility bed
22 capacity on a quarterly basis beginning July 1, 2001. To be eligible for an incentive, a nursing
23 facility's offer to reduce bed capacity must be received by the department of human services by
24 the first day of the quarter for which incentives will be approved. Within thirty days of the
25 beginning of the quarter, the department shall inform the facility making an offer of the
26 department's approval or disapproval of the offer. The department shall give priority for
27 incentives to a facility that offers to reduce the entire licensed bed capacity. If offers for
28 reducing bed capacity exceed the department's allocation of funds for incentives for the quarter,
29 a facility that does not have its offer approved may submit the offer for consideration in a
30 subsequent quarter.

1 **SECTION 24. APPROPRIATION - NURSING HOME COMPENSATION**

2 **ENHANCEMENT.** There is appropriated out of any moneys in the health care trust fund in the
3 state treasury, not otherwise appropriated, the sum of \$8,189,054, or so much of the sum as
4 may be necessary, and from special funds derived from federal funds the sum of \$19,107,793,
5 or so much of the sum as may be necessary, to the department of human services for the
6 purpose of providing salary and benefit enhancements to nursing facility employees, or if a
7 facility is combined with a hospital, to nursing facility and hospital employees, for the biennium
8 beginning July 1, 2001, and ending June 30, 2003. The department of human services shall
9 increase nursing facility payment rates to provide for these increases beginning July 1, 2001. A
10 nursing facility may not use any moneys received under this section for the purpose of
11 providing the facility's matching share for a long-term care nursing scholarship and loan
12 repayment grant.

13 **SECTION 25. APPROPRIATION - BASIC CARE COMPENSATION ENHANCEMENT.**

14 There is appropriated out of any moneys in the health care trust fund in the state treasury, not
15 otherwise appropriated, the sum of \$202,080, or so much of the sum as may be necessary, and
16 from special funds derived from federal funds the sum of \$471,520, or so much of the sum as
17 may be necessary, to the department of human services for the purpose of providing salary and
18 benefit enhancements to basic care facility employees, for the biennium beginning July 1, 2001,
19 and ending June 30, 2003. The department of human services shall increase basic care facility
20 payment rates to provide for these increases beginning July 1, 2001.

21 **SECTION 26. APPROPRIATION - NURSING HOME REBASING.** There is

22 appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise
23 appropriated, the sum of \$681,846, or so much of the sum as may be necessary, and from
24 special funds derived from federal funds, the sum of \$1,590,974, or so much of the sum as may
25 be necessary, to the department of human services for the purpose of recognizing increased
26 costs as a result of rebasing nursing facility limits based on cost reports for the year ending
27 June 30, 1999, for the period beginning January 1, 2002, and ending June 30, 2003.

28 **SECTION 27. APPROPRIATION - PERSONAL CARE ALLOWANCE FOR NURSING**
29 **FACILITY AND INTERMEDIATE CARE FACILITY FOR THE MENTALLY RETARDED**

30 **RESIDENTS.** There is appropriated out of any moneys in the health care trust fund in the state
31 treasury, not otherwise appropriated, the sum of \$309,600, or so much of the sum as may be

1 necessary, and from special funds derived from federal funds, the sum of \$708,000, or so much
2 of the sum as may be necessary, to the department of human services for the purpose of
3 increasing the personal care allowance for nursing home and intermediate care for the mentally
4 retarded residents by \$10 per month, from \$40 to \$50 per month, for the period beginning
5 January 1, 2002, and ending June 30, 2003.

6 **SECTION 28. APPROPRIATION - PERSONAL CARE ALLOWANCE FOR BASIC**
7 **CARE RESIDENTS.** There is appropriated out of any moneys in the health care trust fund in
8 the state treasury, not otherwise appropriated, the sum of \$180,000, or so much of the sum as
9 may be necessary, to the department of human services for the purpose of increasing the
10 personal care allowance for basic care residents by \$15 per month, from \$45 to \$60 per month,
11 for the biennium beginning July 1, 2001, and ending June 30, 2003.

12 **SECTION 29. LEGISLATIVE COUNCIL STUDY - LONG-TERM CARE NEEDS.** The
13 legislative council shall consider studying, during the 2001-02 interim, the long-term care needs
14 and the nursing facility payment system in North Dakota. If studied, the legislative council shall
15 receive progress reports and a final report from the department of human services on the
16 statewide needs assessment and nursing facility payment system study for long-term care.
17 The legislative council shall report its findings and recommendations, together with any
18 legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

19 **SECTION 30. APPROPRIATION - LONG-TERM CARE NEEDS STUDY.** There is
20 appropriated out of any moneys in the health care trust fund in the state treasury, not otherwise
21 appropriated, the sum of \$241,006, or so much of the sum as may be necessary, to the
22 department of human services for the purpose of conducting a statewide needs assessment
23 and nursing facility payment system study for long-term care, for the period beginning with the
24 effective date of this Act and ending January 1, 2003.

25 **SECTION 31. APPROPRIATION - STATE DEPARTMENT OF HEALTH -**
26 **LONG-TERM CARE NURSING SCHOLARSHIP AND LOAN REPAYMENT GRANT**
27 **PROGRAM.** There is appropriated out of any moneys in the health care trust fund in the state
28 treasury, not otherwise appropriated, the sum of \$489,500, or so much of the sum as may be
29 necessary, to the state department of health for the purpose of making long-term care nursing
30 scholarship and loan repayment program grants, for the biennium beginning July 1, 2001, and
31 ending June 30, 2003.

1 **SECTION 32. APPROPRIATION - SERVICE PAYMENTS FOR THE ELDERLY AND**
2 **DISABLED.** There is appropriated out of any moneys in the health care trust fund in the state
3 treasury, not otherwise appropriated, the sum of \$6,898,302, or so much of the sum as may be
4 necessary, to the department of human services for the purpose of making service payments
5 for the elderly and disabled, for the biennium beginning July 1, 2001, and ending June 30,
6 2003.

7 **SECTION 33. APPROPRIATION - HEALTH INSURANCE PORTABILITY AND**
8 **ACCOUNTABILITY ACT.** There is appropriated out of any moneys in the health care trust
9 fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the
10 sum as may be necessary, and from special funds derived from federal funds, the sum of
11 \$5,055,347, or so much of the sum as may be necessary, to the department of human services
12 for the purpose of defraying the expenses of complying with the federal Health Insurance
13 Portability and Accountability Act or other technology projects, for the period beginning with the
14 effective date of this Act and ending June 30, 2003.

15 **SECTION 34. APPROPRIATION - 1999-2001 BIENNIUM NURSING FACILITY**
16 **GRANTS.** There is appropriated out of any moneys in the health care trust fund in the state
17 treasury, not otherwise appropriated, the sum of \$100,226, or so much of the sum as may be
18 necessary, to the department of human services for the purpose of making payments on grants
19 approved under the nursing facility alternative grant fund during the 1999-2001 biennium, for
20 the biennium beginning July 1, 2001, and ending June 30, 2003.

21 **SECTION 35. APPROPRIATION - SENIOR CITIZEN MILL LEVY MATCHING**
22 **GRANTS.** There is appropriated out of any moneys in the health care trust fund in the state
23 treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be
24 necessary, to the department of human services for the purpose of providing additional senior
25 citizen mill levy matching grants, for the biennium beginning July 1, 2001, and ending June 30,
26 2003.

27 **SECTION 36. APPROPRIATION - MEDICAL ASSISTANCE - TARGETED CASE**
28 **MANAGEMENT SERVICES.** There is appropriated out of any moneys in the health care trust
29 fund in the state treasury, not otherwise appropriated, the sum of \$338,530, or so much of the
30 sum as may be necessary, and from special funds derived from federal funds, the sum of
31 \$769,220, or so much of the sum as may be necessary, to the department of human services

1 for the purpose of making medical assistance payments for targeted case management
2 services, for the biennium beginning July 1, 2001, and ending June 30, 2003.

3 **SECTION 37. APPROPRIATION - INDEPENDENT LIVING CENTER GRANTS.**

4 There is appropriated out of any moneys in the health care trust fund in the state treasury, not
5 otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to
6 the department of human services for the purpose of providing grants to independent living
7 centers, for the biennium beginning July 1, 2001, and ending June 30, 2003.

8 **SECTION 38. APPROPRIATION - TRAINING GRANTS.** There is appropriated out of
9 any moneys in the health care trust fund in the state treasury, not otherwise appropriated, the
10 sum of \$140,000, or so much of the sum as may be necessary, to the department of human
11 services for the purpose of providing grants to organizations for training qualified service
12 providers, for the biennium beginning July 1, 2001, and ending June 30, 2003. A qualified
13 service provider means a county agency or independent contractor that agrees to meet
14 standards for services and operations established by the department of human services for the
15 provision of services to individuals receiving long-term care services in a home or
16 community-based setting.

17 **SECTION 39. HEALTH CARE TRUST FUND - MINIMUM BALANCE REQUIRED.**

18 Except for making payments under subsection 3 of section 50-30-02, the state treasurer may
19 not allow expenditures or transfers from the health care trust fund that would reduce the
20 unobligated balance in the fund below \$13,000,000 until the director of the department of
21 human services certifies to the state treasurer that the federal health care financing
22 administration's claim for the return of \$13,000,000 of the state's first-year payment has been
23 resolved, for the period beginning with the effective date of this Act and ending June 30, 2003.

24 **SECTION 40. DEPARTMENT OF HUMAN SERVICES - EMERGENCY**

25 **RULEMAKING AUTHORITY.** Notwithstanding subsection 6 of section 28-32-02, the
26 department of human services may adopt interim final rules to implement this Act for the
27 biennium beginning with the effective date of this Act and ending June 30, 2003. The
28 department shall take appropriate measures to make the interim final rules known to every
29 person who may be affected by them. The interim final rules are ineffective one hundred eighty
30 days after its declared effective date unless first adopted as final rules.

1 **SECTION 41. EMERGENCY.** Sections 20, 30, 33, 39, and 40 of this Act are declared
2 to be an emergency measure.