

**FIRST ENGROSSMENT
with Senate Amendments**

Sixty-first
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1307

Introduced by

Representatives Kreidt, Bellew, Heller, Uglem, Wieland

Senator Dever

1 A BILL for an Act to amend and reenact section 50-24.4-07 of the North Dakota Century Code,
2 relating to nonallowable costs in nursing home ratesetting.

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

4 **SECTION 1. AMENDMENT.** Section 50-24.4-07 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **50-24.4-07. Nonallowable costs.**

7 1. The following costs may not be recognized as allowable: political contributions;
8 salaries or expenses of a lobbyist, as defined in section 54-05.1-02, for lobbying
9 activities; advertising designed to encourage potential residents to select a
10 particular nursing home; fines and penalties; legal and related expenses for
11 unsuccessful challenges to decisions by governmental agencies; memberships in
12 sports, health, or similar social clubs or organizations; and costs incurred for
13 activities directly related to influencing employees with respect to unionization.
14 The department ~~shall~~ by rule shall exclude the costs of other items or services not
15 directly related to the provision of resident care.

16 2. Nonallowable costs include the education expense unless:

- 17 a. The education was provided by an accredited academic or technical
18 educational facility;
19 b. The education expense was for materials, books, or tuition;
20 c. The facility claims the education expense, annually, in an amount not to
21 exceed the lesser of one-half of the individual's education expense or three
22 thousand seven hundred fifty dollars; and
23 d. The amount of education expense claimed for an individual does not exceed
24 fifteen thousand dollars in the aggregate.

- 1 3. The education expense may be claimed the year in which it is expended.
- 2 4. For any individual who receives education assistance, the facility shall enter a
- 3 contract with the individual which stipulates a minimum commitment to work for the
- 4 facility as well as a repayment plan if the individual does not fulfill the contract
- 5 obligations.
- 6 5. An individual who receives education assistance shall commit to a minimum of one
- 7 thousand six hundred sixty-four hours of employment after completion of the
- 8 educational program for each year education assistance was provided by the
- 9 facility.
- 10 6. The facility shall report the education expense separately on the facility's cost
- 11 report. The expense is allowed as a passthrough and is limited only by the fifteen
- 12 thousand dollar maximum per individual.
- 13 7. If an individual defaults on a contract and education expenses for the individual
- 14 have previously been claimed in any report year, the facility shall report the
- 15 amount of repayment on the facility's cost report in the report year in which the
- 16 default occurs.