

**FIRST ENGROSSMENT
with Senate Amendments**

Sixty-first
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1433

Introduced by

Representatives S. Meyer, N. Johnson, Schatz, Wald

Senators Nodland, Wardner

1 A BILL for an Act to amend and reenact section 50-24.4-16 of the North Dakota Century Code,
2 relating to nursing home rates; to provide an appropriation; to provide legislative intent; to
3 provide an effective date; to provide an expiration date; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Section 50-24.4-16 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **50-24.4-16. Special rates.**

- 8 1. For nursing homes with a significant capacity increase and for newly constructed
9 nursing homes, which first provide services on or after July 1, 1988, and which are
10 not included in the calculation of the limits of any cost category, the department
11 shall establish procedures for determining interim operating cost payment rates.
12 The interim payment rate may not be in effect for more than eighteen months. The
13 department shall establish procedures for determining the interim rate and for
14 making a retroactive cost settle-up for periods when an interim rate was in effect.
- 15 2. As soon as is practicable following the establishment of the procedures required by
16 subsection 1, the department shall apply the special rates for all affected facilities.
- 17 3. Notwithstanding section 50-24.4-19, the department shall provide for a special
18 care rate to be paid to a nursing home that has a capacity of fewer than thirty-one
19 licensed beds, was not previously a hospital with critical access designation after
20 May 31, 2009, and is owned and operated by a nonstate governmental unit.
- 21 a. To qualify for a special care rate, a nursing home shall document that the
22 nursing home's allowable costs are in excess of the standard nursing home
23 rates that are otherwise established in accordance with this chapter and shall

- 1 demonstrate to the department's satisfaction that access to nursing home
2 services may be jeopardized if additional reimbursement is not provided.
- 3 b. The special care rate established in accordance with this subsection may not
4 exceed the lesser of the difference between the nursing home's costs per
5 medical assistance day of care and the standard medical assistance nursing
6 home per diem rates established in accordance with this chapter or the
7 medical assistance upper payment limit established in accordance with
8 federal regulations.
- 9 c. For a new nursing home, the department shall establish an interim special
10 care rate that must be in effect for no fewer than ten months and no more
11 than eighteen months. Costs for the period in which the interim special care
12 rate is in effect must be used to establish a final special care rate.
- 13 d. The matching funds for the special care rate must be from municipal or
14 county funds.

15 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the
16 general fund in the state treasury, not otherwise appropriated, the sum of \$28,761, or so much
17 of the sum as may be necessary, and from special funds derived from federal and other funds,
18 the sum of \$337,114, or so much of the sum as may be necessary, to the department of human
19 services for the purpose of funding a special care rate for qualifying nursing homes, for the
20 biennium beginning July 1, 2009, and ending June 30, 2011.

21 **SECTION 3. LEGISLATIVE INTENT.** It is the intent of the legislative assembly that
22 before a political subdivision may provide local matching funding for the special care rate for
23 qualifying nursing homes, the governing body of the political subdivision shall submit the
24 question for approval of the funding from the general fund of the political subdivision to the
25 qualified electors of the political subdivision.

26 **SECTION 4. CONTINGENT EFFECTIVE DATE.** This Act is contingent on the state
27 department of health certifying to the legislative council, before April 16, 2009, that Richardton
28 memorial hospital has notified the state department of health that the hospital is releasing the
29 hospital's critical access designation.

30 **SECTION 5. EXPIRATION DATE.** Section 1 of this Act is effective through June 30,
31 2011, and after that date is ineffective.

1 **SECTION 6. EMERGENCY.** This Act is declared to be an emergency measure.