

**SECOND ENGROSSMENT
with Conference Committee Amendments
REENGROSSED HOUSE BILL NO. 1359**

Introduced by

Representatives Kreidt, Hofstad, Kempenich, J. Nelson

Senator Unruh

1 A BILL for an Act to create and enact section 50-24.5-02.3 of the North Dakota Century Code,
2 relating to basic care payment rates; and to amend and reenact sections 50-32-02 and
3 50-32-04 of the North Dakota Century Code, relating to assisted living facilities.

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

5 **SECTION 1.** Section 50-24.5-02.3 of the North Dakota Century Code is created and
6 enacted as follows:

7 **50-24.5-02.3. Basic care payment rates.**

- 8 1. The department shall establish, by rule, procedures for determining rates for the care
9 of residents of basic care facilities that qualify as vendors of an aged, blind, and
10 disabled persons program and for implementing provisions of this chapter. The
11 procedures must be based on methods and standards that the department finds are
12 adequate to recognize the costs that must be incurred for the care of residents in
13 efficiently and economically operated basic care facilities.
- 14 2. The department shall identify costs that are recognized for establishing payment rates.
- 15 3. For the rate year beginning July 1, 2016, the department shall establish the limits by
16 using the average of the highest and lowest rates from the 2014 rate year. The direct
17 care limit must be ninety-five percent of the average and the indirect care limit must be
18 ninety percent of the average. Beginning with the July 1, 2017, rate year, the
19 department shall adjust the limits by using the cost percentage change from the prior
20 two rate years, within the limits of legislative appropriations.
- 21 4. The department shall provide, by rule, within the limits of legislative appropriations, for
22 payment of rates paid by the aged, blind, and disabled persons program for a
23 maximum of thirty days per occurrence for leave days for a resident who is in a
24 licensed health care facility when the resident is expected to return to the facility.

- 1 5. Within the limits of legislative appropriations, the department shall establish an
2 uncompensated care expense of one hundred eighty days.

3 **SECTION 2. AMENDMENT.** Section 50-32-02 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **50-32-02. Licensing of assisted living facilities - Penalty.**

- 6 1. An entity may not keep, operate, conduct, manage, or maintain an assisted living
7 facility or use the term "assisted living" in its advertising unless it is licensed by the
8 department.
- 9 2. An assisted living facility shall pay to the department an annual license fee of
10 seventy-five dollars for each facility. License fees collected under this section must be
11 deposited in the department's operating fund in the state treasury. An expenditure from
12 the fund is subject to appropriation by the legislative assembly.
- 13 3. An assisted living facility shall apply annually to the department for a license. After the
14 fifty-ninth day following the notification of noncompliance with annual licensing, the
15 department may assess a fine of up to fifty dollars per day against an entity that
16 provides assisted living services or uses the term assisted living in its marketing
17 without a license approved by the department. Fines collected under this section must
18 be deposited in the department's operating fund in the state treasury. An expenditure
19 from the fund is subject to appropriation by the legislative assembly.
- 20 4. If there are one or more deficiencies or a pattern of deficiencies related to quality of
21 care or compliance with licensing requirements, the department may issue a
22 provisional license. A provisional license may not be valid for more than ninety days. A
23 provisional license may be renewed once for no longer than an additional ninety days.
24 If the deficiencies have not been corrected upon the expiration of a provisional license,
25 the department may deny the assisted living facility's application or revoke its license.
- 26 5. Religious orders providing individualized support services to vowed members residing
27 in the order's retirement housing are not subject to this chapter.
- 28 ~~5-6.~~ No more than two people may occupy one bedroom of each living unit of an assisted
29 living facility.

30 **SECTION 3. AMENDMENT.** Section 50-32-04 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **50-32-04. Assisted living facility health services - Limitations on hospice services.**

2 1. An entity may provide health services to individuals residing in an assisted living
3 facility owned or operated by that entity. For purposes of this section~~section~~subsection, health
4 services means services provided to an individual for the purpose of preventing
5 disease and promoting, maintaining, or restoring health or minimizing the effects of
6 illness or disability.

7 2. A tenant of an assisted living facility who is in need of hospice services and who
8 exceeds tenancy criteria, as determined by the facility, may remain in the facility only if
9 the tenant contracts with a third party, such as a hospice agency, or utilizes family
10 support, or both, to meet those needs.